

Finance and Public Administration  
References Committee for inquiry into  
the appropriateness and effectiveness of  
the objectives, design, implementation  
and evaluation of the Community  
Development Program (CDP)

Australian Unemployed Workers'  
Union Submission



## **Introduction to the AUWU**

1. The Australian Unemployed Workers' Union (AUWU) is a national body representing unemployed and underemployed Australians. The AUWU formed in early 2014 with the primary aim of fighting for the rights and dignity of unemployed workers and has active branches in Melbourne, Sydney, Brisbane and Adelaide. The AUWU has in excess of 6,000 members across Australia. The AUWU is run by volunteers.
2. Since forming, the AUWU has been collecting stories from Newstart recipients regarding their concerns with Employment Service Providers. The vast majority of these stories involve an Employment Service Provider misinforming, unfairly penalising, and intimidating Newstart recipients. After collecting these stories, the AUWU has prioritised assisting Newstart recipients with their Employment Service Provider. To this end, in October 2015 the AUWU set up a National Advocacy Service to inform Newstart recipients of their rights under social security law and assist them in their dealings with Employment Service Providers (2015-16 annual report attached).
3. The AUWU welcomes the opportunity to make a submission to the Committee. The CDP is in crisis. Financial penalties imposed on job seekers in remote areas have significantly increased following the introduction of CDP and are now incurred at more than 70 times the rate at which they are incurred in non-remote areas. Furthermore, according to the ABS there are 17 job seekers competing for every job vacancy. The AUWU seeks the opportunity to consult directly with the Committee in relation to this program. The AUWU feels strongly that having the voices of Newstart recipients heard during this process is essential in order to achieve measured and appropriate policy in this area.

### **Preliminary remarks**

4. The AUWU has begun work to consult about the CDP with participants, Aboriginal Elders and Communities throughout Western Australia. We wanted to complete these consultations before the due date of the submission, but did not have enough time.

The submission dates for the inquiry coincided with important events. Over recent weeks and months the Aboriginal community in WA has been involved with Reconciliation Week, Sorry Day, the 25<sup>th</sup> anniversary of Mabo, consultations for the Statement from the Heart, and the 50<sup>th</sup> anniversary of the 1967 referendum, amongst other things. So, the timing of the submission has not provided enough space for the involvement of Aboriginal communities.

Our request for an extension was unsuccessful. We therefore provide this short submission now, while we continue with our consultations. A supplement will be made available to the Senate Finance and Public Administration Committee before they are required to report to Parliament.

5. **The Context of the Submission: Uluru Statement from the Heart**

The clear and guiding framework of this submission are the accounts from Aboriginal Communities about the problems they have in being able to speak and be heard. This is clear in the Uluru Statement from the Heart, which was released after Australia-wide consultations.

6. **Summary of the Submission**

The CDP was imposed on to Aboriginal Communities, and it does not meet its own objectives. The best thing is for it to end, and be replaced with democratic processes that give enough agency for remote communities to tackle the structural nature of unemployment by developing their own job creation programmes. Some communities want to return to the CDEP, which should be reinstated.

The CDEP and The Indigenous Rangers Programme are examples of programmes that provide meaningful and sustainable work.

7. **Overview of Concerns Regarding the CDP**

The CDP replaced the Community Development Employment Programme (CDEP).

But we are hearing and reading accounts of how destructive this change has been, not just to participants, but to whole communities. These accounts are striking in their similarities to previous chapters in Aboriginal history, where governments and institutions controlled the lives of Aboriginal people, and took them away from their communities, their culture, and their land. Non-compliance was punitive, and the effects are still felt today.

These same things are happening under the CDP. We hear from Aboriginal leaders that people who are unable to meet work for the dole requirements for reasons of language, knowledge, lack of resources, and disability, but are none the less punitively breached and have payments withdrawn. For some, it means a struggle for food and every day necessities. We also hear that many are forced to leave their country to be able to access a Centrelink or jobsearch offices, and that this causes problems when they are missing the support of their communities.

It is evident that the history of control of Aboriginal people is being repeated.

