



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Reference: Employment and Workplace Relations Legislation Amendment
(Welfare to Work and Other Measures) Bill 2005; Family and Community Services
Legislation Amendment (Welfare to Work) Bill 2005**

THURSDAY, 17 NOVEMBER 2005

ALBURY

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SENATE
COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Thursday, 17 November 2005

Members: Senator Humphries (*Chair*), Senator Moore (*Deputy Chair*), Senators Adams, Barnett, Fielding and Polley

Participating members: Senators Abetz, Allison, Bartlett, Mark Bishop, Boswell, Bob Brown, George Campbell, Carr, Chapman, Colbeck, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Forshaw, Hogg, Hurley, Joyce, Lightfoot, Ludwig, Lundy, McEwen, McGauran, McLucas, Milne, Nettle, O'Brien, Parry, Payne, Robert Ray, Siewert, Watson, Webber and Wong

Senators in attendance: Senators Fielding, Humphries, McLucas and Moore

Terms of reference for the inquiry:

Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005

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Committee met at 10.32 am**O'DONNELL, Mr Dave, Senior Counsellor, Counselling Unit, Riverina Institute**

CHAIR (Senator Humphries)—The committee has come to Albury today to take evidence in its inquiry into the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005. I do not think I will be repeating that introduction too often in the course of this inquiry! The committee would firstly like to thank the witnesses for providing evidence to us on these important bills. Some of you have travelled, and we appreciate the fact that you have done that at short notice. We also appreciate the effort that has gone into making submissions in a relatively short space of time. We have had a request from the *Border Mail* to take photographs today. Is it the wish of the committee that they be given permission to do that?

Senator MOORE—Absolutely.

CHAIR—We might have a request later in the day for television as well. I assume that that is also agreed to by the committee. Thank you. I will take that as read. We will proceed straight to our first witness. Welcome, Mr O'Donnell. Do you have any comments to make on the capacity in which you appear?

Mr O'Donnell—I have been employed as the senior counsellor at the Riverina Institute for the last 12 years.

CHAIR—Thanks, Mr O'Donnell. Witnesses are reminded that evidence given to the committee is protected by parliamentary privilege. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. I now invite you to make an opening statement. After you have done that, we will fire some questions at you, if that is okay.

Mr O'Donnell—Thanks very much. I am not sure if the committee is aware of my role or of what TAFE counsellors do. Essentially, our task is to provide personal vocational and educational counselling to enrolled TAFE students and people contemplating such studies. I was pleased to have the opportunity to come and talk with you today because I wanted to convey some of my concerns about what appear to be some of the implications of the proposed changes.

Poverty is a very real issue for people in their studies. Many people come to us who are, for instance, on disability support payments and parenting payments who are looking to use TAFE as a vehicle to acquire skills which will enable them to be competitive in getting back into the work force. At the moment these people are assisted by payments such as the one-off education entry payment of \$208 and payments such as the pensioner education supplement. My understanding is that the PES is doomed to disappear with these proposed changes. This year, Centrelink have had some sort of change in their processing of PES payments and there have been serious inconsistencies in the payment. This has caused serious financial problems for many of our students, who have simply stopped studying.

There is no doubt that there are costs associated with study—the costs of attendance, transport, meals, consumables and the like. People on benefits do not have any spare funds.

Every cent is accounted for. These people encountered significant difficulties this year because of the inconsistency in payments. I can only conclude that if there is no payment that will severely impact on the ability of these disadvantaged people to access training to enable them to become competitive in the job marketplace.

I am also concerned in that we have a significant number of people who are on DSPs, with acquired brain injury, with intellectual difficulties, with psychiatric difficulties—for instance, severe anxiety disorders—and these people are already appearing on our campuses feeling pressured to do something, pressured to get into training in order to be able to find work. I can you give some case studies, if you would like. Would that be useful for you?

CHAIR—Yes.

Mr O'Donnell—I have half-a-dozen or so here. The first one is a student referred from a brain injury agency with comorbid severe anxiety disorders, being pushed to attend TAFE and then to find work. The work simply will not be there for these people. They will not be competitive in the marketplace. The increase in pressure will only increase the symptoms of their anxiety.

The next one is a 50-year-old multiple sclerosis sufferer with difficulty in overcoming anxiety, who finally got to TAFE this year. It was a significant step for this person just to get out of their own room. They have had trouble attending this year because of PES payment difficulties. With the loss of PES, I think that person will retreat to their lounge room.

I refer to the case of a 50-year-old male with chronic knee injuries, who diligently seeks work, only to be knocked back when he fills in the 'yes' box indicating his previous two workers' compensation payments. The next one I refer to is a developmentally delayed male with ADHD, literacy and anger problems, being pushed to TAFE to get skills to go and get work. Again, he will not be competitive with a bright-eyed, young, eager, able-bodied worker. He is simply not able to compete in that marketplace, no matter what you do with that person. Would you want him to have a boning knife in his hand, for instance, anyway? That is a serious question.

The next one is a 55-year-old depressed woman with learning difficulties, who finds TAFE studies to be the only way of stimulating herself and staying sane. She can only afford to attend with PES payments. They stopped; she stopped attending. I refer to the recent case of a divorced 56-year-old woman who had to seek work after having been out of the work force for 30 years because of her role as a mother. There is also the case of a 50-year-old female former nurse who is severely incapacitated by rheumatoid arthritis. A local community college placed her in a computer course—the sort of bucket course for people with poor vocational guidance. It is a matter of saying, 'If they're injured, therefore they can do a computer course.' She was barely able to uncurl her hands. Her GP ultimately removed her from the course because of the exacerbation of her injuries.

The need to get appropriate vocational counselling is a professional concern of mine. Mickey mouse guidance is given to people when we are really regarding significant life decision making with severe issues. Many people who come to us are happy to take up work if appropriate work is available. The skills shortages that we see in regional Australia as well as the capital cities are just that. Most people who come through us do not have those skills

and no amount of training is going to make them competitive with a stainless steel worker or an electrician in getting into the construction industry or whatever.

I fear for the pressure that is going to be placed on these people by being removed from their DSP or parenting payments, being plonked onto the Newstart allowance arrangement and then somehow being expected to get out into the work force to find 15 hours of work conveniently from nine o'clock to 3.30 pm. I wish enough of those jobs were around, but they do not appear to be. I wish the child care was available, but I am afraid it is not in rural Australia. I wish the training courses were available, but with reduced funding to training fewer courses are available for people in our rural and remote areas. Those people encounter things like time, mobility and cost barriers to accessing training at provincial centres. How is that for a beginning?

CHAIR—I think it is fairly clear. Thank you very much.

Mr O'Donnell—I should say I am also concerned about what appears to be a potential loss of income for some of these people with the movement from their DSP and parenting payments to the Newstart allowances. I understand that that might vary from approximately \$40 to \$70 per fortnight, depending on the nature of the benefit now. The people I see do not have spare money. I talk with people who budget down to \$2 a week. These people do not have a capacity to take income losses. Many of the people I work with probably do not have the capacity to process what is meant by a warning and the implications of that warning by failing to comply. That may be because of, again, their brain injury difficulties, their attention deficits, their mobility and relative homelessness and their difficulty in getting information in an organised way. We need to be very careful about penalties and the application of these penalties for noncompliance, let alone what I think are some of the implications of the expectations of compliance for the mental health of some of these people.

CHAIR—Thank you very much. I appreciate that the legislation has only recently been tabled and it is hard for everyone to be across all the details. I certainly do not pretend to be at this stage across all the details either. My understanding is that the parenting payments as such do not disappear—they do continue for a large number of people who are presently on them. In fact, anybody already on the parenting payments until 1 July next year will continue to receive those payments but will be required to enter into the work force or to seek work until their child turns 16. Presumably the continuation of parenting payments to those people would mollify your concerns to some extent.

Mr O'Donnell—Only for those people. My understanding of this—and I presume you folk would be more au fait with this than I—is that we are essentially beginning to create a number of classes of people who are looking to receive parenting payments. Those on existing parenting payments will be protected from being forced to get back into the work force for 15 hours a week when their primary school age child has to toddle off to school or something. The existing people on the payments are normally being nudged toward TAFEs when their youngest child is turning 14 or 15 to consider the implications of training and re-entering the work force and the like, because the benefit dries up when the youngest child turns 16. So there is one category of the existing people. There seems to be another category of the people who are yet to have children and are not yet accessing those payments. So two levels are being created.

I understand there are slightly different arrangements for sole parents, but again there is the implication that these people will have to get into the work force to find work for 15 hours a week. A lot of people want to be more active parents. They want to be able to go to their school and read to their children in the classes. They want to take their turn at the canteen. If their children are sick, they want to be there and able to attend to their needs. I did not think these were new values; I thought they were old-fashioned values.

CHAIR—You also spoke about the concerns that people with disabilities already have—those who are on your campus and worried about the changes. Perhaps they are not aware that those in receipt of a disability support pension, as of 10 May this year, when the changes were announced, will continue to receive the pension under the present DSP rates. There are no participation requirements or obligations on them to seek work at all. The only requirement is that if they are assessed as having the capacity now to work more than 30 hours a week they are expected to go into the work force.

Mr O'Donnell—I understand that there is a change in the criteria—that a person currently on a DSP has been deemed to be unable to seek work for 30 hours a week. And I understand—I can only repeat what my understanding is—that now there will be two levels of consideration. People will be on a DSP only if they are unable to actively be in the work force for 15 hours a week. Then there is this other category of 15 to 29 hours a week, which will have an altered set of implications and expectations. People will be placed under some sort of mutual obligation requirement as a Newstart allowance recipient as opposed to a DSP benefit recipient. These are the people I am concerned for. There may be some people who would be delighted to get away from their pensioner status and to be able to get back into the work force. Many of these people would love to find appropriate work. My concern is for the people who are simply unable to. There is going to be an increased expectation and pressure on these people when the work is not there. I know you are not here to debate the IR changes, but there are so many vulnerable people who are not successfully negotiating their claims and who are being exploited now in the hospitality industry. To have those people somehow pushed into a work force where they are going to be made more vulnerable—I am frightened for them. I am trying not to be overly emotional but I really am concerned about the implications for a number of people in our community.

CHAIR—I was addressing that point you raised about anxiety among existing DSP recipients. I am just making the point that they need not be anxious, because if they are already on the pension they will not be affected by these changes. Presumably, those who are not yet on the pension, who perhaps have a disability that is—

Mr O'Donnell—Having a grandfather clause for today's generation is one thing and may be a sop to them, but that does not protect tomorrow's benefit recipients. And they are going to be there. I have only been a psychologist for 27 years—I am only just learning the job. These people have been there all that time. So, in 27 years time, they will be there. They will need to be protected. I think it was Tim Fischer who said a society should be measured by how it looks after its most vulnerable people. I wish Tim was sitting on your bench, because I think some of that wisdom or philosophy needs to be applied when we are looking at the needs of this sector of our community.

Senator McLUCAS—Thank you, Mr O'Donnell, for coming along today. I reinforce the chair's point that you have had to rustle together your comments in quite a quick way. Certainly, we have been concerned about the time frame that this inquiry is being undertaken in.

Mr O'Donnell—I thank you for that consideration; but I was delighted to have an opportunity to chat to you.

Senator MOORE—Like most psychologists!

Senator McLUCAS—We wanted to come to a regional area because the experience that you have working in a regional area is slightly different than it would be in more urbanised areas. I am interested in your comment that the work simply will not be there. Could you explain some of the realities faced by unskilled people—the people who you are dealing with—but particularly—

Mr O'Donnell—Okay. Just as an example—

Senator McLUCAS—I have a second part to the question. I am particularly referring to people with disabilities. You have said that the barriers are time, mobility and cost. Can you give us some practical examples of that? How hard is it for unskilled people and people with disabilities?

Mr O'Donnell—I would like to pick up on the first part of that—the availability of work. A position was advertised as a sort of teacher's aide in a special education facility. There were 150 applicants for the job. It was a 9 am to 3.30 pm job. That meant that 149 people did not get that job, and they wanted it. I offer that as a single anecdote. The notion is that there are convenient hours, 9 am to 3.30 jobs, there for single parents or people looking to consider the needs of their family as well as their need for income and work. They need to work and find integrity, reward, discipline, a social life and all the things we get from the world of work. But those opportunities are not easily available. If they were, I would be delighted to stick them on the wall at the TAFE campus, as I do. We have a job list that comes out to us weekly from our local employment agencies and so on. It is a combined effort. We whack it on the wall. I would love for the work to be there, but it simply is not. Putting pressure on these people does not create the work. Training them in TAFE campuses too, sadly, does not create the jobs. Our experience is that the work is not there. I can only repeat that.

As far as the barriers go, let us look at the relative richness that we enjoy in Albury-Wodonga. It is a good provincial centre. I enjoy living here. I am proud to. If we go out into the sticks to places like Tumut and Finley, where we have little satellite campuses, we find that funding to run courses for people to give them the opportunity to get skills pathways to get work and so on has dried up. The array of courses that we can put in front of people is diminishing. Then what are the options for these people? In Finley I am a long way away from the Albury TAFE campus. How do I get here if I want to study? Do I relocate my family? Do I come here and board during the week at additional cost? Do I drive every day? How do I access that sort of training if I want to get away from my trap that I am in at the moment? There is no easy answer for those folk. I wish there was. I think the solutions are really more in job creation. Obviously, I believe in skills pathways; I work in the industry. Does that answer your question?

Senator McLUCAS—It does. I am glad you identified that the city of Albury-Wodonga is a fairly affluent area in a relative sense.

Mr O'Donnell—In comparison, yes. I am not sure how Canberra sits in comparison, but certainly it is a lot grander than Rutherglen.

Senator McLUCAS—The experience of those people in more remote places will be exacerbated even further.

Mr O'Donnell—Yes.

Senator McLUCAS—I think you have made that point quite well. You talked about people being provided with mickey mouse guidance. You seemed to be saying that the people were being referred to TAFE. I am interested to know by whom—not their name. Is it by Job Network agencies?

Mr O'Donnell—That will be the case sometimes, because these agencies are in the private marketplace, where they have to be competitive. They have to get through numbers. To get a person into training is some sort of an outcome, as I understand. Therefore, there is a financial reward for the agency for doing that. Sometimes agencies use us to do their work. To an extent, we are happy to do that if we are helping individuals. I am not sure if the government purse is supposed to be propping up the supposedly private agencies with their income. When I talk to those agencies I find that the intention is essentially good. There are many people in employment agencies whom I work with who I think are very honourable people. I feel like saying, 'Brutus was an honourable man.' I do believe that there are many honourable people working there. I am just concerned that too often pressure is placed on people, even if they are employment agency employees, to move people to another destination, to another category. I am not always convinced that there is a professional examination of their capacities, of what is appropriate for them and so on.

Senator McLUCAS—It is potentially setting up people to fail.

Mr O'Donnell—We are. People are forced to turn up to workplaces to apply for a job. They walk in and are embarrassed by their incapacity to compete. They get another knock-back and dawdle away; they have satisfied a mutual obligation because they have turned up. What that has done to their self-esteem and to their employment prospects, I have no idea.

Senator McLUCAS—You can only predict that it probably is not helpful.

Senator FIELDING—Mr O'Donnell, as someone with 27 years practical experience, which is quite impressive—

Mr O'Donnell—It shows!.

Senator FIELDING—I would like to get your thoughts about a couple of figures. You mentioned training. From what I understand, people who go to study full time under the new arrangements will be \$63 worse off a week. How would that impact, knowing that people are already struggling sometimes to afford or to fit in training? We are trying to encourage people to move from welfare to work, and training is potentially one way. I note that you have also said that the jobs may not be there, but we will cover that a bit later. How do you think that \$63 loss would impact?

Mr O'Donnell—I think it will have a serious impact. Senator Fielding, I would like to clarify that people are eligible for the pensioner education supplement even if they are on a percentage of a full-time position. There are two levels of PES payment. If people are on the 25 to 49 per cent load, they will be eligible for one level, which is about \$30-odd a fortnight. If they are on a disability benefit, or if they are working more than 50 per cent and are on something like a parenting payment, they will be eligible for that second level of \$62 or \$64 per fortnight.

Again, I can only give you anecdotes. For instance, one of the people who came had one car in their family. For that person to attend TAFE the wife had to drive him in and then drive home and pick him up at the end of the day and then drive home. There was no public transport link. The person was suffering from a physical disability, so getting up and down steps of buses and so on was not terribly handy. They were not studying enough hours a week to be eligible for a mobility allowance, which they could have been eligible for if they were putting in an effort of something like 30-plus hours or something a month and they were on a four-hour a week course. That was four car trips a day for that benefit-income household, for which they could only afford to put the petrol in the tank if they got the PES payment. The PES payment stopped. They rang me and said, 'Dave, we just can't get there. We can't afford the petrol.' That is the sort of anecdote that is typical of the people who are living on the fringe. We have to understand that benefit recipients do not have luxuries. They do not have that layer of fat. There is no spare money for these people, so the loss of \$63 or whatever a fortnight is critical. I think it will add a significant financial barrier to accessing training.

Senator MOORE—Mr O'Donnell, I have a question about the awareness level in the community. You are in a specialised position, because you are dealing with people in the TAFE environment. People know there will be a change, because that has been put out there, but I am interested in your assessment of how aware and how knowledgeable people are about how they fit into the system.

Mr O'Donnell—I move within a number of circles. Amongst professional colleagues there are concerns. When I said to a couple that I was coming here they said, 'Fantastic. Get down there.' Our teacher consultants for people with disabilities said, 'Great. Go down there and let them know what it's going to mean.' Amongst those folk there is an awareness. We have a number of people for whom I have to ring Centrelink, who are standing on my shoulder and who are unable to process the letter they have from Centrelink. They are unable to understand the implications of the letter. They may have literacy problems in accessing just the words. I have people for whom I have to write things down because, while we can discuss things and get meaning, the next day they will have forgotten what we said. They are some of the client group we are talking about here. How aware of this are they? I could only guess that they are not very aware.

Senator MOORE—Are you aware of anything that is being done locally? In a community as well integrated as Albury-Wodonga, are you aware of anything that is being done to address that?

Mr O'Donnell—No, I am not.

Senator MOORE—What do you think should happen?

Mr O'Donnell—Are we talking about before or after?

Senator MOORE—Generally. You are in the field; you raised some issues with us. In terms of a process, what should happen?

Mr O'Donnell—I think a lot of these proposed changes should not happen. I would like to see more support rather than less support. But as far as informing people is concerned, I think the Centrelink staff are going to need to be trained. There has been a lot of localising of the decision making with Centrelink. Some people who have been able to refer decisions off or highly specialise will have to make more decisions locally—for example, what constitutes 'mutual obligation'. To do that, some of our front-desk people on Centrelink counters clearly need to buff up their level of skill and understanding. They are going to have to communicate this to their client group. That is a task for Centrelink, if these proposed changes go through. A lot of people will be very confused and uncertain about what they are supposed to be doing. Some of these people are not easy to access. Some are; some are very astute and very able and discerning people who are able to intelligently analyse all of this and the implications of it. But there are others who are not. So there will be a need to do that. I do not work out in the field or with a community group in this way. I am a psychologist in an office on a TAFE campus. That is my job.

CHAIR—You mentioned that there were concerns about access to child care and that a lack of access to child care would make it difficult for people to take up employment.

Mr O'Donnell—Certainly.

CHAIR—If the system were to exempt from participation people who were not able to access child care, would that make the system that is being proposed a better system, in your opinion?

Mr O'Donnell—Certainly, that would mean that one problem that could be being created will be to some extent eased. I understood that there was not yet verification in the legislation about decisions like access to or financial viability of child care. I know that on our TAFE campuses, our big, grand campuses of Wagga and Albury have a child-care facility but our campus at the National Environment Centre at Thurgoona does not. Our campus at Corowa does not. We have child care in three out of 17 facilities. Our child-care facilities are always full—always overfull. People say, 'I'd like to do this course but I just can't get the child care.' If people are feeling pressured to go and do something and they cannot find child care, if that pressure is eased, I would be grateful. But that, in itself, does not make me say, 'I'll buy the whole package.'

Senator MOORE—Not quite enough to say, 'Go for it'?

Mr O'Donnell—No. It is just one of many things that concern me that I hope I have communicated to you this morning.

CHAIR—Thank you very much, Mr O'Donnell, for your evidence today.

Mr O'Donnell—Good luck in your deliberations and thank you for the opportunity to talk to you. I appreciate it.

[11.04 am]

FISKE, Ms Catherine (Kate), Employment Consultant, Personnel Employment Albury Wodonga Inc.

FRASER, Mrs Tracey Lee, Employment Services Manager, Personnel Employment Albury Wodonga Inc.

SANGER, Ms Christine Therese, General Manager, Personnel Employment Albury Wodonga Inc.

CHAIR—Welcome. You are reminded that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. I now invite you to make an opening statement. The committee has your submission before it. Thank you very much for providing that. If you would like to make any statement in addition to that, we would be very happy to hear that, and then we will ask you some questions.

Ms Sanger—Because I was only contacted about this on Monday, we have been frantically trying to get something together, so this is what we have come up with.

CHAIR—We appreciate that and we have made allowances for that.

Ms Sanger—I will probably refer to this, if that is okay.

CHAIR—Of course.

Ms Sanger—Even though I was reasonably familiar with the legislation, when I looked at it closely I realised that perhaps I was not as familiar with the detail as I could have been. Our agency is now called by DEWR a disability open employment service. We have been operating in Albury-Wodonga for 19 years as a disability specialist employment service. I have been managing that service for 18 years, and my colleagues here have been working there for a long time too. Our overall experience is really extensive in this area. I think it is really important to highlight how different we are from a Job Network. A lot of people do not realise that we exist. There are 300 of these agencies in Australia, and we are battling to maintain the need for our services for people with disabilities to get them into employment. We believe we have been very successful, but we provide a lot of support and services that ensure that success—though we would really like to put the case that this legislation, particularly the enhanced Newstart, is going to make things fairly difficult for a lot of people.

We have an office in Albury which has 240 clients. If you are familiar with employment service areas, I also have the area called Sturt which is where Griffith and Deniliquin are. It is about 300 kilometres from here and it is a very large geographic area. They are the two major centres. Griffith is a reasonably sized centre—a step down from Albury-Wodonga—and Deniliquin is a very small town.

I have tried to outline the major issues for us and I know that someone from our industry body is following me, so I am going to be specific just about what happens in the country and how we see that these changes will affect us. We have just gone through the process of applying for the uncapped places—if you are not familiar with my terminology, please tell

me—but with a certain amount of concern. We knew we had to apply for that. Although we have our capped places, we are concerned because we are not sure who is going to fit into these so-called uncapped places and what the definition of this new group of people will be. These are the people who are going to be identified as being able to work 15 to 29 hours for a two-year period. We tend to believe that they might be some of the people we currently have.

We think that splitting us up into the two areas—we will have two funded services—will not be addressing the group properly and we can see that there will be a lot of confusion; even though I know that everyone thinks the distinction is that they are going to need longer term support. When we have looked at our current client numbers, we noticed that 50 per cent of them are on the disability support pension and the other 50 per cent are often on Newstart, youth allowance or some other arrangement—they might be the wife or husband of an income earner and be supported that way.

Probably the biggest difference between us and a Job Network agency is that no-one has to come to our agency. People have always come voluntarily. I think that is a really big difference between us and a Job Network agency. There has never been any compliance for people to attend, and they are still coming. I have been involved since the Disability Services Act commenced, when we were going to promote people with disabilities and make them feel like normal human beings in the community, and among the younger generation there is certainly a strong feeling for that. When a lot of kids come out and go to Centrelink they do not want to be tagged or have a stigma of DSP, so they go on Newstart and youth allowance payments. We tend to think that even though half our client group are in that category, it is not because they do not have a disability; it is just that they prefer to be part of the mainstream.

Our recommendation there is that we would really like to have just one stream. We welcome them being uncapped, because that has been an issue. We feel at the moment that we are managing with the numbers we have. There are two services operating in Albury-Wodonga and there are two services operating in Griffith.

CHAIR—Two open employment services?

Ms Sanger—Two open employment services—one in Wodonga and one on this side of the border and two in Griffith as well. That has come about because of our expansion and the change into this big ESA, which we are about to take over anyway because they have not been able to survive. We feel that, yes, we would like places to be uncapped, because that gives us more opportunity to bring people in as they come in and we are quite happy to meet their needs. Our funding is just based on people coming in, and we get funding if people want to use our service. If they want to leave our service, the funding goes. We would welcome all of our places being uncapped.

We feel that the new enhanced Newstart is going to be a deterrent to people who have now felt confident and capable of coming to us. In the main, the people we deal with have a mild intellectual disability or a learning disability such as Asperger's—and there are lots of strange disabilities that are linked with learning and with people not being able to cope in the system. We have a specialist mental health area as well, so we are dealing with people with depression, schizophrenia and bipolar disorder. All of these people are keen as mustard but

they require the right sort of assistance. They cannot just come in, do a resume and be contacted if a job comes up. We provide a much more supportive environment for them.

This new system is going to frighten them. I heard Senator Fielding mention before about their reduction in come. They have managed to work out a way to manage their funds, and this is all going to change and they are going to have to learn something new. As Dave said, there is no fat, so they are living on and trying to work things out with the amount of money that they have. They are going to be frightened because they do not have any confidence in their ability to secure employment. That is why they come to us, and we are able to identify their skills and abilities and promote and support them in being able to apply for jobs that they might not have felt that they could apply for themselves. In most cases, they would certainly not be able to do it on their own. We go in as an advocate for them.

If they get caught in this compliance system, that is really going to throw them. We already spend a lot of time sorting out people's issues when they have been on part-time employment with Centrelink. We have people who get into all sorts of trouble because they have overspent their money—or underspent—and do not find out for five or six years. When all of a sudden they have a big debt that they have to pay, we have to go in and help them. As I said, when they get those letters from Centrelink they may not be able to read them, and even if they can read them they may not properly comprehend them—and I suppose any of us who get a letter from Centrelink get a bit frightened. But these people panic and ring us up and say, 'What are we going to do?' This is also part of the service that we feel we have to provide, and we feel this system is going to create more work for us because we are going to be the people who are going to have to go in and try to sort it out—that is, if they get referred to us. They could get referred to a Job Network agency where they might not get that same sort of support.

The whole mutual obligation issue with people having to go in and to register and say, 'I've looked for so many jobs this week,' is not going to fit with them. Apart from the fact that they know that, when they walk through the door, people are not going to talk to them properly anyway, they are used to us being able to go in and promote for them. Some can do it but not all. I would say that a good 80 per cent of the people who register with us need that sort of support. They are not confident people. A lot of them have been long-term unemployed or have come out of a sheltered workshop situation or, if they have had a mental health problem, they may have been out of the work force for about five or six years and are just recovering from the illness. Particularly for people with mental health problems, this is likely to really hinder their recovery because it is another level of anxiety they are going to have to face. It is going to stop them from even putting their foot in the water and seeing how they go. We work differently with people with mental health problems than we do with people with other disabilities.

There is a process called rapid reconnect, which for some reason is linked only to the Job Network and is not linked to disability employment services. So, if a person with a disability ends up in the situation where they have had a job through our agency and then they lose it, they go straight back to Centrelink and are referred to the Job Network, which can apply for uncapped places. Does that mean that Job Network is going to take them up and that there is not going to be a proper sort of assessment of their need and that they will not be able to

choose what sort of service they need or will not be referred to a service that is appropriate for them?

It is probably a bit late to do this now, but I do not think there is a reason for an enhanced Newstart to encourage people with disabilities. They were coming and looking for work. I am not sure what the percentage is of the current number of people on DSP who use our agencies. I would say that it is at probably the lower end, but I cannot really identify why there is such a large group. I do not know that. But certainly all the people that we have had over 19 years have come in confidently wanting employment, knowing that they were going to get the appropriate support to be able to get jobs and to keep them.

Another concern we have is that the new assessment process is going to be based on a medical assessment. I know the government has to assess people somehow or other, but even with as much experience as I have I would not be able to tell a person, after interviewing them for an hour, how many hours they could work and for how long. I am not quite sure how this is going to be done; I am sure they will have ways and means of doing it. We are continually working with medical people, trying to get professional reports to submit to Centrelink for eligibility et cetera, and they do not have a knowledge of the labour market. This is where we are different from a lot of people because we understand people with disabilities and we understand the labour market. You cannot get a degree or a certificate in it; you just have to work through it and know it. So we are often not recognised as professionals for that reason.

We always have to get medical professionals' reports to classify whether or not a person has a disability, which is reasonable. It is just this misunderstanding: the medical professionals err on the side of making them look good for employment, which inevitably makes them not eligible for our service. So we have to educate them a little. The downside of that is—and this has been happening for about the last six or seven years—that we now have to ask people who come in and who have built themselves up to feeling good about having a disability, that it is not a problem et cetera: 'What are you like on your worst possible day? How bad are you? How bad is your disability?' That is what we have to concentrate on. We have to be really negative about it, in order for them to become eligible for our service.

I think these assessors have to have a clear understanding of our services. We seem to be unknown. We have tried to make sure Centrelink know what we do and yet they still seem to be unclear about the services we provide. The assessors must have a very good understanding of the different services that employment services provide. Dave talked about the changes in the labour market. From my time with the organisation we cannot find as many good jobs for people with higher support needs. Once upon a time this was a big manufacturing town. We could find employment that was steady, straight and consistent. When we started, we had a lot of people with intellectual disabilities who went from the sheltered workshop into those jobs. Now it is different. The employers want multiskilled people in whatever job. They need them to learn. They need them to have an IT background. Often they need them to have some sort of certificate of compliance. The people we are dealing with are usually long-term unemployed, usually low skilled or semiskilled. It is increasingly difficult to find appropriate employment for them.

We do have the capacity to go in and talk to an employer to try and get them to identify a job that the person could do and to perhaps leave some of the more skilled areas to someone

else. It is part of how we sometimes negotiate employment for people. But, as Dave said, a lot of the people with learning disabilities, intellectual disabilities, and even the people who are suffering from mental health disabilities, may not have strong learning capacities because of their anxiety and fear of failure et cetera and they cannot be sent off to learn how to fit into the new work environment. There is still an element of that. I am not sure how we address that, but that has changed the nature of the people that we have coming into our employment service. They are certainly lower support needs people than they were, say, 10 years ago. We had higher support needs people using our agency about 10 years ago. The people we are seeing are now perhaps at a level where they are not able to use a Job Network system.

I think I read in the bill that the new assessment process is not taking into account labour market conditions. I think that is critical. Employment opportunities are very dependent on the availability of employment and, obviously, in the cities there are a lot more employment opportunities that people can choose. You can identify, 'This person can work in a call centre,' so you can go out and find a call centre. You are not going to be able to do that here. You are certainly not going to be able to do it in Griffith—and definitely not in Deniliquin. So I think that the labour market conditions have to be taken into consideration. Even transport is a huge problem for people getting to and from employment. If people are going to be suspended or to suffer a breach for those things then it just does not seem fair.

The other thing that concerns us, which I touched on before, is the potential for a wrong assessment. The assessors are not coming out of the employment department; they are coming out of the Department of Family and Community Services. They are going to be all medical people and I do not think they will have an employment background. Although we feel the client group we have now are quite able, saying they will receive support for two years is going to be the critical point. It will need to be identified whether people do not need support after two years. We have people who have been working with us for eight and 10 years, even longer, some with quite significant disabilities. They look good and present well. They try and present well—and they will—because they want to look like they can get a job. Our theory is they go to an assessor, and they do this to us, too, and want to look good, so they will say: 'Yes, I can read. I can do this and that'—it is a bit hard to think of an example.

I feel that, as good as the assessors might be as psychologists, they are not going to pick up that these people might be good for a short period of time and will not need support, but then when things go wrong they are going to lose it. So we are concerned that the people we currently have in our capped program are going to be the group that are going to be assessed as eligible for the uncapped program and they will just get lost, because Job Network providers are going to have some of that and Centrelink are going to make the decisions on where people are going. We are not going to be able to continue to do what we have done in the past—that is, when there has been any change in the employment or when a person might need to be moved up a level then we have gone back in and supported and trained them. We have probably maintained people in their jobs for longer periods of time because of that ability to continually keep in touch with the employer. Some people need a lot of time, some people do not.

The other issue is about the mobility allowance being changed and made more restricted after July 2006. We feel that there still needs to be the broader capacity for people to be able

to access mobility allowance, particularly in the country areas. An example is in Griffith. The wineries are 15 minutes out of town and there is no public transport for people to be able to get there. A majority of the people we have do not have a licence or cannot get a licence and so have to pay taxi fares. That becomes a difficulty too. I am sorry for going on for so long; I will stop there.

CHAIR—That is fine. That has been very useful, thank you. I would invite Mrs Fraser and Ms Fiske to make a statement if they wish to, but we are running quite short of time. Is there anything that you need to say?

Mrs Fraser—I would like to make a very short statement. With regard to the Welfare to Work changes, on 10 May there were a lot of people that had a disability and they have been protected. On 11 and 12 May there were a lot of people with a disability that were coming on board looking for benefits or looking for work and they are not getting the same level of assistance as the people who were there on 10 May.

People with a disability wake up every morning with that disability and they go to bed every night with it. They are different; they have different needs. People who are on parenting payments: their child will grow up and their situation will change. A person with a disability: their situation will not change, ever—and they cannot be put into a mainstream environment and have mutual obligations placed on them when their needs are different. You cannot expect a person with schizophrenia to be well on the day he presents at the worker capacity assessment. Two years later he can still be unemployed because of the fears of the employers, because he is not being marketed correctly and he is not being monitored and he is not being assisted. You cannot send off a person who has an intellectual or a learning disability to work for the dole for 25 hours a week. They do not have the skills. They need a different level of support from society to find their place in society.

CHAIR—Thank you very much. I appreciate that you have had to prepare a submission at short notice and that some elements of the legislation might not be clear. As I said earlier, it is not necessarily clear to all of us yet either to some extent. My understanding is that, as you point out, Mrs Fraser, clients of organisations such as yours are, as of 10 May this year, insulated from these changes—there is no requirement for them to participate and they will receive their DSP on a continuing basis. I also understand that labour market conditions are taken into account in assessing a person's requirement to participate. Things like lack of particular skills, having a medical condition that would be incompatible with a particular kind of work, not having access to appropriate care and supervision or access to child care if they happen to be a carer as well—all those things are taken into account in assessing whether a person is required to participate. You gave an example of a person who lived out of town and did not have their own means of transport. That sort of person almost certainly would not be required to participate, as I understand the rules.

A critical question about the legislation is how to assess a person's capacity to work. For people with mental illness, particularly schizophrenia and so on, it is obviously fairly critical having their assessments made accurately. We have to see how the system deals with such people in assessing their capacity to work. The only thing we can do is to see how that might work in practice.

You said that all your clients at the moment are voluntary clients—that you do not have involuntary ones—and that, therefore, you have a different style of service from Job Network providers. I put it to you that an able-bodied person who is in the job market may or may not be anxious to be there; they may or may not wish to be seeking a job. Job Network providers have to deal with that fact as part of the range of services they offer to job seekers. Some will genuinely be looking for jobs; some will be in that position reluctantly. That is just the nature of the client base they deal with. Why, fundamentally, should an open network provider be any different from that? Why shouldn't they need to cope with the fact that, presumably, some people with disabilities are anxious to work? Presumably, they are the ones you are seeing at the moment. Some may not actually wish to work or may need some encouragement or a bit of pushing to be able to go out into the work force. Why shouldn't you have to deal with both those sets of clients, as other job providers or facilitators presently have to do?

Ms Sanger—We are quite comfortable to work with them. My point was that a lot of the people were coming anyway. They are not necessarily trying to avoid work. They want to work but they want to go into an environment that is not too harsh for them. The way we look for work for people is to go out and talk to employers. We identify what area the person can work in and what sorts of things they are looking for and then we go out and talk to employers about trying to find a position for that person. With the new IR laws, we are going to have to negotiate conditions as well as trying to get the employer to take on a person with a disability. If we have a negative person with a disability, that is going to make it fairly difficult to get employment. To be honest, we have not had a lot of experience with people who have been negative. I have worked in the CES for six years before I came into this employment, and I know that people who do not want to find employment can get up to all sorts of tricks, such as not turning up, turning up without shoes or whatever. I imagine the same sort of thing will happen. I am more concerned about people on the disability support pension or enhanced Newstart who will feel threatened about losing their safety net, if you like, in terms of being open to trying to find employment. They are more my concern. We are quite comfortable to go with that. We know that we have to go that way, but it will certainly change the nature of the work we do, and it will make it more difficult for us to find those people jobs. We have one barrier and another will come up with IR reforms in terms of negotiating salaries et cetera.

CHAIR—Presumably, there are difficulties in the market for able-bodied people in the same way, aren't there? It is a fact of life that some people do not want to be in the general job market.

Ms Sanger—Yes. For people with disabilities we have to be niche marketers, though. We have to try to fit around their disabilities. The obvious one is trying to put a tradesman who has lost all his skills into a job using a computer—they just do not fit; they cannot learn and are not interested in learning to use computers—whereas, if he did not have a disability, he might have been able to go into some other employment if he had lost his trade. Other people can go and learn what needs to be learnt.

We have had quite a lot of problems with a big company here called ION. The people that they are taking in now have to be a little bit more highly skilled because they have to learn all the skills around the whole of the unit. So, rather than having just the one skill and learning

something very simple and straightforward, they have to learn about 10 different things. Once upon a time we would get a person with quite significant intellectual disability into a simple job like that, but we now have to have people who can learn and change. Even though we go out and train them, we have to train them on each single one and we have to monitor that, and so they have to have a higher level of intellect to be able to manage that. So it is the capacity to learn and the capacity to be able to work in with the new labour market environment, if you like, that is becoming the difficulty for us in that area.

CHAIR—We heard from our previous witness that the areas where job shortages exist are basically jobs where certain skills are required and that those without skills now have very little chance of getting into the job market. Is that the case for people with disabilities? Are people mainly seeking people to be employed in positions where certain skills are required that are difficult to acquire?

Ms Sanger—Yes. That is exactly what is happening to us. Even in the manufacturing areas, where it might be a very basic skill, they are being required to do more. We have had a few attempts at getting people through apprenticeship systems. Particularly in the chef area, we were able to get people in the hospital here, for instance, but the training was quite static and set. However, when they came out of that system with their apprenticeship, they found it very difficult to get employment. They had to be very specific about where they would find employment as a chef—maybe in small motels, but certainly not in any big kitchens where they would have to think fast and move quickly.

We have started to take the tack now that we do not want to put people up to fail. It is all very well for TAFEs to put people with disabilities through into anything through their courses, but in the real world, in the workplace, there are a lot of requirements on the person to perform, to think quickly and to move around. We have managed it. People have got their jobs and we have managed to find jobs for them, but they are not brilliant jobs and they are limited. I could not say that, even though this is a town with a lot of hospitality opportunities, we can find opportunities for all these people. We now have about four or five kids with chef apprenticeships and the hard thing for them is to take a kitchen hand position when they have a chef qualification. That has been an area where there has been a lot of push to try to get people with disabilities into the VET sector, but you are training them up into areas that they are not really going to be able to be good at.

Mrs Fraser—Could I just add to that? A lot of employers—and especially the bigger ones that you would assume are more supportive of a diverse workplace—have assessment tasks and testing at the start. The first interview process is to sit down and do a written exam. If you do not have literacy and numeracy skills or you have an intellectual disability, you might be able to do the job at the other side of that exam, but we cannot even put them forward for those jobs because the exam is in front of them or the testing is in front of them. So that is stopping a lot of people being able to move forward. Those who could do that two- and three-tasking job and move forward, cannot read or write—but they could learn to do the job.

CHAIR—But isn't it your role as a service provider of these services to negotiate with employers to explain that, so that you get around those sorts of problems?

Mrs Fraser—It certainly is, but at the same time it is an easy out for an HR department to say that everyone has to come through the same process. A lot of smaller employers will bend the rules, and so we get people in the door, but the larger employers do not. They either use a labour hire company or they contract out their recruitment. It is a barrier put in front of people with a disability.