The CDEP, however, was run by local communities. It provided a greater degree of autonomy and enabled local decision-making.

The CDEP was also a programme closer to genuine community development principles than the CDP. The use of the term 'community development' in the name of the CDP is illusory, because the CDP is authoritarian and bureaucratic, and has no connection to genuine community development principles which support community

goals, and are about inclusion, empowerment and community action. Most importantly, community development influences policy and that has clearly not happened with the CDP.

This disconnection to social justice is a key underlying problem. The community structures that have supported Australians in the past have gradually been withdrawn by successive governments since Howard. This has left a void where institutional support for the pillars of every democratic society should be. All Australians have been impacted by this, but Aboriginal communities are particularly struck. Genuine Community Development takes a supportive stance, and accepts diversity.

The submission by the Ngaanyatjarra Council deals with these issues, and their testimony is compelling. It is damning of the CDP that, though the Council administers the programme, they can't work with it and want to return to the CDEP.

This dissonance is reflected in the way CDP policy was developed. It was introduced as part of The Intervention, which tackled structural problems of inequality by putting the burden of responsibility on individuals and communities. Likewise, the CDP tries to tackle structural problems of unemployment by making individuals responsible.

The CDP focuses on participants as the solution to unemployment, and fails to recognise the structural nature of unemployment in remote areas. Consequently, it has a poor success rate, and the cost effectiveness of the programme is questionable. The money currently spent on the CDP would be better off, then, being put into programmes that address the structural problem.

The Indigenous Rangers is one example of an employment programme that is not just busy work, but successful, sustainable, and relates to Aboriginal culture and land.

When the AUWU consults throughout Western Australia, we will listen to what people have to say about the CDP, and we expect to have a more nuanced understanding of how communities and participants are affected. We will also ask about the Indigenous Rangers Programme, for ideas about reinstating the CDEP, and other ways job creation can be used to address the structural nature of unemployment.



# NATIONAL ADVOCACY HOTLINE REPORT 2015-16



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## INTRODUCTION

In November 2015, the Australian Unemployed Workers' Union (AUWU) launched its volunteer-run National Advocacy Hotline aimed at providing free advice to unemployed workers concerning their *jobactive* and Disability Employment Service (DES) providers (hereafter, job agencies). As of September 2016, there were 880,606 unemployed workers with a job agency.

The AUWU's hotline is the first and only service of its kind offered in Australia. As part of its advocacy services, the AUWU published its 'Unemployed Workers Rights: A Guide' which was made available for free on its website and mailed out to AUWU members. The National Advocacy Hotline was initially open three days a week from 10am-2pm. By October 2016, the hotline expanded to five days a week due to caller demand.

In this report, the data from a representative sample size of 170 hotline calls will be reviewed and analysed. The leading issues and concerns raised by callers will be identified and explained, with a number of complementary testimonies from AUWU members provided to give this report a greater human context. The manner in which these issues relate to the relevant section of the *jobactive* and DES deeds will also be investigated. The purpose is to present to policy makers the experiences of unemployed workers within the employment services industry to inform future policy.



## EXECUTIVE SUMMARY

The AUWU's National Advocacy Hotline has found the government \$3 billion-a-year employment services industry to be deeply dysfunctional and punitive. Job agencies routinely fail to uphold the requirements of the *jobactive* and DES deeds and unemployed workers are given no meaningful recourse to dispute unfair treatment.

The data gathered by the AUWU offers a rare insight into the experiences of unemployed workers as they interact with their job agencies. Below is a breakdown of the issues raised by callers in relation to their job agency, the percentage of calls from each state, the rural/urban breakdown of calls received, and a complete list of the job agencies mentioned by name by a caller to the AUWU Hotline.