Ms Fiske—It is a component of OH&S, of course. So you must go through that process. I would have to say that my greatest concerns about the legislation are first of all—and we have touched on this—the work capacity assessments, the episodic nature of many people's illnesses, the unidentified nature of many people's illnesses and the fact that employment is always seen as providing skills. Very often, employment can actually reduce a person's further capacity to take on employment. They need to be directed to the appropriate services. Yes, we are disability open employment. I suppose we are saying that our concern is that, whilst we are taking people off DSPs and putting them on the enhanced Newstart programs, they are not going to be getting the assistance that they require. They are not going to be getting the understanding that they require. There is a major push on people to go to work to better our nation and our resources. At the same time they are not taking into the individual considerations, as they should be, as to whether that will enhance the individual's life, the individual's skill development and the individual's potential to take on something further down the track but not right there and then. That major push, for some people, will mean greater debilitation in their life. That is my major concern.

Senator MOORE—We could talk for hours. I want to ask the same question I am asking most people: what degree of awareness is there about this program? You are in the field; it is part of your work. How much is known about the Welfare to Work program, and what is the reaction of people when they come up against it? I would like to get something on record. Ms Sanger, you said that you had to go back and review the stuff before you came to this committee. I am sure that is a bit of an issue. I want to get some indication of just how much is known about what the Welfare to Work changes are, how they will be implemented and what information and sharing of information about it there is in the community at the moment.

Ms Sanger—I am pleased that the Job Network providers now know about people with disabilities, through having to apply for the funding.

Senator MOORE—You have been seeking that for a long time.

Ms Sanger—That is exciting. I attend industry conferences on this. Someone rang me last night who is going to appear here and who works in the disability field. We work with some of his clients. He had no idea about the uncapped or capped or the changes. It will not affect this person. I do not think anyone, outside our industry anyway, knows about it. Maybe Job Network providers know a little bit more now because they have applied for it. I am sure that they would not know the implications of it, which is why we are trying to stand up and yell. This is not out in the broader community. Our clients would not really understand the changes.

Ms Fiske—A couple have come in, anxious at the thought—

Ms Sanger—They are frightened about their pension being reduced.

Ms Fiske—Yes, so they come in very anxious about that. Income is a person's major concern. There is no room for reduction in income for people who live on benefits. Even if it is \$30 or \$20 a week, every cent counts.

Senator MOORE—At the local level Albury-Wodonga is a pretty well-resourced community. It has a lot of people working together and there are community advisory groups and all those things. Has there been a lot of discussion about the impact of Welfare to Work in Albury-Wodonga?

Ms Sanger—We are not very good at getting together. I will qualify that by saying that at one point we were, but since the competition has been brought in between job networks and open employment services—we are now competing with job networks—that has all stopped. At one point we had service providers meeting in forums and we would get together. That seems to have dwindled away. I do not know why, but I am just saying that it is the competition. A lot of people from the old CES are in all these various places. I only know about our area. I probably do not know a lot about the parenting allowance and mature worker allowance, because they do not particularly affect us. We would know the most with respect to disability and we do not know it all. The broader community would not know.

Ms Fiske—It will affect a wide array of service providers. Because it is the area I work in at Personnel Employment, I can imagine that there would be a lot of mental health case managers who would then have discussions about employment, mutual obligations and Centrelink requirements with their clients. They will be people's concerns. The case managers will be advocating with and for people who have breached the system, maybe due to their inability to take these things on. We know that motivation is a major component of ability, and where motivation is lacking due to illness—and that may be an undiagnosed and unrecognised illness—there are going to be breaches.

Other service providers, such as those of drug and alcohol services, are limited. We know that there are major deficits in drug, alcohol and mental health services throughout Australia. These services are going to feel the impact of people being forced to undertake these obligations or attempt to keep work. If the job networks do not provide quite the specialised service we do, as we do some counselling support et cetera, other services are going to feel the impact of people who are taking on new ventures, whether they eventually have a positive outcome or a negative one. I think those things need to be discussed as a community and we need to recognise that other people will be providing services to support people in employment, because there is not going to be support within the job networks even though there is recognition of disabilities. People use their families and other service providers for that support, and that will be needed.

Ms Sanger—I think everyone is aware how under-resourced mental health support services are. They are reasonable here, but it is still not enough to support us. We have to work closely with them. They do not exist in the rural and regional areas, and our service ends up having to work with those people. It is an extra level of anxiety, and the difficulty for them will bring them back.

Ms Fiske—And how do others in the workplace feel about individuals who may be considered well enough to work 15 hours a week and who may take on that employment?

How does the workplace and how do employers really feel about having somebody who is episodically unwell in the workplace and who, at times, may not be able to maintain appropriate behaviour in the workplace? What does that say about people with disabilities? For all the positive promotion that may be in place, for all the subsidies that are there—which I consider to be saying, ‘We give you some money if you take on a hard case’—how does the workplace actually feel about supporting people who have a large range of needs? How do they feel about supporting people who need to attend doctors appointments regularly, who need counselling support in the workplace and who need somebody else to do some of their duties because they can only do some? How flexible is the workplace going to be to fit these people in? That is my greatest concern.

Senator MOORE—Are you resourced to cope with what you would have to do under the new system?

Ms Sanger—Are we resourced at the moment to take on more uncapped? I believe we could manage it, yes.

Senator MOORE—But you are already taking over the other one that is falling over.

Ms Sanger—I think this is going to happen with small agencies. They are having trouble complying with all the things you have to comply with. We are probably just large enough to manage but we are a member of STAR Australia, which is a national consortium of mental health services, so we are trying to keep a foot in both camps in case we do not cope. At the moment we feel good, but they have just found it too difficult to manage.

Senator MOORE—Thank you.

Senator FIELDING—The work capacity assessment is obviously of some real concern. The potential is for someone to be assessed a certain way and all of a sudden have to go onto the Newstart type arrangements. Do you feel there are enough checks and balances in place that, if someone is diagnosed or assessed incorrectly, they will be reassessed in some way? Or have you not got that far through the legislation?

Ms Sanger—I am not sure how closely that has been looked at. I am not sure about that detail. I hope that it can be done quickly and before they lose their money, because they just end up in a mess and someone has to go out, get the electricity and everything put on for them, and pay their rent. They lose it, and if they are our clients they will run to us, because the other support services are not necessarily there for them either.

The other thing that has happened is that all the people that we have supported over the years might not be in employment if we had not been there. They have a bit of a false sense of security in a way in that they think they can manage a lot of things. But when things outside the employment field fall down, like they get married and have kids, the supports are not necessarily there. We try and limit our assistance to just what is going to affect their employment, but we do end up doing perhaps a bit more than we should just to keep the person going in their job. We fix up things. That certainly means working with Centrelink and sorting out things that go wrong with Centrelink. We have had some big things happen that we think were not the person’s fault but they have ended up having to pay the fines, and we have had to set up a way for them to be able to do that. Those people certainly could not have managed it on their own. If they had not had us there, I do not know what would have

happened to them. I suppose they would have been breached and Centrelink would have cut them off or whatever.

I can see people not understanding these suspensions. They do not get to them quickly enough. They might ring us, but it might be three or four days after they have had the letter. They are not going to pick up that they are in strife or they have trouble. Some people might not contact us and might not know what to do. People with mental health conditions might just withdraw and say, 'It's all too hard,' not come out of their house and become unwell again. I know that sounds dramatic, and it is not going to happen to everyone, but it certainly will happen to a goodly lot of them. It does sound like we are talking for the majority.

Ms Fiske—With the work assessments, because people come freely to us—and I am sure those on DSP still can—there may be a large component of people who are assessed as eligible for DSP and not required to undertake the Newstart obligations who we find jobs for. We know the labour market and what we can negotiate with employers, although that is changing and becoming difficult. There are some people who others might deem unable to work and put on disability support pensions. There might be a fear that, if they are not pursuing employment, they will be automatically be switched over to those obligations. They may fear that they cannot do that in their own time or space, with consideration of how long it might take for them to find a job, or that they cannot just explore the options. So maybe the work assessors, if they are not aware of the labour market, are also not referring people. Maybe people on DSP do not get that opportunity to work. We work very closely with people about whom somebody might have said, 'How's he going to work?' or 'How's she going to work?'

Ms Sanger—A big incentive in the past has been that two-year safety net. People were frightened of losing their pension et cetera, but the two-year safety net gave them some opportunity to come out and try and see if it would work for them. That was always a good thing. I believe that is still there for people on DSP.

Ms Fiske—Yes, that is excellent.

Ms Sanger—Having something there that means that they can have a go without losing too much is a positive thing for people who are quite vulnerable, who are ill in some cases and who do not have many of the social skills.

Ms Fiske—A client said to me only yesterday with no awareness of this that he has been quite capable of canvassing for a job as a coach. He has his coach licence but he has very little experience. He has canvassed throughout Melbourne, in Albury and the Golden Valley for a position. He is quite defeated. When we discussed everything, he said, 'I couldn't do all this if I didn't know that my DSP was there.' It was really important for him to know it was there. He has been a joint business owner as well. He fights to overcome the things that he finds difficult and truly show his abilities, but without DSP that safety net underneath him will be gone. He is a person who will remain on DSP, but these new people coming in are going to be people like him and they are still going to need it. He would be assessed as quite work ready and capable of doing 38 hours a week. He has done that at times and then gone back to the DSP when he has not been able to do it any more.

Mrs Fraser—To add to that, we have a client at the moment who has been employed with the one employer for 15 years. We have been providing on-the-job, ongoing support for 15 years—probably more support in the last year than in the previous three. He is about to lose his job. He is going to be penalised when he goes to Centrelink. He will be put on the new regime and he will be penalised, because he has been working for the last 15 years. That gentleman should be on a DSP. He has a very significant intellectual disability, but the fact that he has been working with our support for 15 years will actually be held against him. He will not be put back on the DSP because he has a track record of being able to work.

CHAIR—Has there been some sort of deterioration in his mental state or something that has led to that?

Mrs Fraser—Yes, there has, but the fact that he is capable of working 38 hours a week and has been doing so for the last 15 years is not going to go very well for him.

Senator FIELDING—Just for the record, how would that person be worse off if he came back out and was assessed under the new system?

Mrs Fraser—He will be put in an uncapped place. So we will be able to find him another job and provide up to two years support. He will lose that job after that two years.

CHAIR—My understanding of the system is that a person who is not capable of working independently with a program of support is capable of going back onto the DSP under the new arrangements. It can be assessed afresh and a person can move back into the program, if that is deemed to be appropriate to their circumstances.

Mrs Fraser—Okay.

CHAIR—But, again, that is a detail that we need to check on as we go through these matters. We are going to have to leave it there, because we are running badly out of time. Thank you very much for providing us with your submission at very short notice and coming in to speak to us today.

Ms Sanger—Thank you very much for the opportunity.

[11.57 am]

WINDSOR, Mr Travis James, Manager, Albury CVGT

CHAIR—I welcome Mr Travis Windsor, representing CVGT. You are reminded that the giving of evidence to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence may constitute a contempt of the Senate. We have a two-page submission from you. Thank you very much for doing that at short notice. Would you like to add anything to that submission before we ask you questions?

Mr Windsor—CVGT is the largest Job Network agency in Albury. The only thing I did not cover in the submission is Work for the Dole. We are starting to tell people that will be affected by the new changes what is coming up and we are finding that a lot of them are going out and getting work or that a lot of them were doing cash work and they are all of a sudden starting to declare. That has been fairly positive. I am a bit concerned whether we are going to have enough programs in Work for the Dole to satisfy the need.

CHAIR—Why are people now declaring the cash work when under the previous arrangements they were, presumably, not declaring?

Mr Windsor—It is now too hard for them to get out. They would have been, say, working 25 hours a week cash. Now they cannot work it around Work for the Dole. So they are saying, ‘Well, I’ll declare it.’ Then they get the super and all the rest of it. The people that are to go onto the Work for the Dole will now actively seek work rather than have to lose so much of their time when they are not getting paid.

CHAIR—Is it your impression that there are significant numbers of people who receive Newstart who would be earning cash undeclared?

Mr Windsor—I think there is a big number.

CHAIR—Would you hazard a guess as to what proportion—10 per cent, 20 per cent?

Mr Windsor—Consultants would tell me at least every day of numerous occasions.

CHAIR—You say in your submission:

Overall, the Welfare to Work initiative will benefit CVGT by giving us access to more job seekers. The downside is that some of these job seekers will have barriers to work.

What sorts of barriers are you talking about there?

Mr Windsor—It is hard to place someone with a disability. We really have to work. We have reverse marketers who go out and approach businesses. They will try to sell the person, maybe with subsidies or whatever. It is hard for us to place disabled people. Even with our whole resources getting onto it, we have trouble placing them. We do have jobs like kitchen hands; sometimes we have trouble filling those jobs. We have trouble filling admin jobs; we have trouble filling hospitality jobs. The parents coming back will really help us fill those jobs. The other thing with disabled people is that they have not had much training. They have not had to be in the work force, so they have not done their RSAs or their certificates in business admin, so they are hard to place. But once they come into the system, if we can get

them classified as disadvantaged job seekers, we can start paying for courses for them. Possibly that will overcome the problem to some extent.

CHAIR—We were told before that the jobs that are going begging at the moment are basically skilled jobs where certain minimum qualifications are required. Is that your impression or are there significant numbers of jobs?

Mr Windsor—No. Across the board, every day we have jobs that we cannot fill.

CHAIR—Jobs where low levels of skill are required?

Mr Windsor—Yes—admin, hospitality, that sort of stuff. So we are really looking forward to parents coming on board. There are some really good single mums coming through now who are very employable and they are getting snapped up.

CHAIR—Is CVGT the largest Job Network provider in Albury?

Mr Windsor—Yes. I think we get 52 per cent and Sureway get 47 or 48 per cent, so we are marginally bigger.

CHAIR—At any given time during a week, how many jobs unfilled would there be on your books that you have been looking for someone to fill for a while?

Mr Windsor—We have jobs that go back months that we have not been able to fill. We have a caseload of roughly a thousand. With the bypass, we get all these jobs coming in for truck drivers. So we find all our long-term unemployed with truck licences and we get them work. The vacancies keep coming in and then all of a sudden we do not have any truck drivers and that vacancy will sit there. It might be the same with cooks. We cannot get cooks or chefs. Then we have to access funds and start training up the caseload so that, as jobs come in, we can find jobs for them.

Senator McLUCAS—Thank you, Mr Windsor, for putting this together. Your evidence seems to accord fairly strongly with others who have talked to us today about the difficulty for people with disabilities to access work. You say that it is an area we need to focus on. How would you focus on it and what support would you need to do that?

Mr Windsor—If we can classify them as highly disadvantaged, which we probably would be able to because they come with a disability, we will be able to access funds for training and possibly wage subsidies, but I do not think the disabled people coming in would have a harder time getting work than, say, Indigenous people. We have a lot of trouble placing Indigenous. It is not just that: we cannot control employers. We have trouble placing people who are old or overweight. We have to work with them, maybe skill them up. It is a minor blip; it is not an insurmountable problem.

Senator McLUCAS—We had evidence from Mr O'Donnell this morning, who talked about people with disabilities on the so-called enhanced Newstart program not being able to access the education supplement. As a Job Network provider, how do you then provide the education if they do not have that supplement that will assist them to access training? Do you provide it directly?

Mr Windsor—To get funds we need to classify them as highly disadvantaged. If they have been unemployed for over 12 months then we can access funds. I am not sure about whether there is a separate education fund or not. We just get it from this Jobseeker account.

Senator McLUCAS—How much can that be?

Mr Windsor—In some cases for job subsidies we might say 75 per cent of someone's wage for six months. That can be something like \$10,000.

Senator McLUCAS—That is the subsidy?

Mr Windsor—That is a wage subsidy.

Senator McLUCAS—I am thinking more about the education.

Mr Windsor—With the training I have seen a course that we have paid for that was \$3,000. But generally it is RSAs, a certificate in—

Senator McLUCAS—What is an RSA?

Mr Windsor—Responsible serving of alcohol. You need it to work in the hospitality industry. You might get a certificate II in business administration for \$500. That would be more likely to be the amount—around the \$500 mark probably.

Senator McLUCAS—And they are provided by private providers or through the TAFE?

Mr Windsor—Through the TAFE. We have strategic alliances with all of the training organisations. We work with Personnel Employment that was talking before.

Senator McLUCAS—When you are working with potential employers to place a person with a disability, what are the sorts of issues in a regional centre that we as a committee need to be aware of? What are the barriers that they identify to you?

Mr Windsor—They are trying to make money, so they would think it negative if there was someone in a customer service role that had obvious disability. As far as manual work is concerned, they would expect someone to work the same as a non-disabled person.

Senator McLUCAS—Are issues of physical access an issue in Albury and Wodonga?

Mr Windsor—They could be in a manufacturing environment. In a customer service environment you have to have the access for your customers anyway, so most of it is in place. We will be able to overcome it and I am sure we will be able to find jobs for these people, but at the moment we have not focused on it. It is hard to say why employers would not take on disabled people.

CHAIR—Just on that point, the package that has been announced includes measures to modify workplaces, for example, to facilitate access. Do you think there would be many employers in Albury that would take up that kind of option?

Mr Windsor—They might take it up. A retailer might take it up and use that money to get access so customers can come in as well. They might take it up for a secondary reason. With the job shortage, if they have come across someone who is good, they might take it up to overcome a skill shortage. Generally it is pretty hard for disabled people. Even giving them that, it is still going to be tough. It depends on the person. We are very individual with our case management. I guess we are starting to stereotype when we think of someone in a

wheelchair, but it is much broader than that. There is the mental health and all the rest of it. You have to go case by case, so I could not really generalise on that one.

Senator FIELDING—You said you had about 1,000 jobs on the books or around that number.

Mr Windsor—Job seekers.

Senator FIELDING—How many jobs do you have roughly on the books at the moment?

Mr Windsor—At the moment we have open and closed ones that we have already referred people to. We would have 20 to 30 going at once. Between our caseload finding jobs for themselves or our placing them in jobs, we place about 50 people a month.

Senator FIELDING—How many jobs do you think are out there at any one stage? Obviously you do a fair few. You have 52 per cent of the market share within the area. How many of those jobs would be, say, somewhere between 15 and 17 hours a week, between nine and three o'clock?

Mr Windsor—That is really growing.

Senator FIELDING—So how many at one stage would you say would be out there?

Mr Windsor—We have hospitality—that is a growing thing: maybe as much as 20 per cent.

Senator FIELDING—So between the hours of nine and three roughly.

Mr Windsor—Between nine and three only?

Senator FIELDING—I am not talking after hours now. I am talking between 9 am and, say, 3 pm.

Mr Windsor—That would probably go down a bit. You might get kitchen hands, you might get administrative type people. That would be probably below 10 per cent.

Senator FIELDING—So at any one stage you might have about 20 or 30 jobs going?

Mr Windsor—Yes, and you might have three or four of those that would be perfect for a parent.

CHAIR—Thank you very much for your evidence today and for preparing a written submission at fairly short notice. We are very grateful for that.

[12.11 pm]

VEITCH, Mr Michael Stanley, National Chairman, Association of Competitive Employment

CHAIR—Welcome. I remind you that the evidence you are to give is protected by parliamentary privilege. You should also be aware that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. We have your written submission. Thank you very much for producing that in a fairly short space of time. I invite you to make any further statement you would like to make about your submission and then we will ask you questions.

Mr Veitch—I would like to commence by briefly outlining the role of the Association of Competitive Employment, or ACE. The Association of Competitive Employment is the peak industry body representing agencies that provide open employment assistance to people with disabilities across Australia. ACE was formed in the early 1990s and represents over 180 organisations nationally. Open employment services assist approximately 48,000 job seekers with a disability each year and have over the past 20 years seen significant benefits that work can bring to job seekers with a disability and their families. These include increased self-esteem, income, enhanced social networks and generally an enhanced quality of life. ACE members receive funding from DEWR to deliver open employment assistance across almost every region in every state and territory in the country.

Services have in common the desire to see an effective and streamlined service system for people with disabilities wanting open employment opportunities and a fair system of contract management for the service providers. Key roles for ACE are to represent the views of members to government and to provide information and resources to its members. ACE is routinely consulted on issues affecting service provision and invited to sit on government reference and working groups.

The organisation, as you have said, has made a written submission which contains more detail, so I will spend a little time highlighting some of those things. Given the short time frame for the inquiry, this submission is not as comprehensive as we would have liked. We welcome the opportunity to discuss our comments with you here today and appreciate the opportunity. We note that one of the government's key goals with this bill is to increase work force participation by those receiving working age income support. We applaud this goal, as it is also a key goal for ACE and our membership.

ACE welcomes the increased attention on employment assistance for people with a disability that the bill will provide in the future. However, we do wish to draw the attention of the committee to a number of critical issues identified in the bill that we consider are barriers to increased participation rather than enablers—that is, should the bill be introduced with no further amendments?

We welcome the inclusion of open employment services in the government's broader employment services framework, particularly the Australian government's ongoing recognition of the highly valuable contribution being made by open employment services across Australia. There is a significant difference between an open employment service and

the Job Network—that is, our industry’s commitment to the intent, the guiding principles and the disability service standards as outlined in the Disability Services Act 1986. We are committed to assisting government in the development of a fair and effective welfare to work policy. It is our view that there is a substantial and urgent need to develop a broader and more comprehensive national disability employment strategy.

Whilst Australia has been relatively successful in comparison with other countries in employment rates amongst people with more severe disability, much more can be done to further enhance work force participation of people with disabilities. Inaccessible environments, inflexible work practices, insufficient services and discriminatory attitudes all contribute to making it difficult for people with disabilities to gain and retain open employment. In addition to that, a lack of clearly articulated policies over time and low levels of funding have also contributed to lower job retention rates, lower promotional possibilities and limited scope in the variety of jobs offered. There is underrepresentation in the vocational education and training sector and poor school pathways for job seekers with disabilities.

To rectify this situation ACE is calling for the development of a national disability employment strategy, which would provide for better coordination of school to work, welfare to work, education, training and employer awareness initiatives. We believe such a strategy would serve to enhance existing welfare to work policies, tie in the proposed employer demand strategy and provide a consistent platform for future work and projects.

We also call for the consideration of disincentives to participation for people with disabilities, which are inherent in the design of the welfare to work bill. ACE considers a constructive suggestion which would go a long way to removing one of the inherent disincentives would be to allow a registration with disability open employment service as sufficiently meeting a person’s participation requirements. ACE is also adamant that the eight-week suspension arrangement must be reduced for people with disabilities. Job seekers who engage with open employment services currently do so on a voluntary basis, and this is considered a key success factor by providers nationally. ACE does not believe that an adequate case has been made to date which justifies the introduction of involuntary participation by job seekers with a disability.

ACE also has some substantial concerns about the compliance measures contained in the bill. The bill states that people with partial work capacity will be required to apply for a set number of jobs on a regular and ongoing basis in order to maintain their income support payments. We feel this expectation will create tension between the government’s expectations and the current operating procedures of disability employment services around Australia. We believe there is a conflict between this requirement and the disability service standards that open employment services work to nationally.

We also believe there is a demarcation issue relating to the capped and uncapped streaming arrangements. We also feel that people who are able to work 30 hours or more per week should be streamed to the uncapped program as opposed to the capped program. If you work 15 to 29 hours, it cuts off at 29 hours; if you can work 30 hours you would go to the previous arrangement. This seems to us to be a strange arrangement.

The reframing of some people with a disability as people with a partial work capacity should not negate the fact that individuals do indeed have a disability, which may continue to provide challenges and barriers, irrespective of their assessed capacity to work. We feel that existing DSP recipients should also benefit from the increased attention on the disability employment policy at this time, and also enjoy guaranteed access to employment assistance, should they wish to make use of the program. We thank you for the opportunity to comment today, and I am happy to answer questions from the members of the committee.

CHAIR—Thank you, Mr Veitch, for putting together a submission at short notice for the benefit of the committee. I want to put an issue to you, which I have also put to Personnel Employment Albury Wodonga. I assume that they are a constituent of your organisation?

Mr Veitch—Yes, they are, and they are a wonderful organisation. It is good to be in their territory.

CHAIR—It is very good to hear the mutual support there. They also made the point about their present client base being voluntary and that, under the new arrangements, there will be some involuntary clients in the base. They said that that would complicate the work that they do, and I accept that. But providers of services to able-bodied people have to deal with the reality that there are some people who are genuinely looking for work and others who are reluctantly looking for work. Why shouldn't providers of services of the kind that you and your members provide have the same mix of clients?

Mr Veitch—I guess that goes to the issue I raised about the demarcation between the capped and uncapped program. I am not sure whether the senators are aware of the industry jargon—

CHAIR—Actually, I am not sure that it does go to that issue. I think it is a separate issue. The capped and uncapped program is a question of how many hours each person is deemed to be able to work. I am looking more at the question of people who are involuntary participants—that is, those who do not actually wish to work at all. You make the point in your submission:

Open Employment Services have generally not been required to work with 'involuntary' jobseekers. This move is likely to have major ramifications for the sector, which was built on the principles of voluntary participation ...

I accept that it was built on voluntary participation in the past, but why not now deal with both sorts of clients, given that the system is obviously gearing towards putting an expectation on people who are deemed to have a capacity to work to be actively seeking work? Other Job Network providers are expected to deal with people who have that involuntary element about their participation. Why shouldn't your members also deal with that kind of client?

Mr Veitch—The success of our program for nearly 20 years has been based on the fact that there have been no mutual obligation arrangements and that people will voluntarily come in to seek employment. The service delivery model is structured around voluntary participation in a program, and it has provided for, we think, some of the world's best practice service models. We also believe it has delivered some of the world's best results with regard to quality indicators for outcome tenure and average wages.

The new area for our services—the mutual obligation partial capacity work force—is posing, it would be fair to say, some ideological conundrums for our sector. I am not saying that our sector will be unable to cope with that—I think we are quite an adaptable sector—but it will pose some issues with regard to the two client bases, the mutual obligation and the voluntary, and I suspect there will be different service delivery models. I think that tensions between the two within those services will take some time to work through. I have spoken to some Job Network providers. They have been in it for a number of years now, but some of them still struggle with the breaching arrangements in particular and their responsibilities with regard to that. In rural communities, that would be a problem in that everyone knows everyone. If you are breaching someone, it becomes quite threatening within your own community; it becomes threatening to your own personal reputation—and possibly safety, I would suspect. So there will be some ideological and service delivery conundrums within our sector. I do not think that we cannot overcome them. We are a very adaptive industry.

CHAIR—You say that, under current arrangements, there are insufficient guarantees of a return to pension if the person who has come off DSP, gone onto Newstart and got a job then loses their job. My impression is that the arrangements are fairly generous as far as that is concerned. Can you be more specific about the lack of guarantees—what specifically you would like to see there to ensure that the person is able to return to pension if their loss of a job, say, is linked with their inability to hold that job down?

Mr Veitch—If their inability to hold down a job is because of their disability, our view is that they should have automatic return to the pension—it is because of their disability, not due to other issues. It is really important for some disability groups, such as people with episodic disabilities, that they have the right to automatic return to the pension if they lose a job because of an inability to work caused by their disability. The current arrangements are that people have a two-year buffer, where if they lose their job because of their disability they can go back on the pension. We suggest that that automatic return to the pension should remain.

Senator McLUCAS—We have talked a little about the voluntary nature of open employment services and how important that is. I would like to discuss the nature of the involuntary client. Who is this person? You point to the Job Network disability support pension pilot conducted by DEWR, which clearly shows that most people—in fact, almost all people with a disability—want to participate; it is the other things that are stopping them. I want to know about your experience of the nature of the involuntary client. Who are they, what sort of disabilities do they have and why are they involuntary? And how many are there?

Mr Veitch—It is an interesting question. In the organisation, of which I am also the CEO, we have never had to work with an involuntary target group. I have taken the opportunity to talk to some of the Job Network providers to see what they have had to do, what sort of issues they have encountered and what the target group would look like. If I can use some of the industry jargon, currently people are streamed on ability level and there are funding bands for levels 1, 2, 3 and 4. I would be making some assumptions about this, but I suggest that currently the involuntary group would predominantly be at level 1, and possibly at level 2. I do not think that people with higher disability needs will be in the involuntary group, judging by the guidelines and some of the things we have been reading. So I would assume that people with, for instance, intellectual disability will not be in the involuntary group. One of

our concerns is demarcation—that mixing of types and possible stigmatising that people are all of the same target group, for instance when they go to the same agency. One of my questions to the Job Network providers was how they handle that, because a range of people go there. I received varying responses.

We are not really sure what we are going to get, because we have not actually had to work with people in the involuntary category before. I assume that people will have very different needs to those with whom we are currently working, with regard to their personal arrangements and possibly their personal support arrangements. Currently, our client group usually have strong family or peer networks that assist and support them into and out of training and employment. One of the issues we have is that, with the current disability streaming arrangements, people have limited access to vocational training, for instance, and a larger percentage access but do not complete the training. That is a significant issue which is a barrier to ongoing tenure in employment. There would probably be a similar arrangement for the involuntary group as well, in rural areas in particular. In Young, which is about three hours north of here, we run a service for a number of rural communities. Access to training and transport are always issues. They would exacerbate some of the issues we are trying to work with.

Senator McLUCAS—My gut feeling, which I am trying to test, is that this group of people would have high rates of mental illness and low family support. Their support needs would be much higher even than someone with a very high level of intellectual disability. But that is what I am trying to test.

Mr Veitch—You are probably right with regard to some of those comments. Under the current arrangements people still fall through the cracks. Episodic disability is very difficult to assess for work capacity. People today could be fantastically well and because of that they do not take their medication and because they do not take their medication they lose their job. That is a difficult thing to capture in whatever streaming or assessment process is put in place. The difference between Job Network and our sector is that, because of our ongoing support arrangements, we provide significant ongoing support post placement. That is one of the successes of our program. Over time we are able to support people through those peaks and troughs of working life.

Senator McLUCAS—And potentially stop them becoming involuntary—because of that level of support you are providing.

Mr Veitch—Yes. We have another concern about the involuntary group. If we have placed them in an employment position for two years and they lose their job, under the current arrangements they would not be able to go back on the pension. Our concern is that under the new arrangements they would come back in under the involuntary program and the job in jeopardy arrangement. They have effectively been moved from one to the other and it could be because of the episodic nature of their disability that they lose their job and their job is in jeopardy after the two years. We would certainly be encouraging the legislation arrangements to somehow capture that and make provision for that because it does occur.

Senator McLUCAS—As Senator Moore said, we could talk for hours, but I had better share the time. Thank you.

Senator FIELDING—Mr Veitch, in your submission you went through this bit about the uncapped and the capped. What do you see as the advantages of having that capped after two years if you are on 30-plus hours? What are the advantages of keeping it the way it is—having this idea of going to the uncapped? I know that you would be arguing the other way, but I am interested to know what your thoughts would be if you were arguing for it.

Mr Veitch—ACE's position on the 30 hours a week or more is that if they can work for 30 hours a week without support they should be in the uncapped program. That would free up places in our capped program for our current historical service users. We struggle to understand how if you work 29 hours a week you are in this program; if you work 30 hours you go back to the other one.

Senator FIELDING—If you had to argue the case for supporting that proposal, could you find any reasons to support it? I am trying to argue the government's proposed position. Why would you argue for that? Are there any reasons for the 30 hours a week to be there?

Mr Veitch—I think they should be in the uncapped program.

Senator FIELDING—You cannot think of one reason why you would have that arrangement?

Mr Veitch—No.

CHAIR—Presumably the capped program is less expensive than the uncapped one because it has limited duration.

Mr Veitch—We have been arguing for ages for the cap to be removed from our program for all people with disabilities because we do the job so well. We fully support the government's initiatives and moves to try to assist people with disabilities into the work force. That is what drives our sector everyday. We would just ask that you remove the cap from the program completely and not have two separate programs. We can just continue doing what we are doing. We have been doing it very well.

Senator FIELDING—It was not a trick question; I was just trying to work out whether you could think of a commonsense reason why you would argue for it.

Mr Veitch—It is very strange. My understanding of the bill and the service delivery arrangements is that if you are assessed at being able to work less than 15 hours a week you would go to the capped program; if you work 15 to 29 hours a week you go to the uncapped program; and if you are assessed at being able to work more than 30 hours a week you go to the capped program. There is a bit in the middle. We cannot work out what that is about.

CHAIR—What is capped, exactly? Is it the number of people on the program?

Mr Veitch—Yes. It is an appropriation. Our program nationally has a ceiling. The uncapped is a demand driven program that has just been introduced. Our sector has just gone through a rather harrowing tendering arrangement and we will find out in March who will be delivering the uncapped program.

Senator MOORE—I would like some clarification of the consultation your organisation has had in the development of the legislation. From my observation there have been advisory groups formed at a major level all around the place, but from your point of view as the

particular group that is really the specialist in this area of employment what kind of role has the organisation had in working with the government in developing the process?

Mr Veitch—With this particular legislation, very limited. We have a seat with a disability group and that is about it. It is only involvement at that level. As for individual, one-on-one consultation, we have not had any involvement at all. We have not been consulted—

Senator MOORE—As for the suggestions in your submission, which are quite concrete suggestions, has there been any opportunity to feed that to the government apart from today?

Mr Veitch—We have had discussions with the minister around some of these issues. Some of these are issues that we have been taking up for a few months now, not just around the legislation. Minister Dutton has been very good at listening to what we have had to say but, essentially, this is the first opportunity we have had to feed these things through.

Senator MOORE—I am asking everybody about how people are being informed about this process. The term ‘welfare to work’ has been around for a while in the ether. How much knowledge do people have about what is proposed? In your network—and you are really an umbrella body—what kind of information has gone out to the members of your organisation about the legislation?

Mr Veitch—Are you talking about the actual service providers or the service users of our services?

Senator MOORE—I am asking everybody about how much people know about the changes proposed. We know that they have changed a bit—we have read that in the media—but what do people understand about it?

Mr Veitch—That is a very good question. There is a lot of confusion amongst our service users in particular—not so much amongst our service providers. They have read the information in the media and they become quite confused about whether this is already enacted or whether it is about to be enacted and how it impacts upon them. So there is a lot of confusion amongst people with disabilities in general about this. I would strongly urge that there be clearer communication to the broader disability community about the legislation and the proposed changes.

As for the service providers, again there is a degree of uncertainty because there have been mixed messages via the media or limited information being fed through to the peak bodies about what is contained in the proposed legislation. There is a lot of second-guessing, I would suggest, about what is in here. The short time frame we had to make our submission made it very difficult because in working our way through the memorandum, for instance, we found things in there that we were not aware of. We are still working on those things now; we were unable to include them in our submission. I would strongly urge that either some extension of time be allowed or some other approach made to assist. I am aware of the parliamentary time frames, but this is such an important piece of legislation. It will impact on a significant number of people in Australia right across the spectrum of society, and we need to spend a bit of time getting messages clear and right and making sure that we have been able to accommodate all the issues that have been put up. I just think you need more time.

Senator McLUCAS—So do we.

Senator FIELDING—I quite like a bit of commonsense. You said that you raised the issue of capped and uncapped with the minister. It does not make sense to me, so I am just trying to work it out before I ask the question. What answer did you get from the minister on why that was the case? Did you get any?

Mr Veitch—Our discussion with the minister at that stage was around the preparation of the request for tender documents for the uncapped program. It was not so much in the context of this legislation, so when I say that we have had discussions with the minister it was about the actual program delivery. From our point of view, from a service provider's perspective, it would make a lot of sense to have that arrangement. It just does not seem to fit well. But our discussion with the minister was around the preparation of the request for tender.

Senator McLUCAS—Mr Veitch, a lot of people have been talking to us about how they feel about the speed with which they have had to put in their submissions. Even the chair has said that we all feel a bit at sea in trying to manage the complexity of the legislation in the time frame that we have been given. If your organisation, given your experience in this area, does wish to communicate to the secretariat and the committee, we probably have a week that we could use. If you have any further information or if there is further commentary that you would like to make, I would certainly welcome it and I am sure the committee would as well.

Mr Veitch—Thank you very much for that. You want something within the next week?

CHAIR—Let us say by lunchtime on Wednesday of next week.

Mr Veitch—We would really appreciate that. I will pass that on to our executive so we can do some more work on it. That would be wonderful. You want something in writing, obviously?

CHAIR—Yes, please. Thank you very much for your attendance today.

Proceedings suspended from 12.41 pm to 1.37 pm

PATTERSON, Mr Graeme William, Area Manager, Sureway Consultants

CHAIR—Welcome. Thank you for attending. I remind you that the giving of evidence to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. Because of the short time frame, a number of witnesses do not have written submissions for the committee, and I understand that you are one such witness. We are very interested in talking to you about the organisation that you represent and the things that the organisation does. Would you like to make a statement to us about the issues that the committee is looking at, before we ask you questions?

Mr Patterson—Yes. In making my comments, Sureway supports the government's view that all Australians deserve the right to participate in the nation's prosperity, particularly looking at the issue of skill shortages. The significant growth in the number of welfare recipients is certainly an issue that needs to be addressed. We take into account that the legislation focuses particularly on parents, people with disabilities, the mature aged and the very long-term unemployed.

Sureway as an organisation is a significant player in the Job Network industry, with responsibility for western and southern New South Wales. We service six employment services areas, which are Hume, Central Murrumbidgee, Sturt, Orana, Parkes, particularly far west New South Wales. Broken Hill, Wilcannia and Menindee certainly have some interesting issues that perhaps are not evident in other locations. We believe that there are significant opportunities within the bill, and the reforms, but I would like to discuss with you some of the challenges that I believe are there.

As an individual, I have been in the industry for 30 years, and I have seen a lot of changes in welfare reforms, particularly in the way that employment services are provided, so I believe that we have some valuable information to provide. Time permitting, I would like to leave you with a strategy that our own company has implemented to try to anticipate and move forward with some of the new cohort. I have 10 or 12 points that I would like to very briefly mention. Your questions might cover some of those issues, and perhaps you can come back and question me on those.

One of the key things that we as an organisation believe needs to be looked at is an improved tracking of placements and casual earnings between Centrelink and the Job Network providers. That is still an issue in the system. I am a very strong believer that there needs to be a very strategic, well-planned and industry based and focused marketing strategy to advise industry of what the new cohort is and the benefits of it. The job seeker screening instrument is providing some interesting challenges to us by the fact that, in the early introduction of the new cohort, a lot of the people that we are talking about were categorised as being eligible early for customised assistance and were classified as highly disadvantaged. Since the change in the screening instrument a couple of months ago, there has been a significant change in that, and that affects revenue. More importantly, it affects the availability of job seeker account moneys and diminishes our capacity to do what we need to do to assist these people. We have some issues with rural and remote Work for the Dole and the capacity

of communities to generate not only full-time but also part-time work for dole programs that assist the people on reduced work capacity.

I would like to make a brief statement about CDEP. The outcome duration is also important in terms of the new cohort in that perhaps the legislation and reform does not allow for a reduction in the 13-week and 26-week duration, which it currently is for Job Network members to claim an outcome. We strongly believe that the reform does not go far enough in terms of structured competency based training, particularly for the new groups. Importantly, there are quite severe restrictions at the moment in structured work experience. We believe that, in trying to address the government's needs and industry needs of a skilled work force and in addressing skills shortages, there should be a much higher focus on trying to get paid work experience or approved work experience that has some insurance coverage that is built into it that the Job Network can provide. Currently, that is not there, and that is a real barrier to us.

We see that the rapid connect process is very good, but that also comes at a resource cost. One of the things that does concern us is the compliance issue. We hope compliance does not fall squarely on the shoulders of the Job Network providers. People who have their benefits suspended or terminated often want to take out some retribution or abuse. There is a fear among some providers—and we do have some small rural sites—that those people may in fact take out their frustrations on us rather than on the system, so there is a safety issue there. We also have concerns about the skills base of Job Network members. Most of them are generalists—Sureway is. We need to be sure that we have sufficient time and perhaps some assistance through the program to reskill some of our staff, because we are going to be dealing with a different type of cohort. Other than the philosophical and ideological issues, we think that they are quite specific and process driven things that we would like the review to take on board.