Description of Issue	Percentage of Calls Raising Issue
Job Agency Bullying	52%
Unfairly Forced into Work for the Dole	43%
Minimum Mutual Obligations Not Respected	40%
Medical Condition not recognised	39%
Right to Reasonable Excuse Denied (Unfairly Breached)	35%
Reasonable Notice Denied	32%
Unfairly Threatened with Penalty	30%
Work for the Dole Safety	30%
Department of Employment Hotline Failure	21%
Denied Access to Employment Fund	28%
Denied Right to Volunteer Activity	26%
Forced into Job Plan	21%



State	Proportion of calls
Victoria	38%
Queensland	24%
New South Wales	17%
South Australia	12%
Western Australia	5%
Australian Capital Territory	1%

Urban proportion of calls	Rural proportion of calls
80%	20%

Job Agency Name	Job Agency Name
Advanced Personal Management	AMES
At Work Australia	At Work Australia
Communicare	Employment Services Group
Wise Employment	Global Skills
Job Prospects	Jobs Statewide
Jobs4You	MADEC
MBC	OCTEC
Max Employment	NEATO
Salvation Army	TURSA

*Notes:*

- Based on a representative sample of 170 calls.
- Callers can raise more than one issue.
- Max Employment (25%) and Sarina Russo (13%) were the job agencies most represented in the sample reviewed.

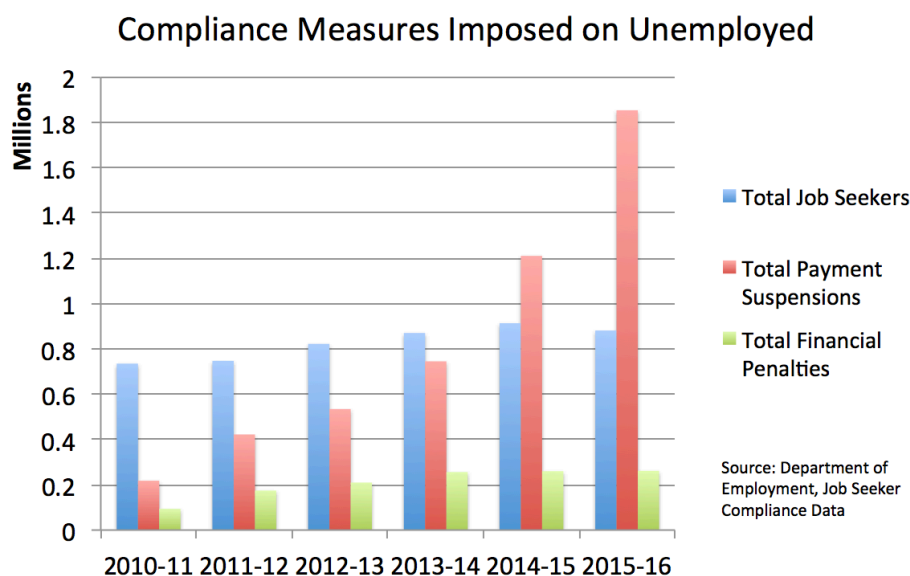
The AUWU is deeply concerned by the data gathered. The broad spectrum of issues poses serious questions regarding the quality of services being provided by job agencies. The data exposes not only the unscrupulous and

punitive practises of job agencies, but also the failure of the Department of Employment to effectively regulate the industry and ensure that job agencies follow the relevant Government deeds and guidelines. Alarming, there were little to no consequences for job agencies that failed to uphold the government's rules.