CHAIR—Thank you. I am not quite clear about some of the things you mentioned. First of all, you talked about the 13- and 26-week periods in which an outcome must be determined. You feel that was not long enough—

Mr Patterson—No, I am saying perhaps it is too long. At the moment if a person is unemployed and eligible they need to be retained in a period of employment for 13 weeks for the Job Network provider to claim an outcome payment. If people have a reduced work capacity then the amount of income that they receive has been reduced with the introduction of a taper rates system. But it is still 13 weeks. We are not sure that some of the people who have previously received the disability support pension or parenting payments will have the capacity to last in an employment-related situation for 13 weeks and then a second 13-week period. We work on a 26-week block for interim and final outcomes.

CHAIR—Do you expect that there would be more people who would fail?

Mr Patterson—Yes. As an example, we can look at Broken Hill or far western New South Wales, where a large part of our client base is Indigenous. Other than CDEP there is limited work opportunity. So perhaps there could be some provisions there—an eight- or 10-week duration may be a fairer expectation compared to somebody who is more readily employable,

who is somewhere with more job opportunities and who can stay there for 13 weeks. I think it needs consideration.

CHAIR—Okay. You say the package does not go far enough in structured competency based training. I understand that at present there are quite extensive opportunities for training around job seeker accounts, and they would be accessible to those people coming into the system under the new arrangements. Is it the quantum that is lacking in the new arrangements, or is it the diversity of competency based training opportunities? What exactly is missing?

Mr Patterson—Can I give two examples. The first one is tied to the job seeker screening instrument. If a person is assessed through the tool as being eligible for customised assistance then they do come with the job seeker account money. It is not necessarily true that all people who were receiving the parenting payment or disability support will automatically go into customised assistance, and they will not automatically be categorised as highly disadvantaged. If they do not go into customised assistance then there is no job seeker account money. That is our concern: that you have to be assessed as automatically eligible for customised assistance and then the extra bit is if you are categorised as highly disadvantaged.

I will give you the example of the fee structure. At the customised assistance basic rate the amount available to spend is \$900. If they are assessed as highly disadvantaged it is \$1,350. Our fear is that, as suggested by anecdotal evidence at the moment, more of these people who are volunteering are coming through the system and are not eligible for customised assistance. Therefore they go into Job Search support services only and the job seeker account money is not available. We have no capacity to provide support and training or purchase goods and services unless the company—the Job Network provider—purchases it itself out of its own operating funds.

The job seeker screening instrument was changed in recent months and the score that people need to be categorised as highly disadvantaged was increased. The government indicated that that could have an effect of between five and seven per cent. We believe that in the last two or three months it has been much higher than that. Fewer people are eligible for customised assistance—I am talking about people on disability support, people with disabilities, single parents and people with single or partner allowance. That is a major impact.

CHAIR—Does this package carry any extra money for those sorts of training opportunities?

Mr Patterson—My understanding is that there is an employment preparation program that is being introduced and also the Wage Assist program for the very long term unemployed, but the amounts of money are smaller. What we want to do is to be proactive and engage these people from day one, and we want to be able to access moneys. We have concerns that that is not going to be the case under the current legislation, as I understand it. People will have to wait a period of time to become eligible, and that defers our capacity to intervene in their situation and move them through the process.

CHAIR—You also spoke about retribution against providers like you. What specific fear do you have that these reforms might lead to more retribution?

Mr Patterson—It is probably more of a general comment. But, with the rapid connect system—which we think is very good, because in the past you would go to Centrelink and you did not necessarily engage with your Job Network provider and the new systems say you have to—the concern for us is that if they do not attend and if we electronically advise Centrelink that their benefits are to be suspended or deferred until they do engage then their first port of call may well be their Job Network provider.

CHAIR—Some of the anger that was directed at Centrelink before might come towards you, the providers.

Mr Patterson—Yes, and whilst I am probably out of order I do believe that there has been a fairly major incident today at Centrelink in Albury with a customer making some physical threats against Centrelink staff. I was talking about this outside. A number of police were called with sirens and lights today, and I suppose the concern for me is that some of our sites in rural and remote areas are staffed by women. Some of them are single-person sites and we are not the only provider. This legislation does not provide for that—and I understand it is difficult—but if we are going to have a mutual obligation system and a very stringent compliance focus, which this has, it has to be recognised that there is going to be the odd negative impact. It concerns me for the welfare of our staff that we may cop the fallout of this new system.

There will be people who are misdiagnosed and there will be people who find it very difficult to survive. If the system does not pick them up and take into account their circumstances, it is quite possible that we will be affected. We are concerned about the increase in homelessness, domestic violence, crime and those sorts of things, because there are people out there who are not correctly diagnosed as well. Maybe it is an observational thing, but I think the committee needs to be aware that when you have compliance measures—and there is a result of the compliance: that is, you may not get your allowance and you do not get your income—then anger and aggression needs to be directed somewhere, and I would prefer that it is not directed at Job Network providers.

CHAIR—I understand.

Senator McLUCAS—I do apologise, Mr Patterson—I was caught up. I want to follow that issue along a bit further. If you have already said this then just tell me that. I also come from a regional centre and my office is in fact next door to Centrelink, so there might be one step between Centrelink and you, and that might be your senator's office, if you have one. The issue is with the nature of being able to breach in a small community and the difficulty that that puts on your staff in these circumstances. Have your staff talked about what their changed role may be and how they feel about that?

Mr Patterson—Yes, they have. For example, we have a small site in Corowa, which is 45 minutes down the road. It is a small rural settlement of a few thousand people. I have two staff employed, who are both locals, one of them being a long-term well-known resident. They are very reluctant to put into place the measures of breaching and payment suspension and the others because unfortunately they need to mix socially and recreationally with some of the client base. That applies a lot of pressure on people: you are withdrawing their income support today, and tomorrow you may well be playing netball, football or cricket with them or

going to church with them. So, yes, it has been discussed and, whilst under the contract we are expected to provide contractual obligations, we will do that. Again, I believe that the committee needs to be aware that there are concerns.

Senator McLUCAS—I think it is a very important point and one that is often overlooked. People do not recognise the nature of small communities. Thank you, Mr Patterson.

Senator FIELDING—I understand that you have a fair share of the Job Network within the area here—is that right?

Mr Patterson—Yes.

Senator FIELDING—How many jobs at any one stage do you have available on your books?

Mr Patterson—We have a target in Albury alone of trying to place about 40 positions a month, under our Job Network contract. That is an internal target.

Senator FIELDING—How many jobs on average are there, at any one stage, actually available in the marketplace?

Mr Patterson—One of the difficulties in putting a number on that is that there are 35 recruitment agencies in Albury-Wodonga. Sureway has 37.3 per cent of the Job Network business, but we actually have 50.3 per cent of job placement business. Our share is very good. At any one time, if you went through the newspaper, your local networks and every provider—private or otherwise—I am guessing that there would probably be 100 jobs, as an indicative figure. In saying that, 200 staff were made redundant from ION Automotive last Friday. The Job Network, through our own company and others, were involved in a re-employment strategy. Again, that puts a lot of pressure on the market. It is like closing down a small town. Three hundred and thirty people in the last 15 months have gone from the one company. Whilst we sympathise and we are trying to move a new cohort through, we believe that perhaps our first priority is to try and assist the 200 who were laid off a week ago. This is not directly related but, to answer your question, the market is pretty tight at the minute because those 200 people are out there working like billyo trying to secure some of the jobs that have not yet been advertised.

Senator FIELDING—It would be quite tough. I am trying to get a feel for the percentage of jobs that would be available between the hours of 9 am and 3 pm, say, for 15 to 16 hours a week, roughly. Are there many jobs out there?

Mr Patterson—A pure answer is, yes, there are positions, particularly in retail and in some hospitality areas. There is a large focus here on manufacturing and a large number of organisations or companies work on shiftwork. Some of the shifts are between six and seven in the morning and three in the afternoon. However, the suitability of some of the new client base—

Senator FIELDING—I am talking about between 9 am and 3 pm—school hours.

Mr Patterson—A very small percentage.

Senator FIELDING—I would have thought that. Could you give me a percentage?

Mr Patterson—Out of the available jobs that we would have, less than five per cent, using our own organisation as an example.

Senator FIELDING—Thank you.

Senator MOORE—I am interested in the awareness level about Welfare to Work in the community. The term has been thrown around for a long time now—for over 12 months, I think. You are in the industry and you are in a fairly well-organised community in Albury-Wodonga. Can you give me some idea of the awareness in the employment industry about the issues of Welfare to Work? From your own experience in the wider community from people looking for work, what do they know about these new changes?

Mr Patterson—In the broader community, unless you are affected by the changes, I think the knowledge is very minimal. Unless it hits you in the back pocket, you tend not to worry about it. I believe that there is very good awareness within our own industry, and there is certainly good knowledge within the educational fraternity and associated industries. Perhaps I could explain it by saying that in our industry Sureway, as an organisation, introduced what we call the Rhonda program. It is a bit like if you ring AAMI you talk to Amy, so our strategy was ‘ring Rhonda’.

Senator MOORE—Is Rhonda a real person?

Mr Patterson—No.

Senator MOORE—She is a made-up thing?

Mr Patterson—She is a made-up person, but she looks lovely in a cardboard cut-out on our site. We undertook to develop a strategy a few months ago to try to move forward, so we created posters and brochures.

Senator MOORE—Your blue one is upside down, but I think it must be the same thing. Does it have the same message?

Mr Patterson—Sorry! One is for if you are on a parenting payment and the other one is for if you are on a disability support pension. In conjunction with those we designed a range of brochures, which I am happy to leave with the committee. We supported that with some radio and newspaper advertising and other strategies to try to encourage a lot of these people, who believed they were job ready and ready to volunteer and had their child care and other issues in place, to come on board. So as an organisation we have distributed those posters and brochures in child-care centres, community centres, Centrelink and wherever we could get people to put them up across Sureway’s coverage—which is a lot of country New South Wales. That is what we are attempting to do.

To come back to one of my earlier points, as I said, I have been in the industry for a long time and I know that this is a major and significant change. I believe that we and the people that are affected and disaffected need the support of government, particularly to encourage industry to be aware of the changes and the real positive opportunities that are there to get mature aged people, parents and those on disability support back to work. Many of them have unbelievable skills, knowledge and competencies that are not utilised. We can do things on a local and a macro level, but I think there are some really big things there that government need to provide. To put it into context, if you can spend \$50 million on an industrial relations

campaign then perhaps \$10 million or a bit more on a welfare reform bill would certainly help us.

I have worked under both governments in the system, and I know that we really do need support. My view is that this is one of the most significant welfare reform changes for 50 years, and the broader community do not know that, and I think they deserve to know that.

Senator MOORE—I know it is early, but what has been the initial response to that program?

Mr Patterson—In some pockets of our company it has been very good and very encouraging, but perhaps what we are doing is attracting the people, as I said, who are job ready and have their issues fairly well organised. The numbers have dropped off in more recent times as our advertising has dropped back, because it is coming at a cost to us—we are not subsidised to do it. We want to get in early and try to demonstrate to government and to our contractor that we are aware and that we can achieve outcomes, but it is a long, hard road. As I said, the things that are affecting us now are the screening instrument and the number of people who do not go into customised assistance. If they all went into customised assistance then it would be much easier, but when you have a person who may have been on parenting payment for 10 years and they do not go into customised assistance, the maximum you might have to spend is \$11. You cannot do much with \$11.

Senator MOORE—I was unaware of that. I genuinely believed that the people who were caught up in this new program would automatically be assessed as needing that, but you are saying that there is a two-part assessment process.

Mr Patterson—That is not our experience at the moment. Prior to the legislation coming in, they have had a voluntary thing. Centrelink are proactively ringing people on parenting payment and disability support and encouraging them to volunteer. A percentage of those who come to us are not eligible for customised assistance and nor are they categorised as highly disadvantaged. I think that is one of the most significant issues that we need to deal with. If they are eligible then fine, but at the moment they do not appear to be.

Senator MOORE—I know it is difficult to make an estimate, but about how many of those people have not been eligible for that higher level of assistance?

Mr Patterson—Anecdotally, looking at the Albury site, perhaps one-third.

Senator MOORE—That high?

Mr Patterson—Yes.

Senator MOORE—One last question. In terms of the way that you have been able to feed your issues into the development of the policy, you had a number of quite specific points you wanted to tell us about today. What other opportunities have you had as an organisation, or part of the wider Job Network, to raise those issues with government?

Mr Patterson—Sureway is a member of NESAs. Within the last two days I have had a discussion and read some material, shared by Sally Sinclair, the CEO of NESAs. I will be talking to Sally again later today or tomorrow. Because of the notice on Monday of appearing before the committee I had not planned on doing a written submission. We have had an opportunity, but I must admit it would have been nice perhaps to have had a bit more warning

and then I would have been happy to present a paper. I think we have articulated most of our concerns, but there are many.

Senator MOORE—Regarding those 12 points on system issues which you have raised with us, which are quite specific—which Senator Humphries followed up—have you had the chance in the last six or seven months to give that information to the minister?

Mr Patterson—NESA has been our major forum, but direct interaction at ministerial level, no.

CHAIR—Thank you, Mr Patterson, for appearing today and, at fairly short notice, providing information to the committee.

Mr Patterson—I appreciate the opportunity, and I will leave the information with you.

CHAIR—The committee will receive those posters and pamphlets.

[2.07 pm]

PERMEZEL, Ms Jessica Clare, Project Worker, Council of Single Mothers and their Children

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Ms Permezel—I want to clarify that I am not from the National Council of Single Mothers. I am from the Council of Single Mothers and their Children in Victoria, which is an independent organisation. We do work with the national council, though.

CHAIR—The Council of Single Mothers and their Children is a Victorian based organisation, is that right?

Ms Permezel—That is right.

CHAIR—I remind you that the evidence that you give to the committee today is protected by parliamentary privilege and that the giving of false or misleading evidence may constitute a contempt of the Senate. We have a submission from you. Thank you for putting that together for the committee in the time available.

Ms Permezel—It was not easy.

CHAIR—I am sure it was not. I invite you to make a statement about your submission before we ask you questions.

Ms Permezel—Briefly, I would like to explain what we do at the Council of Single Mothers and their Children because I think that is what gives our submission, this inquiry and what I am going to state at this inquiry our strength—that is, we are a member organisation. Our work is directed by our members. We have a membership base of over 1,500 people and 99 per cent of those members are single mothers. What I tell you today will be coming from the ground—things that we are hearing day in and day out in the office.

We have two phone contact workers, as well as a project worker, a coordinator and of course a finance worker. Those contact workers are on the phone from the minute they walk into the office to the minute they walk out. They are dealing with all kinds of things—poverty being the absolute No. 1 concern; domestic violence being pretty huge, especially in rural areas; child support, which is linked to poverty; and all the barriers to single mothers working that the legislation perhaps does not address well enough. I could talk for ages but I reckon you are probably going to ask me the right questions.

CHAIR—We will try to ask you the right questions. We will certainly ask you questions of some sort. Generally, how do you see this gap between what a person on Newstart will be able to receive and typically what a mother on a parenting payment single receives? You make the point that the difference is about \$22 a week at the present time. You say that Newstart is not indexed or linked to the average weekly wage, which no doubt is true. My impression is that Newstart has in fact been increased from time to time and has retained much of its value, compared to what it was when it started and compared to other benefits payable by

government. You may or may not agree with that. I would like you to indicate whether or not that is the case, to your knowledge.

Obviously there is potential disadvantage for a person who moves from a higher allowance to a lower allowance, but there are many thousands of Australians who are already in the position of receiving Newstart allowances because they are in the job market and they seek work. They have to exist on that amount. That is, for better or worse, the community standard for what is paid for people who are considered to be eligible to seek and hold down work. Why should other people not be on that standard? Why should the fact that there was a high benefit in the past be a reason not to move people to that community standard for those who are seeking work in the community?

Ms Permezel—Because we are not looking Newstart recipients who are one sole unemployed person. We are looking at families. NATSEM a couple of years ago produced data that said an average family with two children spends \$300 a week just on the children. We are looking at a lower payment than that for an entire family per week. That is why.

CHAIR—For those who are families with children, of course, there are things like the family tax benefit and so on that are payable to them which are intended to compensate for such obligations on the part of parents. Again, there may be people who might have been in the work force for some time and who are now unemployed, for example, and who also have children. Why shouldn't single mothers be in the same category as those other people who are out there in the job market?

Ms Permezel—Because single parents are already doing a job. They are raising their children, which is the most important job in the world. Not all single mothers need or choose to stay out of the work force, but some do. Some have children with extremely high needs. It is episodic. When there is a separation, obviously that is going to be a traumatic period, regardless of whether there is violence of any description. In fact it may be a very amicable separation, but there is still a transition period that is huge and lengthy. Children need to be resettled, often in new schools. Often there is a need to move home. There is just re-establishment stuff, which is the very crux of separation. And then it goes on. Children get ill. Children have differing needs at different times. The child care is not always adequate.

We are by no means saying that single mothers should not work. We agree that that is the best way to pull people out of poverty. However, the conditions need to be there. It needs to be completely restructured right from the ground up. Family-friendly workplaces are the No. 1 thing necessary to get single mothers into work, but there needs to be child care. That is a condition of work. There needs to be access to good education and not just training courses through the Job Network. They may need to finish high school. They may want to do a degree or a postgraduate degree. The higher they go in their qualifications, the better job they are going to get and the less likely they are to require income support again.

CHAIR—I suppose the point I was getting at was that there would be other single mothers who would have been in the work force in the past—people working and balancing their responsibilities for caring for children, using child care or whatever, and they are expected, if they lose their job, to go onto Newstart while they are seeking another position. As I understand it—certainly under the new arrangements—they cannot go and claim the PPS.

Ms Permezel—Currently they can claim parenting payment.

CHAIR—Sorry; under the new arrangements, they would not be able to. You mentioned child care. As I understand it, inability to obtain suitable child care is a factor which would allow a person to retain their parenting payment in certain circumstances.

Ms Permezel—Which was an understanding that we had, and John Howard has been quoted as saying it. However, we could not find that in the legislation. We are still a bit confused about whether it has been written into the legislation or not.

CHAIR—We are told it is there. I cannot pinpoint it at the moment. But, if it were there, presumably you would be somewhat reassured by that.

Ms Permezel—Slightly relieved, yes.

CHAIR—On the point about the indexing of Newstart, is it your understanding that it has been adjusted from time to time to retain its value?

Ms Permezel—Yes. I would also argue that I have lived on Newstart, and it is no easy feat. And I am one person. It is not indexed to average weekly earnings or anything even slightly related. It just goes up by CPI.

CHAIR—It just goes up by CPI?

Ms Permezel—That is my understanding.

Senator McLUCAS—I have a couple of issues I would like to talk to you about. I want to go back to the issue of child care. I understand that there is some provision, although I have no clarity on it myself, about exclusion from mutual obligation on the basis of availability of child care. Have you thought through how the assessment of availability of child care might work?

Ms Permezel—That is a really interesting question. We are very worried that too often single mums are going to have to rely on informal child care. That is not always available at the drop of a hat. Many single mothers will probably be working casually under this package, so they are going to need to be available at short notice for shift work. Their mother might not be available between 3 am and 6 am. Family day care has always been a bit iffy. It is very hard to regulate. We continue to hear horror stories about family day care.

Senator McLUCAS—I have to say, as a single mother, I like family day care.

Ms Permezel—I like it too, but we cannot generalise about anything. There are good stories and bad stories. There are good people everywhere and there are bad people everywhere. So many of your more formal child-care centres have been privatised and are becoming more expensive and more difficult to access. I live in the city and I speak to women every day who have their children on 15 and 20 waiting lists of child-care centres. The 86,000 child-care places that have been provided for in this legislation are just not going to cover it. It is certainly not going to address the needs of older children—lower high school age children who still need supervision desperately.

Senator McLUCAS—I know.

Ms Permezel—And what do you do when they are sick?

Senator McLUCAS—That raises the question of affordability. Do you have any figures or feel for affordability, especially the issue of rural as opposed to urban based affordability of child care?

Ms Permezel—I do not have figures. I do know that every day I am told, ‘We can’t afford it,’ when it is available. But, more than anything, we hear that it is not available. I think that being on a Newstart allowance, which is \$22 a week less at base rate, once you include all of those knock-on effects from working, such as child care, travel and work clothes, it is certainly going to compound and enter into the minuses as far as financial outcomes from working.

Senator McLUCAS—You would also be aware that the government has shifted the age of compliance, shall we call it, from six to eight. I am trying to grapple with why that might have occurred and what the different needs base of a child might be from six to eight. As a parent, I cannot find an evidence based reason why you would do that.

Ms Permezel—As a parent, you probably know that, as they get older, children get more expensive.

Senator McLUCAS—I actually made that point in the chamber. I should not be speaking, but I feel strongly about this. Now parenting a teenager, I think the requirements are in fact a little higher. Can you point me to any reason why the government would have changed the age of compliance from six to eight?

Ms Permezel—I cannot. I do not really see it is going to make a whole lot of difference because they will still have work-testing requirements. A little bit of extra money might help you to establish yourself with a few extra school uniforms. But those things are constant: children grow. Can you?

Senator McLUCAS—I have my view but I probably should not put it on the record.

CHAIR—I might fill the gap that has been provided by suggesting that the lift might have been made from six to eight to allow women who might have been out of the work force for six or more years with several children to be able to prepare for re-entering the work force by obtaining training or otherwise preparing. Whereas, if their requirement to enter the work force happens immediately after their child turns six and goes to school, they do not have any time to prepare and make the adjustment in their lifestyle of moving back into the work force.

Ms Permezel—That was my understanding, though—that they would remain on a higher payment for a couple of extra years but would still be work tested.

CHAIR—They will be required to make themselves available to enter the work force, but they will not lose their higher payment for two further years. The point is that if they did not find work they would have two years to prepare for entering the work force—undertake training or whatever it might be—

Ms Permezel—But still have all the same compliance regimes.

CHAIR—But failure to comply does not mean you lose your entitlement to the PPS, unless obviously you are offered a job, you take it and then you do not turn up to it, or something of that kind.

Senator FIELDING—What do you think are the risks for children and their families with these proposed changes?

Ms Permezel—I think they are huge. Of course, the No. 1 is poverty. The No. 2 is unsupervised children who are left at home alone, through no fault of their parents, who have, in fact, been forced to go back to work, which increases stigma when you end up with children who behave badly. The risks are numerous.

It does not allow for healing time after separation. I am going to harp on about it, but domestic violence is huge and very damaging, and it does not just take a two- or 13-week exemption period to readjust and heal after that period. Domestic violence is also ongoing. Separation does not mean an end to violence. We have many women ring in saying, ‘While I was out at work’ or ‘While I was out picking the kids up, my ex came in and smashed up the house. He was here. He would not let me in when we got home.’ These stories we get every single day. Children being exposed to those kinds of environments are going to need some pretty intensive nurturing, love, support and parenting when they are finally taken away from those situations. That is a pretty scary danger and risk.

To talk about poverty, kids need to be able to engage in their community at all levels. By reducing parents’ incomes—not just with their income support payment; if parents are working, their effective marginal tax rates are pretty severe—kids are going to miss out on all those things like excursions and extracurricular activities. Extracurricular activities are a really interesting thing. Parents with a little bit more money who have children who are young teenagers can afford the sporting clubs and the drama or dance classes, which act as after school care or at least supervision. Single parents on low incomes cannot afford that, and kids risk being ostracised. Children of single parent families are still ostracised. I was the daughter of a single parent 20 years ago and nothing has changed.

Senator FIELDING—We spoke before about the \$29 a week reduction from the parenting payment to Newstart. Is \$29 a lot?

Ms Permezel—It is huge. It always strikes me in the office when we give somebody a \$50 food voucher. I think, ‘God, is that all we can manage?’ and they think they have won the lottery. That means the difference between eating tonight or not. That means that they can afford the petrol to put in the car to get the kid to school or child care so they can go to work. But that is not all; those tax rates are really dangerous.

Senator FIELDING—So you would see it as being very significant, would you?

Ms Permezel—Incredibly significant.

CHAIR—You said that you were afraid of the circumstances of children being left at home because their parent, presumably their mother, was forced to go off to work. You would be aware that the package contains provisions that, if a parent is not able to obtain suitable child care, they are exempted from the participation requirements to go into the work force.

Ms Permezel—I believe that there is probably a very fine line in judging that. Who determines what suitable child care is? As it stands, there is no child care for 11- to 14-year-olds.

CHAIR—Then the person would not be required to participate.

Ms Permezel—So are you saying that everyone who has children between the ages of 11 to 14 is no longer required to look for work?

CHAIR—If they are unable to obtain suitable child care, yes. That is my understanding of the package.

Ms Permezel—I would be very happy to see that in practice.

Senator McLUCAS—I want to look at that question of what suitable child care is. You are talking about children aged 11 to 14. Is that just a Victorian issue? I understand that in Queensland we can get child care—out of school hours care, for example—for a child up to age 12 or until the child finishes what in Queensland is year 7. But for a child in a high school, from the year they turn 13 there is no child care, full stop. Suitable or not is not a question—there simply is no child care.

Ms Permezel—It brings up an interesting legal question, because Victorian legislation is unclear about just how young a child can be to be left at home alone. We have had advice that it is 15. To answer your question about Victoria, year 7 is our first year of high school in Victoria, so you can be 11, 12 or 13 in year 7, depending on when you were born and when you started.

Senator MOORE—Your submission is long and detailed. Thank you very much for that. There are lots of issues in there.

Ms Permezel—And there is a lot we left out.

Senator MOORE—There are two sentences on consultation. The representative group that you work with is one of the key groups—we heard the term ‘cohort’ before, which is a term I loathe—involved in this process. What form of consultation took place?

Ms Permezel—What consultation have we had or what consultation have we had with our members?

Senator MOORE—Both. These are major changes for sole parents. What kind of consultation took place with you as an organisation and with your members about the impact of these changes?

Ms Permezel—As an organisation, we have been involved in consultation with DEWR. I believe the national council has had some consultation with FACS. We have not had very many consultations—not enough. I believe that very few of our concerns were taken on board. As far as our members go, you asked the gentleman before me about welfare to work. The IR stuff has managed to mask the welfare to work stuff very well. People keep saying to me, ‘Is that part of the IR stuff?’ I say that it is, but—

Senator MOORE—That is exactly what I say.

Ms Permezel—However, it has very severe impacts and is the biggest change to the welfare system that Australia has ever seen. We have women still calling in. From about April, we had women calling in and asking what was going to happen to them and about how they were going to survive. We have held public meetings. We have sent out newsletters detailing what we could, but we have only had the legislation for a week, so it has been a lot of hearsay and things from the media and Kevin Andrews’s speeches that we have been trying to pull

together. Centrelink would like to know what is going on, and Centrelink needs to be doing some information sessions. We will do as much as we can, but we are a small, poor organisation.

Senator MOORE—When we spoke with Centrelink in a recent round of Senate estimates, they spoke about how, when they were making normal contact with the people who were caught up in this process—including the regular reviews of single parents—they were talking through with them individually the possible impacts and encouraging them to make themselves job ready. Have you had any discussion with people who have been through that process of one-on-one encouragement?

Ms Permezel—We have had many women who, even when their children have been as young as two, have been called into Centrelink to talk about job readiness. This was happening before the legislation was announced. I would guess that it was in preparation for the announcement of the legislation. These women are pretty worried about it, because as it stands they do not feel that they are going to be able to comply. For some women, it has amounted to harassment. There are women who are called in every three to six months to talk about the same thing over and over again and who have been asked to sign contracts when their children are two and three, and they do not know what is going to happen three or four years down the track. They cannot.

Senator MOORE—What do you do when you find out about that?

Ms Permezel—We do not have the capacity to deal with those kinds of things. We refer them on to the Welfare Rights Unit.

Senator MOORE—At least it is fed back to the organisation, because it is so important that that is done.

Ms Permezel—Yes, Welfare Rights has its finger on Centrelink's pulse.

Senator FIELDING—What are your thoughts on the number of jobs you think are out there in school hours? I know you are not a Job Network provider, but I have asked that question of Job Network and I am just trying to get your feel as well. Obviously there are going to be a lot more single parents looking for work.

Ms Permezel—Secure, decently paid, permanent ones?

Senator MOORE—You are making a few limitations there.

Ms Permezel—Two to five per cent. That is just estimation, but I do not think I am exaggerating.

Senator FIELDING—And for single parents with a permanent job, how many school holidays are there per year; how many weeks would there be?

Ms Permezel—Eight to 12 weeks—plus curriculum days, days when their children are sick and any number of other days when their children cannot go to school.

Senator FIELDING—Do you have any concerns about that?

Ms Permezel—Huge concerns. Some people are very lucky and they have fabulous employers who allow them that time off. Ninety-five per cent of them are not that lucky, and that is a big concern. Especially with the move to casualising the work force, people can just

be slipped out of a roster so very easily and that is what our members report to us happens. You say, 'Sorry, I cannot come to this shift,' and then you refuse two or three more and that is it: you are not put on the roster again.

Senator FIELDING—Will that be taken into account, if you refuse a job that does not have those conditions? Will that be considered to be a breach of the obligation?

Ms Permezel—I do not believe it will be, but I do not know.

CHAIR—Thank you, Ms Permezel, for your evidence today and for coming in at such short notice.

[2.32 pm]

SUTHERLAND, Mrs Dianne Elizabeth, Chairperson, Albury Wodonga Council of Social Services

VOSS, Ms Vivien Patricia, Treasurer, Albury Wodonga Council of Social Services

CHAIR—Welcome. Thank you for appearing today at relatively short notice and for giving us the benefit of some of the information which your organisation has about the legislation that the committee is considering at the moment. I remind you that the evidence given to the committee is protected by parliamentary privilege and that the giving of false or misleading evidence to the committee could constitute a contempt of the Senate. We do not have a written submission from you. In the time that was available, that is quite understandable. Would you like to make any comments about the issues that the committee is considering? If so, we will then ask you questions.

Ms Voss—Di is going to talk about her workplace, which is the Albury Women's Refuge, and how it will affect them. I thought I would talk about my workplace, which is with a low socioeconomic community, and how it would affect us. We thought we would give a couple of examples.

Mrs Sutherland—The impact of the new participation requirements on women who are experiencing violence in their relationships would potentially expose them to an increased risk of physical, emotional and financial abuse. Fulfilling their obligation to attend work and training programs might well inflame the violent situations they are living in, as a partner might respond to their leaving the house, earning money and gaining independence, which are often when violent behaviour occurs. Women who are considering leaving a domestic violence relationship would be further disadvantaged by assessments of their capacity to work and the resulting reduction in their financial benefits if they move from the parenting payment to a Newstart allowance. Where viable financial alternatives are not seen as realistic options for women experiencing domestic violence the barriers to leaving such a relationship are further compounded to the detriment of women and children. Already underreported, domestic violence will continue to impact on the 71 per cent of women who experienced the 25,761 incidents of domestic assaults reported to New South Wales police in 2004.

Current figures from the bureau of crime statistics find a positive correlation between social disadvantage and domestic violence, linking indicators such as the male unemployment rate, the percentage of sole parents, the percentage of Indigenous people and public housing areas. To add harsh punitive measures and impose often unrealistic assessments of work capacity on people who are already experiencing disadvantaged conditions would further impact on their capacity to make long-term and sustainable changes in their lives.

A recent study by the Department of Family and Community Services found that the majority of women still consider that caring for children is their most important form of social or economic participation. The new participation requirements do not account for those women who, due to other social factors, do not have the financial support of a partner and would prefer to care for their children. The immediate financial impact of reduced payments with the change from the parenting payment to the Newstart allowance would further

disadvantage women and children, particularly, as has been mentioned, where the allowance is increased in line with the lesser CPI instead of with the average weekly wage, as are pension payments.

Women who are traumatised by domestic violence who require refuge accommodation face a complex and difficult emotional path as they leave violent partners. Their difficulties are again compounded by the requirement to participate in training programs and work. The requirements to gain a temporary exemption from this obligation are based on an assessment by a GP or by Centrelink social workers. Our experience of this process is that women are subjected to an intensive and lengthy interview by social workers and are given a reduction in the number of jobs they need to search for instead of a complete exemption from the need to search for work. One example is the change from needing to search for two jobs a week to one job a week. This is an additional emotional impact on women experiencing considerable trauma and financial hardship, and the 16-week exemption period does not contribute to the time that women often need to recover from the trauma that they have experienced.

For women who are pregnant the exemption period is six weeks prior to the birth and six weeks after the birth. This requirement to participate in work activity in this time frame would obviously place a huge burden on women and young children. We have a concern about the insertion of sections of the new IR changes into this act which we feel would impact doubly, given that often disadvantaged people do not have the ability to negotiate their working conditions, so by being required to anticipate in often casual work this would be a double disadvantage.

The definition of training activity as education, vocational training and work related training we believe does not account for the broad level of personal support required for disadvantaged people to undertake work or other participation requirements. There are currently long waiting lists for services in this area that assist people with their social issues. We represent services that are faced with the dilemma of not having sufficient funding to provide services. We believe that this bill focuses very much on employment as the only measure of people's self-esteem and connection to community. We also believe the approved program of work allowance, at \$20.80 per fortnight, would be a meagre contribution to the costs associated with participating in these programs for women with children and those living in rural and regional areas.

Overall, the Welfare to Work legislation presents a very narrow view of what people require to gain self-esteem and connections to family and community. In the definition, it is a job. People experiencing social disadvantage often face a complex range of drug and alcohol, mental health and domestic violence issues that present considerable barriers to their participation in the work force. Legislation that limits its analysis to purely economic factors fails to account for the social impact on families already experiencing considerable disadvantage. Thank you.

CHAIR—Ms Voss, do you wish to say anything as well?

Ms Voss—Yes. I would like to thank you for having me here to speak. I am going to talk about a service that I manage in my day job. This service has four projects. It has emergency relief, which is a federal government funded project; it has a no interest loan scheme; it has a

food bank; and it has a neighbourhood house. My role at the neighbourhood house is to coordinate programs and provide information, support and advocacy for clients. The housing estate that I work in has 600 homes and is a low socioeconomic community. We had research done by La Trobe graduates in 2002 and it found that our estate had 36 per cent of residents on an income of less than \$10,000 a year, 30 per cent of residents on less than \$15,000 and six per cent of residents earning more than \$25,000 a year. There were 84½ per cent of our residents without employment.

There is no industry in the area that I work in and only one corner shop. Even the bottle shop closed down, due to a lack of business. The community is highly vulnerable. Almost no children attend preschool. We did research a couple of years ago that showed that less than 10 per cent of the children in this estate attend preschool. Aboriginal children are now attending preschool due to an initiative that led to the development of the Koori Kindermana Playgroup. They are collected by bus.

The community has very high rates of domestic violence, assault and alcohol abuse. We constantly have issues like houses being burnt down and those sorts of things. There is a major problem with children attending school. Children as young as eight do not go to school on a regular basis. There is one truancy officer for our district. Many of my clients currently get breached by Centrelink. They come to my office for assistance to get the payments back or for food vouchers for their children. I already spend many, many hours of my time trying to access food and housing for children of women who have been breached because they have not followed the protocol of Centrelink.

I will give one example of one of my clients. This is a real client but I have changed her name. Beth is 45. She has two teenage boys who are aged 16 and 18. Beth's husband was in the armed forces. She travelled overseas—she spent time in Malaysia—with him and the children and to postings in most of Australia. Beth was probably fairly well off. Her husband left her when the children were five and eight. Beth had not worked in paid employment during the whole of her marriage; she had maintained her home. After her husband left her, Beth had to move out of her Army house and into a housing department house in the suburb I work in. She also had to live on an income which was roughly one-third of the income she had had in her marriage. She had no car, and her husband had kindly removed the furniture and taken it to Townsville with him so she had no furniture. Beth has raised those two children.

When this project started some four years ago—I cannot remember the exact time—Beth was devastated because she had to go on Newstart. She was uneducated, unskilled and with no transport. Beth lives in Glenroy, which is about five kilometres over that side of Albury. She told me the other day that she has not been to Wodonga, over the other side of the river, in 10 years because she has no way of getting there. It requires two buses to get from north Albury to Wodonga. She has no family in this area because her parents live out the other side of Yarrawonga on a farm. They are elderly and rarely get in to see her. Beth constantly comes into my work stressed because she has to look for work to get her payments. Her lack of transport means she is socially isolated. Her children do not play sport. They have not been to a movie or out for a meal since her husband left nearly 10 years ago.

Beth is now mentally very unstable. She drinks alcohol and she smokes—things she did not do while she was married. Beth's two children look like they will follow her path. Both have been through high school, and the youngest is about to finish. However, they are aimless—they are at home, they have no career path and they watch videos all day. Beth has been to Albury TAFE for small computer courses, women's courses and career education courses et cetera. The bus timetable where she lives and the lack of funding that she has in her weekly income means that she walks to TAFE. It usually takes her 45 minutes. It is over the big hill that you can see outside the window and she has to do it rain, hail or shine. In the winter Beth walks home from TAFE in the dark on her own. Beth is about eight stone—she is a very tiny woman. It is excessively unsafe.

Beth is one of the reasons—and I work with many of these families—I have major concerns for this legislation. In many of the families that I work with the main adult does not have the education or in many instances the mental wellness to be able to understand what breaching will do to their families. Many of my families are fourth-generation unemployed. I would love to see them get work, but we need to do it in a way that is humane and a way that educates them rather than puts them on the economic scrapheap at the bottom of the pile. That is where I fear this legislation is aiming. If the legislation offered more support in the education system and support for families with very young children and supported these children right through, I could see some validity in it. However, as I see it, the major problem is that there is no support at a very young age. Only 10 per cent of the children in my community of 600 households went to preschool.

CHAIR—Thank you very much for that evidence. I appreciate that the legislation has not been on the table for very long and therefore it is hard for everyone to get across it very well. My understanding of what the legislation does is different to the understanding that you obviously have. The example that you give of Beth being disadvantaged by this package is, as I understand it, not the case, since under the present arrangements Beth would be required to enter the work force and take a Newstart allowance—she would not be eligible for a parenting payment single anyway because her children have already turned 16.

Ms Voss—But Beth would have been forced to have undertaken these arrangements with her children at a much younger age. She was forced to go onto Newstart when her youngest child was 12. That was about four years ago. There were changes made back then. She has been on Newstart for about four years.

CHAIR—My understanding of Newstart is that, at the moment, it does not compel the parent to seek work until their child turns 16.

Ms Voss—No, I am sorry. I do not know what has happened here then. It is a Centrelink issue. She was forced to be go onto Newstart when her youngest was 12. She has been on two Work for the Dole projects already and her youngest child is 16.

CHAIR—We can check that with the department. That is certainly not my understanding. I also understand that capacity to work is not determined by a GP or by a social worker; there is a much more elaborate process than that involved in making that assessment.

Mrs Sutherland—That was the information that we had obtained.

CHAIR—From where?

Ms Voss—Through the documentation.

Mrs Sutherland—That information came from Centrelink.

CHAIR—Again, that is not my understanding, but we will check with the department. You say that the partners of women who have been subject to domestic violence may well react badly or even entertain violence where the women concerned are going out into the work force getting employment and so on. You are not seriously suggesting, are you, that these women are better off remaining welfare dependent and not being able to become independent for the sake of avoiding the possibility of domestic violence?

Mrs Sutherland—No, that is not our intention. We have to consider this in the context of the reality that many women stay long term in domestic violence relationships because of all the complex economic and social factors. We have to understand it in the context that this additional requirement may impact negatively on that. We are saying that.

CHAIR—Surely it would be better for a woman to have the capacity to move into the employment market than to be in a position of being locked into welfare dependency. Having a Jobstart account gives her access to training programs in a range of areas that would, presumably, help her gain the independence she needs to escape a potentially violent relationship.

Mrs Sutherland—Yes.