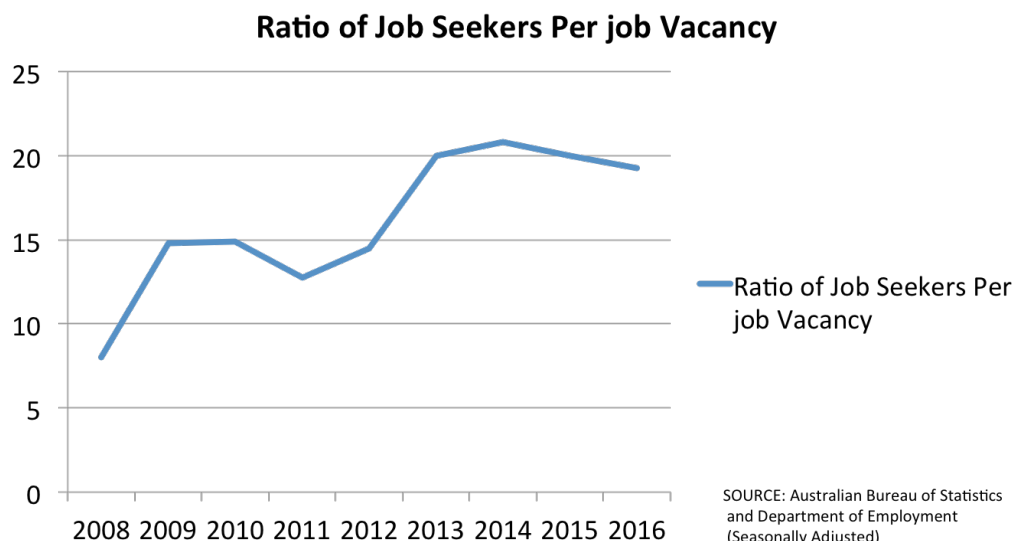
The Hotline data gathered by the AUWU warrants the complete overhaul of the dysfunctional and punitive employment services industry. The existing mechanisms designed to reign in badly behaving job agencies are not working. The AUWU renews its demand, in the strongest possible terms, for the establishment of an independent body to investigate and review the implementation of the *jobactive* and DES deeds, as well as the establishment of an independent ombudsman to handle complaints.

## BACKGROUND

During the 2015-16 financial year, the number of penalties imposed by job agencies on unemployed workers increased 50%. Since the Coalition assumed office, the amount of penalties has increased more than three and a half times.



Over this same time period, according to the Australian Bureau of Statistics the amount of job seekers competing for vacancies has increased significantly.



If this was not bad enough, the current rate of Newstart is just under \$400 below the Henderson Poverty Line per fortnight – a payment that has not been increased in real terms for twenty-two years.

Summary:

1. No. of penalties imposed by job agencies 2015/2016 financial year on unemployed workers increased 50%.
2. Greater number of people seeking fewer vacancies in the 2015/2016 financial year.
3. Newstart is below an accepted poverty line, remaining unaddressed and misaligned with market reality for 22 years.

These three facts reveal the grim reality of being unemployed today in Australia. Not only are unemployed workers confronting a difficult and demoralising labour market, they are also being subject to an increasingly punitive employment services industry and a completely inadequate rate of support payment whilst they seek out work.

To understand the staggering increase in the penalties imposed on unemployed workers by job agencies, a brief summary of the recent development of the employment services industry is necessary. Since the Coalition government was elected in 2013, extensive changes have been made within Australia's employment services. As part of its objective to "cut red-tape" throughout the sector, the Coalition began deregulating crucial aspects of the employment services industry. In late 2014, the Coalition announced the closure of CRS Australia– the state-run component of the Disability Employment Service (DES). As 47% of unemployed workers within the DES were with CRS, this constituted a significant change in the sector and completely opened up the DES to private enterprise. The closure of CRS

Australia meant that, for the first time ever, Australia's employment services were completely privatised.

With the Labor Party's Jobs Services Australia (JSA) employment services system still in effect until 2015, the Coalition was unable to make any substantive changes to the employment services industry in its first year. In July 2015, it introduced the new *jobactive* (2015-2020) and Disability Employment Service/Disability Management Service (2015-18) deeds. Both these deeds turned the entire industry on its head. Under the previous JSA and DES deeds, job agencies received payment from the government when certain employment services were provided. Under the new 2015 deeds, however, the Coalition opted to transform the system to an outcome-driven funding model. This meant that job agencies could only get payments from the government when an unemployed worker was put into an outcome – be it a job, training program, or Work for the Dole activity. Consequently, job agencies were placed in the bizarre position of not being provided any concrete funding to provide employment services. The data indicates that this funding change gave job agencies perverse incentives to penalise – or use the threat of penalties – to push unemployed workers into outcomes. As Job agencies developed business models to ensure their survival in a toughening market place, the needs of unemployed worker have been subordinated.