Ms Voss—One of the major issues we tend to forget—and this is where I am frustrated with the legislation—is that a woman with three children who is a sole parent and has primary care for those three children already has an enormous job within her family structure. From my perspective, we do not place enough emphasis on the need for women to look after and support their children. To me, saying that going to work is more important than young women—or women of any age—looking after their children defeats the egalitarian way our society operates. You and I will probably always disagree on this, so maybe we just have to agree to disagree. But, from my perception, I have worked my whole life as a mother with four children and I do not think I have benefited from it. My health certainly did not and my marriage did not. I am seeing a lot of women my age who were the first generation, really, of working women and we are all in the same boat. We have very serious discussions on this—that it has led to increased rates of divorce and separation and all those things, because we are exhausted; we cannot do everything. What we are trying to get across to you is that our government needs to accept that family life is every bit as important—more so—than just making a woman go to work when her children reach a certain age. That is which I am saying to you.

CHAIR—I put it to you that perhaps you have misunderstood the effect of some of the legislation's provisions.

Ms Voss—I hope so.

CHAIR—I do not think the legislation does force people to choose between raising a family or going to work.

Ms Voss—But it does.

CHAIR—You said before that women have been forced to choose between working and caring for their children. Legislation does not and would not require women to go out and work for extended periods of time. They are entitled to seek work only for the kinds of hours that would allow them to go to work when their children are at school. We are not talking about children who are still at home—say, disabled children, children who are being home schooled or something of that kind—but children who have reached the age where they are going to school and the mother is no longer compelled to be at home. She can go to work for those hours. She is not compelled to accept work outside those hours or where suitable child care cannot be obtained. So where does the choice have to be made there between raising your children and—

Ms Voss—You take your children to school at nine and you would get back at 9.30 or a quarter to 10. You have the washing to do, you have the ironing to do, you have the meals to cook, you have the food to go and purchase, you have the garden to do—especially if you are a sole parent—and you have the bills to pay. You are supposed to do those sorts of things before and after school while you have your children. You are expecting a woman to do two jobs in a society and get paid for one.

Mrs Sutherland—It is called the second shift.

CHAIR—I put it to you that millions of Australians face that reality at the moment.

Ms Voss—I am saying to you that it is unhealthy and unfair. Many women of my generation are now arguing that. If I had my choice over again, I would never put in the hours of work for this country that I did, because my health has suffered terribly. Now I ask: what was the good of it all? I did two or three jobs. Not only that but most of the women I worked with were on two or three community committees as well, running these not-for-profit organisations to save your governments tens of thousands of dollars a year. How do you expect the canteens to run? We already have school canteens with no volunteers. How do you expect schools to get fundraising to occur? We have this major dilemma hitting us. My mother used to help out with my kids because she was at home. I cannot help my children out with their children because I work full time. We have a massive shift. Somewhere in our society this is going to fall apart, and I am suggesting to you that this legislation is pushing it further and further to that aspect.

The other point that I would like to make about this is that it is dividing further the rich from the poor. The richer the family, the woman can stay at home. The poorer the family, the woman has to go to work when the child is eight, under all these circumstances. Tell your kids to marry some rich bloke so they can at least stay home and look after their kids. That is what it is getting too. It is ridiculous to force women who are socially and economically disadvantaged to go to work at a time of their life which might be very difficult and under circumstances that are difficult. I guess we are going to have to agree to disagree.

CHAIR—We might have to do that, Ms Voss. My wife and I both work, and we both manage to find time to contribute to the school canteen, and I am sure many parents do.

Senator McLUCAS—Who sets your hours?

CHAIR—My wife and I both manage to take time off to do it.

Ms Voss—I have never been able to help at a school canteen. I have four children, but I was never given time off to work in a school canteen or to go and do reading with my children. I had a job where I had a rostered day off a month and I used to go there. It was my only day off once a month. I have never in my life been able to have the time off from my work—and I worked in a factory for 10 years before I went back to university and got a couple of degrees—to go to the school canteen. Even to this day my kids still give me a hard time over it.

CHAIR—My feeling is that the Australian workplace has changed a lot in that time.

Ms Voss—I am not disagreeing with you, but if you work in a factory and ask your boss for time off to go to the school canteen I can tell you where he will tell you to go.

Senator McLUCAS—I do not think that one has changed much.

Ms Voss—No.

Senator McLUCAS—It would have been great for Beth, your case study, to get employment during her life. I do not think any of us here would disagree with that. My question—and I might be pre-empting Senator Fielding here—flows from what Senator Humphries said and relates to the availability of work that suits that woman's needs.

Ms Voss—And lack of transport.

Senator McLUCAS—That is what I want to talk to you about, particularly in a regional context. The reason we have come to Albury today is to talk about the particular regional differences that our committee needs to understand to recognise the impact of this legislation in areas like yours. Can you explain the availability of work for, say, a single parent who wants to work and comply with the new proposal but wants to drop her child off at school and wants to pick her child up after school? Can you also talk about the transport issue?

Ms Voss—In Albury our transport is a major issue. We have one bus service, which runs out to the northern suburbs. Before 8.30 in the morning there are buses about every 15 minutes from seven to 8.30. However, after 8.30, the buses run ever every 1¼ hours, and they do the whole of the northern part of the city in the one bus run.

Mrs Sutherland—It can take 40 minutes to get from the northern suburbs—

Ms Voss—From Albury to my house, out near the club, it takes more than an hour by the time it winds its way around. Where this woman lives, the bus only comes into Albury. Our factories are actually all out at Lavington. So she would have to get a bus at seven o'clock into Albury and then catch a bus out to Lavington, which would take another hour. Then there would be the same sort of thing on the way home. To get home, she would have to catch a bus from Lavington to Albury and then the bus out to Glenroy. In driving terms, they are seven to eight minutes apart. I work at Lavington. It is four minutes to drive to Glenroy. If I had to catch buses, it would take me nearly 1½ hours.

Senator McLUCAS—What would it cost you?

Ms Voss—The buses are not subsidised as they are in the city. A single bus from Glenroy to Albury is \$2.75. From Lavington to Albury, I think it is about \$3.50 now.

Mrs Sutherland—Yes, it is just over three dollars.

Senator MOORE—Each way?

Ms Voss—Yes. So it would be \$2.75 into town and then \$3.50 back out again, in and out, each time.

Senator MOORE—That is \$13 a day.

Ms Voss—Yes.

Senator McLUCAS—\$12.50.

Ms Voss—We had a daughter who went to La Trobe University in Wodonga. To get to La Trobe, it was bizarre. She had to catch three buses: one from Lavington to Albury, one from Albury to Wodonga and one from Wodonga to La Trobe. It was \$13 each way.

CHAIR—Isn't it the case that the legislation says that, where there is an unreasonable travel cost or time involved, the person is exempted from the requirement to participate?

Mrs Sutherland—That is what we are saying.

Ms Voss—They are the sort of—

CHAIR—So it is taken care of in the legislation.

Senator McLUCAS—My understanding is that the person with a disability and the parent will not have to accept a job that is more than 60 minutes away from home. That would not preclude Glenroy to Lavington.

Ms Voss—It is not 60 minutes. If you drive in a car, it is about seven.

CHAIR—No, it is the time it takes you to get there with whatever transport you have. If you only have a bus to get there and it takes more than 60 minutes then you would be exempted. That is the way that it works.

Senator McLUCAS—So it would take more than 60 minutes.

Ms Voss—Yes.

Mrs Sutherland—It would depend on which bus she took, too.

Ms Voss—It would depend on the connection she got.

Mrs Sutherland—If you got a strict bureaucrat who said, 'No, you could catch the seven o'clock bus which got you into town at 7.10 or 7.15 and then the 7.30 bus,' then you could cut it fine. But it would be something that they would have to argue out. I would not like it.

Senator FIELDING—I wanted to see what your thoughts were on this. I am reasonably certain that there are not going to be enough jobs during school hours, and that could be a bit of an issue. There could be a debate about whether single parents should be forced to take jobs in the mornings and after hours. I am not so sure that is fair. Let us say that there are not enough jobs within school hours, including travel time—that is, being able to drop the kids off and also travel to work. Those parents will face a reduced payment of \$22 or \$29—I am not sure, but I know NATSEM have put out a couple of figures and it is around that figure per week. Is that going to be a big impact at all on those single parents? Or are they finding it very easy to live on what they have at the moment?

Mrs Sutherland—Every \$20—

Ms Voss—Every two dollars!

Mrs Sutherland—makes a huge, significant impact. Consider that, when a family goes to food bank for assistance, they are given a \$10 voucher for food bank and possibly a \$20 voucher to go to Safeway. That, in most cases, will be providing food for a family—perhaps a single woman and a couple of children, maybe three—for the next few days. So every \$20 has a huge impact. Once we start reducing it down, we are further eroding them—they are already under the line—from the mainstream benefits that other families take for granted.

Ms Voss—In our region it is very difficult, because we do not have any doctors who do Medicare. So women have to pay for all their medical expenses. If they want to go out to the hospital, it is two buses to get to the outpatients at the hospital or it is a 1½-hour walk. These are the sorts of issues they face. Two dollars in a family on a benefit is huge. I have seen many of my women go up to the fish and chip shop—that is all we have in Glenroy—and buy \$2 of chips for their kids for their tea, and that is all they have. I run emergency relief as well. We have so many people come in that we can only give out a \$25 Safeway voucher.

Senator MOORE—I am interested in where you are getting your information about the Welfare to Work package. You have obviously got some information there. Senator Humphries was able to point out that there have been changes in the whole process. Where did you find out about what is involved in the legislation?

Mrs Sutherland—I have resourced the bill itself.

Senator MOORE—Did you go on the internet?

Mrs Sutherland—Yes. We have looked at the critiques and viewpoints of other organisations and put those with our experience of the people with whom we work. We have been summarising that.

Ms Voss—We have information from NCOSS, ACOSS, the welfare rights group, the National Welfare Rights Network, the bill and the Greens. We went everywhere, because we did not want to come in half—

Mrs Sutherland—We had two days, do not forget.

Ms Voss—I had yesterday afternoon.

Senator MOORE—It could be seen as relatively tight. Have there been any kinds of community information seminars telling people how the bill will work and what is going on?

Ms Voss—In my work capacity, I belong to several interagency—

Senator MOORE—I picked up on that, Ms Voss.

Ms Voss—I have spoken to people at the Mercy Centre, which provides disability accommodation, and they are quite concerned. I have spoken to another disability organisation, which is just a bit further north from here, and they are excessively concerned for their clients. Some of them were waiting to see what the legislation said. They are worried because they believe that some of their clients will be assessed as being fit for work under the 15 hours per week provision. There is a lot of dilemma out there. People are unclear as to what the legislation is about, and there seems to be a lack of education.

Senator MOORE—What should happen?

Ms Voss—From our perspective, we would like to see the federal government develop an initiative whereby they came around and informed us about the legislation and we went through it together so that we could, as a community—not just a couple of informed people but the whole sector—develop a knowledge on it. We believe that that would be a very valuable way of spending the money that the government seem to be spending a lot of. We think in many instances the workers in the sector are the last to find out anything, and that concerns us. The good thing that VCOSS sent out was a document that had the good points and the not-so-good points of the legislation. I think some of the good points of the legislation are great. The government should be congratulated on some of those good points, but the negative ones sometimes overshadow them. I think it would be good if the federal government came out and informed us, the people who will be working with it.

Senator FIELDING—Some sort of family impact statement would be nice with these things. That would give you some way of telling exactly how the legislation is going to impact people positively and negatively. That way people can genuinely see what is going on.

Ms Voss—If they came out and talked to us and put the impact statements together at the same time, we would be really healthy.

Senator FIELDING—I think a lot of families would like that.

Mrs Sutherland—I agree with that point with regard to our concern. We want to add value to the legislation and to some of the benefits that we see it might have. But where it is only focusing on economic measures we think there needs to be an extension of the broad support that we see disadvantaged people need. Being ready to go to work is not as easy for these people as going for an interview and getting a job or having an appointment with an employment or Job Network provider.

The people whom we represent, in a way, have really huge additional needs that require extensive support services to be in place. Our concern is that, I guess, where it is only focusing on employment, we do not see that the Job Network providers are necessarily equipped to provide all those skills. We think it would be good to have available an integrated support service, if these initiatives are to provide opportunities for people that we should all be part of.

Ms Voss—We have a philosophy that every person deserves an opportunity to work, no matter what ability or disability they have. However, it has to be done in a way that is humane and dignified and provides for our society to be a civilised society.

Mrs Sutherland—One of the terms that we often use is capacity building. What we are opposed to is anything that just ticks a box, when someone is working 15 hours a week in any job without really sustainable and meaningful work. There is a reference to ‘meaningful’ in some of the critiques of the legislation and that is the area that we support.

Ms Voss—Thank you for hearing us.

Senator MOORE—We could go on for days, but we cannot.

Mrs Sutherland—Thank you.

CHAIR—Thank you very much for coming in at short notice.

Proceedings suspended from 3.12 pm to 3.22 pm

FALCONER, Ms Helen Elizabeth Lynne, Policy Officer, Australian Foster Care Association

CHAIR—Welcome. Thank you for appearing today and thank you for giving us something in writing. Do you have any comments to make on the capacity in which you appear?

Ms Falconer—I am the honorary policy officer for the Australian Foster Care Association. AFCA is the peak body for state and territory foster care associations and we represent all foster children, kinship care and relative care children and their carers throughout Australia. We are all registered voluntary foster carers.

CHAIR—Before you go on, I need to remind you that the evidence you are giving is protected by parliamentary privilege. The giving of false or misleading evidence may constitute a contempt of the Senate. I don't want to frighten you with that statement—

Ms Falconer—Well, you have!

CHAIR—but I need to say it anyway. We have a written submission from you. I invite you now to make an opening statement to highlight anything you would like to draw to our attention, and then we will ask you questions.

Ms Falconer—Thank you, on behalf of AFCA, for the invitation to come today. I convey the apologies of members of the AFCA executive who could not be here. As you can imagine, with AFCA representing everyone in Australia, they are spread throughout Australia. As a bit of background: foster care uses members of the community to look after children who have been removed from home for reasons under state and territory child protection laws, and they are strangers to the children for whom they are caring. They undergo a great deal of screening and training to do this caring and they are constantly monitored in their role. As somebody put it recently, in effect they live their lives in a fishbowl for the benefit of the abused and neglected children and young people in our community.

The children who have been removed from their homes have, or the families have, multiple issues, including poverty, substance abuse, mental illness, domestic violence, intellectual disability, homelessness or insecure housing and regular interactions with the justice systems. This has been highlighted in many state government department reports, notably *Public parenting* in Victoria. The intersection of those problems that the families have led to very dysfunctional families, behaviours and relationships.

The children who come into care are very traumatised by the abuse or neglect that they have suffered and also by the fact that they have been removed from their birth homes. They are often not attending school and have major behavioural management issues and additional medical and counselling needs. Foster carers, as you would be aware, look after these children 24 hours a day, seven days a week. In addition, they have other duties and roles associated with foster caring. For example, during the day they would have to attend things like case place meetings with their departments, care plan meetings, counselling sessions for the children, transport—all sorts of things. I will not go into all of that, because we have already dealt with this in our background paper, which was sent to all senators and members of parliament earlier.

Foster carers do receive a partial reimbursement from their state or territory department to care for their children. This is to look after their physical needs such as clothing, food and that sort of thing. That is non-taxable because it is a partial reimbursement. Many of our carers are also receiving parenting payment from the federal government. Combined with the partial reimbursement it is actually not adequate to care for the children and often the carers make up the shortfall from their own pockets or from their community's pockets.

Foster carers in rural and remote areas have additional issues to contend with—food, clothing, consumables and access to services for their children and young people cost a lot more. They are more removed from the foster carers and more removed from their mainstream support workers, the departments and support agencies and their peers. The provision of respite, if available, is almost impossible to obtain on a needs basis in rural areas. Telecommunications costs are greater than those for the average family—there are many more and quite long phone calls, many of which are STD, associated with the management of the children and the case; providing and obtaining information and reports; and making arrangements for visits to doctors, social workers, therapists, courts and contact with the birth family, if that is appropriate. There are also substantial additional travel and fuel costs. In short, everything to do with a rural or remote placement of a child, when compared with the situation of a metropolitan based foster carer, costs a lot more.

Foster carers in rural and remote communities can also suffer the added burden of exclusion or isolation from their community when the child or young person is from that community and has to be kept safe and secure away from the community for their own protection, or as a consequence of the large amounts of time that the foster carer has to devote to the child or young person at the expense of their remaining connected with the local community. These factors make it virtually impossible for foster carers to consider any employment options, even if they are available at appropriate times and at a reasonable distance from the home. So, after considerable campaigning, we were very pleased to receive advice from the government that, in recognition of the special contribution foster carers are making in their communities, an automatic exemption from the work requirement would be made for registered and active foster carers on a case-by-case basis.

AFCA is concerned, however, to ensure that the proposed system works properly and that the limited number of current registered and active foster carers is not reduced. To achieve this AFCA submits that a further refinement of the proposed measures is required if it is to avoid having a serious negative impact on the statutory child protection system Australia wide.

I will give a little background here. The number of accredited and active foster carers is dropping while at the same time there is an increase in the number of notifications and the number of children and young people coming into care. The gap in the past has been filled by kinship care, relative care—different terms are used in different states—but it is widening because the gap is not being filled by those people. So the potential foster care pool is reducing also because of changing population demographics. Suitable family types provide care, work force participation and volunteering patterns.

The other thing that is important to know is that the current foster care pool is ageing. Have a look at the grey hairs! Most of us have to come to fostering after we have had our own

children. Therefore, we start looking after the children at an older age, and stay in it longer. This is of great concern to the state and territory governments, because without foster care they do not have an effective child protection system that is as workable as it is at the moment. A recent Victorian report projects that by 2016 Victoria will have a third fewer carers than it has now, but a corresponding increase in the number of young people it has in care. AFCA is aware of similar trends and projections in the other states and territories. The net result of this means that the number of children coming into care will continue to rise and the available numbers of carers will continue to drop. The only solution will be to have what we consider as the less desirable residential options for these children. It is less optimum care for the children and it is highly expensive in comparison. You have an output of about \$14,000 per year for foster care in the home, compared with an average in the area where I live in Melbourne of \$100,000 per child per year in residential care. And that is not a problem child—the problem children can go cost up to half a million dollars per year.

Research suggests that the long-term outcomes for these children and young people will also be severely compromised under a return to residential care options, as issues such as poor education, homelessness, unresolved emotional and substance abuse arise and interactions with the juvenile justice system are much harder to address in these group settings. All these factors limit future employment options and can create long-term dependency on the social welfare system. So AFCA welcomes the government's announcements recently about single parents. I do not really need to list them because you know them all. The important one is that principal carers who are registered and active foster carers will have automatic participation exemptions for up to 52 weeks at a time in recognition of their current contribution to the community.

The measures in this bill propose that sole parents will be moved to Newstart allowance. I am talking about the foster carers. They will also receive a higher rate of Newstart allowance, which tops up their income support payment to the equivalent of the parenting payment single rate. The government has provided this in recognition that these foster carers are not in a position to undertake paid work. On the surface, this appears to be a very generous commitment by the government. However, AFCA is most concerned that the failure to allow these registered and active foster carers to remain on parenting payment will financially disadvantage these carers. It is our understanding that the foster carers will move from a tax-free pension base to a taxable payment base, lose access to concession cards—the Commonwealth health care card being the most significant of all—and the flow-on from that to state and local council benefits. For example, in Victoria with a health care card you can have preschool fee relief, access to the education maintenance allowance, free ambulance, winter energy concessions. Those sorts of things are invaluable to people on low incomes. You will also be subjected to a significantly reduced effective marginal tax rate. The NATSEM research findings apply equally to the foster carers as to the other people on single parent payment.

The net impact of this will vary from state to state and from region to region. State and territory governments have calculated that the welfare-to-work provisions will affect between 20 and 50 per cent of their current registered foster carers. Most states advise that they fall in the 30 to 40 per cent range. Marilyn McHugh of the University of New South Wales has

figures of 32 per cent in New South Wales, 35 per cent in Victoria, and 36 per cent in Queensland. But the Northern Territory is the highest, at around 50 per cent.

The states and territories are particularly concerned that they may lose about a third of their valuable carers as a result of this move when carers have to make the choice between fostering and looking for work. As mentioned earlier, this will place a great strain on the child protection system. The cost to the state government departments and, ultimately, the taxpayer will be substantial as they will have to provide more 24-hour rostered care. As I mentioned before, it is not an optimal solution for most of the children and young people. Foster carers are also telling us that, unless they can maintain their current and modest income base and entitlements, they will be forced to give up fostering. We have asked our state and territory foster care associations to go to the carers and get case studies of carers explaining what they are doing each day with the children and how it will impact on them. I have some of them with me.

AFCA submits that better support of the current registered and active foster carers is an investment in the future. With such an investment, the future tax base will be expanded. There will be reduced expenditure on family support and intervention programs, reduced expenditure on homelessness, substance abuse, mental health and domestic violence. Welfare dependence will be reduced and interaction with the justice system reduced. AFCA therefore recommends, in respect of current registered and active foster carers, that the foster carers should be permitted to stay on the parenting payment and not be shifted to the Newstart allowance. Secondly, AFCA recommends that they retain their current access to concession cards.

In respect of new registered and active foster carers in the future, the foster carers should be placed on the parenting payment, not the Newstart allowance and, again, be provided with the same access to concession cards as current foster carers. In respect of the proposed guidelines yet to be drafted, AFCA is concerned about an apparent lack of understanding about fostering and the demands placed on carers in their caring role. AFCA strongly encourages the Commonwealth to consult with the sector and all state and territory welfare departments to ensure that the final guidelines are both workable and administratively viable and not cumbersome.

In respect of the proposed annual reviews, AFCA supports the proposed review mechanism, which is every year, that currently occurs. Under mutual obligation, carers are exempt so long as they can prove that they are currently active and accredited or registered carers. AFCA strongly encourages, again, close consultation between the Commonwealth and all state and territory child protection systems, possibly through CSDMAC, to ensure an effective and administratively viable solution is achieved, as it has to interface properly with eight different systems. The problem within Australia is that each territory and state has a different system. It is very hard to compare them, as terms and notifications are different.

In conclusion, AFCA wishes to thank the committee again for this opportunity to present its concerns about the Welfare to Work measures. Foster carers provide a significant and valuable service to the community at a time when there is a growing crisis in child protection systems around the country. In fact, foster carers are the backbone of the child protection system. The federal government has already shown leadership in the sector by the establishment of the

national foster care plan. Through the plan, governments have recognised the need to support foster carers in their role. Retaining carers on the parenting payment dovetails with the national plan and its objectives. There is an acute shortage of quality foster carers already and the unmet demand for appropriate carers is continuing to rise. It is AFCA's view that, unless the measures contained in this bill are made more supportive, the provision of alternative home based care for children and young people unable to live in their own homes will cease to be an option within two or three years. This can best be addressed by ensuring that foster carers retain access to the parenting payment and are not transferred to Newstart and that they have ongoing access to the current concession card regime.

AFCA is committed to supporting the development of guidelines and review processes that are workable, administratively viable and not cumbersome. AFCA also strongly encourages full consultation with the state and territory welfare departments to ensure that the interface between the Commonwealth and eight state and territory systems is sound. If it is not, even more quality foster carers will be lost from the system. AFCA is still working through the finer details of the proposed legislation. We recognise the time constraints of the committee in reporting on this legislation, and we will forward any other issues or concerns that may arise in our study of the legislation to the committee early next week.

CHAIR—Thank you for your submission. I understand that people who are moved through these arrangements generally onto Newstart allowances will be eligible for continued access to their pensioner concession card.

Ms Falconer—That would be welcome, but we have had advice that that is not so—that it is not automatic. That is why we have been concerned about it.

CHAIR—Okay. I had information about single parents on NSA. Maybe this does not apply to partnered carers. I assume that foster carers would generally have to be partnered. Is that the case?

Ms Falconer—No, not at all. They may well come to fostering partnered but then, through widowhood or divorce, become single. We have a rising number of single carers because of the changing demography of Australia, but generally they started out partnered.

CHAIR—My understanding was that there was an entitlement to the cards that single parents at least had had before the new arrangements, and that that will continue after the new arrangements. But we will check to see whether or not that is the case. You said a moment ago and in this written statement that your understanding is that foster carers will be subject to a significantly 'reduced' effective marginal tax rate. I assume you mean a significantly 'increased' marginal tax rate?

Ms Falconer—Yes, sorry. It was very late when we finished this submission!

CHAIR—No-one has ever complained before about having a reduced tax rate. It would be a first for any committee, I think, if they did! You have given us some food for thought to follow up on, and we will certainly do that. That is what I wanted to find out. Do the other senators have questions?

Senator MOORE—Ms Falconer, I am asking everybody about how they have been involved in consultation about this process. I know that foster parents across the country were lobbying the minister about the issue of coverage—

Ms Falconer—Absolutely.

Senator MOORE—and you had a successful result there. How was your organisation involved, and how did you find out about the whole process?

Ms Falconer—We are all volunteers. AFCA is not a funded organisation, and so we have a habit of being up quite late at night, to be honest, trawling the internet and emailing each other. Basically, we were alerted to Welfare to Work and have been looking at the proposed legislation all along. We have used our contacts in all states and territories. We use email extensively to speak to our members through meetings, support groups or whatever form we can, to get their views and to get what information they have. We have used any source of information we can: the NATSEM web site, the FaCS web site—we have not necessarily used that on this issue, but we do quite often use the FaCS web site—and the actual Parliament of Australia web site to get as much information as possible. Is that answering your question?

Senator MOORE—Yes. And has your organisation been directly approached by DEWR or by the minister to get input?

Ms Falconer—Yes. In July AFCA met with the Department of Employment and Workplace Relations to discuss the issue, and we were told at that stage that grandparents would be exempt. We were also told that consideration would be given to having the foster child considered the youngest child in the family, because, until that meeting, foster children had not been considered, so that if you were fostering a baby but had biological children of school age then you would be expected to work. We ironed that out. So, yes, we did have a meeting on about 18 July.

Senator MOORE—Was that the only one?

Ms Falconer—Yes.

Senator FIELDING—I would like to clarify that. You would be the leading organisation for foster carers, wouldn't you?

Ms Falconer—Yes.

Senator FIELDING—And this seems to be a significant issue. Are you saying that they have not come back to you and said, 'This is exactly what is in the bill for you'?

Ms Falconer—That is correct.

Senator FIELDING—So you were left scratching around and trying to find out yourself?

Ms Falconer—We were told that people would get back to us after the July meeting, but that did not occur. When we started hearing more about the proposed legislation then we began writing to senators and federal members of parliament to express our concerns about it.

Senator FIELDING—That surprises me. I appreciate you sharing that.

Ms Falconer—We were then told unofficially by an adviser that we would be taken care of, but we did not know what that meant and it was not concrete enough.

Senator MOORE—It could mean anything!

Ms Falconer—It could, so we were not willing to risk that something may be put down in concrete without us having an understanding of what it would be.

Senator FIELDING—I appreciate your submission. Thank you.

Senator McLUCAS—In recommendation 3, you talk about the proposed guidelines that are yet to be drafted. Do you imagine them as a set of regulations that fit underneath—

Ms Falconer—Yes, how it would be administered. That is how I imagine it.

Senator McLUCAS—The departmental guidelines?

Ms Falconer—Yes—

Senator McLUCAS—I understand.

Ms Falconer—because of the different state and territory components and arrangements. In Victoria, foster carers are outsourced and the state department does not have a list of carers; whereas, in Western Australia, they are government foster carers. Therefore, you have to have some method to correctly identify current and registered carers so that you do not have loopholes whereby people are pretending to be foster carers. You have to keep it tight, so we want to be able to have input and consult with the state and territory departments so that it is very clear who is a registered carer in the formal system and who is not. I had a foster carer come up to me and say, ‘I do respite care one weekend a month, so can I be considered?’ and I said, ‘No, that is not what it’s all about.’ Foster carers are active and current and have children in their care.

Senator McLUCAS—It has been put to me by foster carers in Queensland that there is a group of foster carers who provide that sort of emergency type of care. They do not want to do ongoing, week-in, week-out care. From what you have described here, I am a bit unsure whether they would be registered and active.

Ms Falconer—They would be, because they would have to have some form of registration. There is an extra difficulty with those carers. They would have to provide documentary evidence, one would assume, to Centrelink, which is fine, because that would come through the agency or the department. When you have children for a short period of time, you are not eligible to apply for family tax benefit for those children for a minimum of four weeks—and sometimes it can be longer. There is a concern that those carers may miss out totally on the whole parenting payment issue, because, if they have a series of emergency placements, they may not appear to be eligible at all. It would come under the guidelines that we would have to make it clear how they would fit into the system.

Senator McLUCAS—I have been advised that we are not talking about a large number of carers but that they are an extremely important cog in the caring environment.

Ms Falconer—They are invaluable. They are the ones who the agency rings up at midnight or 2 am. The agency asks, ‘We have some children at the police station. They have just been collected. Can you have them?’ Without those carers, the children are really lost.

Senator McLUCAS—Which leads me to the assessment process. You say in your submission that you support the proposed review mechanism, which is an annualised

assessment. That is an assessment, I would imagine, of the current situation of that particular foster-caring family.

Ms Falconer—Yes.

Senator McLUCAS—Is there an opportunity, if that family situation changes but the caring arrangement continues, for there to be a review rather than leave it on an annualised basis?

Ms Falconer—I am sorry, I thought I had left that in the submission. In the middle of the night, we did change a few things. We wanted to leave in some mechanism so that, if someone ceased caring or their financial situation changed, there was a shorter review period.

Senator McLUCAS—I would hate to see a carer having to pay things back.

Ms Falconer—Exactly. We want to be fair, but we also want to support the idea of the legislation—the idea of welfare to work. Getting people working is ideal, but in these cases people are already working. If there is a change, we would definitely support shorter review periods.

Senator McLUCAS—Can you explain—and it probably is in your document somewhere—CSDMAC?

CHAIR—Is it the Community Services and Disabilities Ministers' Advisory Council?

Ms Falconer—Yes, it is the community services departments. The state and federal departments and ministers get together twice a year, or even more frequently, to discuss issues.

Senator McLUCAS—Coming back to Senator Humphries's question about access to the health care card, you said your advice was that it was not automatic.

Ms Falconer—That is correct.

Senator McLUCAS—Is it appropriate to ask you where that advice came from?

Ms Falconer—I am sorry: I was told by someone else. I do not know where that person got the information, but I do believe that person believes that information is correct.

Senator McLUCAS—We will follow that up.

Ms Falconer—It is of very great concern to us.

Senator McLUCAS—It is fundamental.

Ms Falconer—It is.

Senator McLUCAS—Loss of the health care card in that circumstance will mean, in my view, that that person will stop being a carer.

Ms Falconer—I believe that is very true.

Senator McLUCAS—It is more the card than anything else, from my experience.

Ms Falconer—Yes, because the top-up system means that the actual income will be the same. I know that you have the problem about the effective marginal tax rate and that sort of thing, but it is the concession cards—you are right.

CHAIR—Thank you very much, Ms Falconer, for coming in and for that very comprehensive and very valuable submission.

[3.52 pm]

PARKER, Mr Robert Alister, Community Rehabilitation Worker and Case Manager, Southwest Brain Injury Rehabilitation Service

CHAIR—Welcome. Thank you for waiting very patiently this afternoon. I remind you that the evidence given to the committee is protected by parliamentary privilege and the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. We have a written submission from you. Thank you very much for producing that and for your attendance here at short notice. Do you want to speak to your statement before we proceed to questions?

Mr Parker—Yes. This statement was put together with some speed, because I only found out on Tuesday afternoon that this Senate committee was going to be available in Albury. My manager was not going to be available today, so I had to put it together. Just briefly, I outline a little bit about our service, who we service and what services we provide, and then within that I talk about common problems of traumatic and acquired brain injury. I have listed memory problems, word finding, poor insight, reduced concentration levels, increased fatigue, lack of initiation, impulsivity, reduced planning and problem solving, slow verbal or physical response, rigidity of thought, inappropriate social behaviour, poor anger management, reduced mobility and reduced balance. All or some or one of those may be the result of an acquired brain injury or a traumatic brain injury.

The effects of brain injury are difficult to predict. Whilst services such as ours work to mitigate some of those effects of brain injury, the long-term effects can be either subtle or quite profound. Some clients may have no significant physical disabilities and, therefore, present to the public, employers, service agencies and what have you as potentially having an invisible disability. No two brain injuries are the same. The extent and number of problems resulting from brain injury will vary from person-to-person. Cognitive changes may have the most significant impact on people with a brain injury.

The proposed Welfare to Work bill talks about a comprehensive work capacity assessment to be administered for people claiming disability support pensions. Our concern is that, given the complex needs of people with a brain injury, it is difficult to understand how such a comprehensive work assessment test, which I understand will cover a four-hour period, will identify and quantify some of the issues that I just mentioned. I believe that any assessment tool needs to be a standardised assessment tool and such assessment tools are administered by people like neuropsychologists. The sorts of assessments that they use have the capacity to capture some of those issues, be they subtle or profound, that a person with a brain injury may have.

One of our concerns, I guess, is that the complexity of the Newstart system will disadvantage people with a brain injury, if they are assessed to have the capacity to work for that, I think, 15 to 30 hours per week. Issues that exhibit in a brain injury in terms of remembering and understanding the rather complex nature of the compliance of the Newstart provisions will, I think, unintentionally inhibit their capacity to comply with those provisions without some sort of support from an agency or case manager or whatever. I think that the

one-size-fits-all assessment process, which this comprehensive work capacity assessment appears to be, will significantly disadvantage people with a brain injury. The complexity of brain injury cannot be left to such an assessment and needs to be done by qualified specialists such as neuropsychologists. I have provided the committee with a little on how we use a neuropsychologist now. His assessment and report preparation takes an average of four to six hours, at the appropriate rate.

The other thing I did quickly was to put together two case studies from clients whom I have been involved with. I asked one, whom I am currently involved with, to come along today. Whilst he was initially keen to do that, he said nerves got the better of him. There are a few references in that to 'I' and what have you. I apologise for those and for not getting those typos sorted out. I think those two case studies potentially illustrate some of the issues that people with acquired brain injury face when wanting to seek entry into the work force and some of the issues that they come up against.

CHAIR—Thank you very much for that, Mr Parker. In the time you have had to prepare this statement, it is quite a comprehensive statement of the issues that this committee is addressing. The issue you raised concerning the administration of a work test is a difficult one to comment on in detail at this stage. A lot of this process will be laid down in regulations or guidelines once the legislation is passed. Obviously, we have not seen that yet, so I can understand anxiety about that process. My understanding of the comprehensive work capacity assessment is that it is meant to be the opposite of a one-size-fits-all exercise: an individual's capacity will be individually assessed and a person will be considered in all dimensions of their capacity, both physical and mental, to undertake particular work.

I also understand that the evidence of doctors and clinicians who have attended on that person can be provided to the work assessment team so that they are able to take that into account in determining what the extent of that person's capacity to work might be. I cannot categorically assure you that is the case, but I assume that if that kind of care were taken about assessing a person's capacity to enter the work force you would be reassured by that fact.

Mr Parker—Yes, we would be reassured. I think one of the issues that would reassure us is exactly that: that it is a tailored and identified assessment to address particular disabilities. It is not only ABI; there are a lot of other disabilities that have specific and unique characteristics. If there is that individual tailored set of assessments on the shelf rather than one size fits all, I think that would address that need. My concern would be to make sure that this workplace capacity assessment—and I have worked in areas where functional capacity assessments are used in looking at return to work—is not just something off the shelf, is time limited and is not one size fits all or one size fits most.

CHAIR—We will pursue that issue with the department when they appear before us next week. We will ask them what kind of work is going on at the moment to make sure that this test is flexible enough to pick up all sorts of conditions and disabilities people might work with. In this region how many people who have acquired or traumatic brain injury might we talk about falling into this category of being capable of being considered for movement into the work force? Obviously I am excluding people who are severely brain injured and who

cannot care for themselves. What sort of number of people would we be looking at, do you think, who might be considered?

Mr Parker—In our service we would probably see 70 to 80 clients per year. All those clients who are in that category do not have high-support needs. Our clientele is people who have the potential to return to the community and achieve their goals. Often those goals include work. Probably there are 70-odd a year. As well, we have a kids team which deals with children from, I think, three years to 18 years, or school age. So there is also a trickle of school leavers coming through as well. You could probably look at about 80 clients per year.

CHAIR—How large a region does that cover? How far out of Albury-Wodonga does it cover?

Mr Parker—Basically the Riverina. Geographically, we could have clients from Hay, Griffith, Cootamundra, Tumut, Gundagai and parts of north-east Victoria. Geographically that is a fair slice of New South Wales.

CHAIR—The package that has been announced contains some measures to help employers address the specific problems and needs of a disabled employee, such as modifying a workplace. Are provisions like that helpful for a person with brain injury entering the workplace?

Mr Parker—For people with a brain injury who have physical disabilities, yes, that would be a great assistance. I think one of the other things that is important for people who may have physical or other cognitive issues with entering the work force is the job support service that I know is available through agencies around Albury-Wodonga. I am wondering whether there is a finite end to that. I would be concerned if there was, because some of these people may need job support not for three months or 12 months but indefinitely. That may be two or three hours a day or two or three hours a week to help them maintain or put in place the strategies that help them maintain employment.

Senator McLUCAS—Just so I am clear, Mr Parker, you are saying you have 70 to 80 clients annually. Hopefully they are not new clients.

Mr Parker—Unfortunately most of them are.

Senator McLUCAS—Gee, that is a lot. But you have an ongoing care and support role for others.

Mr Parker—My ongoing role as community rehab worker is to provide some services to people whilst they are in our rehab program—our transitional living unit—but I continue to have contact with them beyond the rehab setting. That contact may be for three months or three years. In the case of Mr D, his injury occurred in 1998. I have had contact with him, not consistently but intermittently, for those seven years. One thing about brain injury is that people can get on with their lives, but when things out of the ordinary come along—for instance, financial strain, loss of a job, child-care issues or legal issues—they return to services like ours. My role then is to link them up with agencies. As a case manager and community rehab worker, I have that ongoing role beyond the immediate rehab process.

Senator McLUCAS—From what you have described here, you do not actually provide employment services.

Mr Parker—No.

Senator McLUCAS—Do you refer people to open employment services?

Mr Parker—Either open employment services or agencies such as the Commonwealth Rehabilitation Service or whatever it is called these days. We would refer people on to that agency because it is seen as a vocational rehab provider. Whilst in the past I have worked in vocational rehab, we do not provide that through our service. We would use agencies like CRS, for-profit vocational providers in the region and, in some cases, job support agencies like Personnel Employment in Albury-Wodonga.

Senator McLUCAS—You have ongoing contact with people after they have moved through your rehab service. We spoke to representatives of a couple of open employment services earlier today, and they expressed concern about the access to employment for people with disabilities. Would you agree that there are issues not about physical access but about access to employment by people with disabilities? Could you comment on any other areas in this region that you deal with? I do recognise, though, that you do not provide employment services.

Mr Parker—From my knowledge—and, as I say, I have worked in vocational rehab in the past—it is a struggle to get people with disabilities into the work force. When economic times are good it is quite easy, just like it is at the moment. When there is a downturn, the energy needed to place people in employment increases exponentially. There have been some very good innovative services, such as supportive employment like PE and Hume, which are in this area. I believe that they provide an excellent service, because they can provide that ongoing support or training that is required by people with all disabilities, not just acquired brain injuries.

Senator McLUCAS—You say it is quite easy to place a person with a disability into employment. How easy?

Mr Parker—It is easy when organisations such as Personnel Employment specialise in it. That is their job as open employment providers and that is what they do all day—they have the time and energy to work on it. As a subjective comment, I think when people are working in rehab and are looking at other issues, whether it is independent living, social and family issues or whatever, job placement is just part of the stream. For some rehab providers it is difficult, and that is probably one of the reasons we are not involved with vocational placement.

Senator McLUCAS—Thank you.

CHAIR—Senator Fielding?

Senator FIELDING—You have covered the issues quite well, and some were covered before. There have been a few submissions around acquired brain injury, and I think they cover similar issues.

CHAIR—Mr Parker, thank you for your submission and your appearance. The hearing is adjourned.

Committee adjourned at 4.10 pm