## COMMON ISSUES

In this section, the leading issues and concerns raised by callers to the hotline will be identified and explained, with a number of complementary testimonies provided. The manner in which these issues relate to the relevant section of the *jobactive* and DES deeds will also be investigated.

### ISSUE NO 1: Bullying

54% of callers to the hotline raised job agency bullying as their core issue, making it the most common concern for unemployed workers contacting the AUWU. Bullying occurs when an employment consultant behaves disrespectfully or unlawfully towards an unemployed worker. The most prevalent cases of job agency bullying occur when employment consultants

- i. are rude and dismissive
- ii. are abusive
- iii. bully unemployed workers into unfair activities
- iv. unfairly threaten clients with penalties
- v. unfairly impose penalties on unemployed workers
- vi. refuse to explain to unemployed workers their rights

The high proportion of callers reporting bullying is a testament to the power imbalance that exists between job agency representatives and unemployed workers. Although the *Employment Services Guarantee* and the *Employment Services Code of Practise*, job agencies are obliged to “treat every job seeker fairly and with respect”, the data from our hotline strongly indicates that in too many cases this is not happening. Instead, job agencies are increasingly utilising bullying tactics – which routinely involves the implied or overt threat of imposing a penalty – to coerce unemployed workers into activities and appointments that they are not obliged to attend under the relevant deeds and guidelines.

## Testimonies

*“The subject of this article and the treatment Leigh Markovic endured by Max Employment is exactly the same mental abuse I was subjected to by Max in my short time I was forced to be aligned with them.*

*I cannot stay quiet about what they did to me any longer, and people have a right to know about it and that it is not an odd isolated incident, but commonplace as well as ILLEGAL. Their abuse forced me onto anti-depressants and ruined my life and my health. I have paperwork to back this claim up. Imagine trying to send someone with chronic Osteoarthritis to strip dirty mattresses on a factory production line, even though they are clearly medically exempt and you just ignore a qualified assessment by a medical professional. The more I protested their actions, the more punitive they became. All the time, a job was sitting there available I was perfectly qualified for – except that employed people are no use to you because you can’t make money from them, so Max didn’t bring it to my attention.*

*I came close to committing suicide because of the way Max treated me – I couldn’t see any point in going on. I am very grateful to the team of medical professionals that basically supported me through this ordeal. Without them I would not be here. I am glad that people are now coming out publicly about their stories. It’s hard to talk about, and I didn’t want to do it but I feel I must at this point. I hate to think of how many people have taken their own lives at the hands of treatment from Max’s ‘business.’ I use business in inverted commas because it’s a fraudulent organisation so that makes them criminals. Most people have seen the Four Corners investigation on Max’s multi-million dollar rorts including falsifying clients’ signatures on paperwork. So this is not an opinion, it is a fact they are criminals. What did the current government do about it? They awarded them a contract that’s worth close to a billion dollars and called them ‘the best in the business.’”*

ANONYMOUS

*"I'm writing to you in relation to some issues I've had with my job search provider – Florence Jacobs, Global Skills Ingleburn. I have been with them since July of 2015.*

*At my very first appointment I was laughed at because I could not take my children to my parents place to be looked after for job interviews etc. because I had stated to her that were deceased! She made comment that she had to take her children to her parents and that brought them up so that she could work to buy a house. She suggested that maybe a neighbour's house would be more appropriate as I have to do as required or payments will be suspended. I also told Florence that I was volunteering at Myrtle Cottage, which is a facility that provides activities for the elderly. I attended there once a week for 6 hours to which I really enjoyed and made me feel that I was providing my skills for the community. Florence Jacobs objected me to do this and told me to quit doing it as I now would have to fully dedicate my time to job search only. I stopped going to Myrtle Cottage as she stated to do so.*

*Whilst attending weekly job search I often said hello to other people who were there looking for work on the computers. I was screamed at by Ms Jacobs to 'SHUT UP' as they do not approve of talking whilst at the computers? [...] On the 2/12/2015 I received notification that my payment had been suspended as of the 27/11/2015. When I attended the Centrelink office in Ingleburn on the 2/12/2015 I was informed that it was due to a failure of attendance to an appointment with Global skills Ingleburn. I stated to the service officer that I never received any notification of any appointment. Payment was reinstated. Florence Jacobs also refused to assist me with payment of polo shirts for work experience only to offer a 'Dressed for Success' session in Marrickville Sydney to which I would of had to travel over an hour in the car and through multiple tolls. She refused assistance again with this. She even stated that if I was to catch public transport, funds would only be given on receipt of monies spent on tickets etc.*

*Mid January I applied for DSP and was put on an exemption. This expired on the 4th of March 2016. I was notified by phone from Florance on the 17 March 2016 because of a failure to attend an appointment at 9am. I instructed her that I never received any notification of any appt. She said that she had sent a letter to my address on the 8th March 2016 to which I never received. She threatened to suspend my payments during the phone call. During my call to the DEWRSB they had stated she had contacted me by phone and I had agreed to the appointment for the 17 March. I had never received any phone call from her to arrange appointments. I attended global skills that afternoon for her to sign a transfer form. I asked the receptionist to ask her if the same. When the receptionist exited the office I heard Florance state 'this woman is a joke' with her giggling. She had called the new JSA in relation to my transfer. She exited her office and photocopied the transfer form. I took it from her hands and she stated to me with a grimacing face 'you will never transfer from here, ever'. I had my 13 year old son with me at the time and he even said to me 'why did she looked like a bulldog, she pulled faces at you!'*

*On the 18th of March I called Global Skills Liverpool to speak to a manager to which I was transferred to a Compliance officer named 'lilly'. After explaining to her my complaint she became very abusive claiming that I was nothing but a nuisance,*

*never complied with any of my obligations and that she would be grateful to get rid of me off their books. In reply to this I said that I would also be happy to be transferred from there services as I was not being helped with any of my concerns in relation to job search requirements etc. She also stated she had viewed CCTV footage of me committing a violent act towards Florence Jacobs by ripping up an appointment card and snatching the form out of her hands. I asked her if I could now record the conversation, she refused for me to do this and she terminated the call. I rang the DEWRSB [Department of Employment] complaints line on the 21/03/2016 in relation to the abusive behaviour that was shown to me by Florence Jacobs on the 17/03/2016.*

*On the 29/03/2016 I was contacted by Dennis Tumai via email in relation to the complaint made by me dated the 21/03/2016. After hearing of his false allegations of me ripping up the transfer form and throwing it into Florence Jacobs face, he then informed me that he has multiple witnesses that are happy to sign affidavits that state I was violent. I asked if he would give me permission to record the conversation to which he refused and terminated the call.*

KAREN THORNE

## ISSUE NO 2: Unfairly Forced into Work for the Dole Activity

43% of unemployed workers calling the hotline reported being unfairly forced into a Work for the Dole activity. This entailed unemployed workers either being denied their right to participate in a non-Work for the Dole approved activity (such as voluntary work or study), or being forced into a Work for the Dole activity despite being ineligible.

According to the government's Work for the Dole guideline, a Work for the Dole activity "must focus on providing job seekers with Work-like Experiences that should include skills that are in demand within the local labour market" (original emphasis). It is a strict requirement that these activities are safe and do not replace paid workers.

Unemployed workers are only eligible for a Work for the Dole activity if they are deemed to have what is called an Annual Activity Requirement (AAR). DES clients and unemployed workers over 60 do not have an AAR and are therefore ineligible for the Work for the Dole program. Importantly, unemployed workers have the option to fulfil their AAR by attending a range of non-Work for the Dole activities, such as Centrelink-approved voluntary work and study. However, as non-Work for the Dole activities do not constitute a 'financial outcome', job agencies prefer to place unemployed workers in Work for the Dole activities.

With the introduction of the *jobactive* system, Work for the Dole was significantly expanded. Under the new system, unemployed workers were



required to Work for the Dole after receiving Newstart for six months (formerly one year) and under 30s were required to work for 25 hours a week (formerly 15).<sup>1</sup> The outcome-driven *jobactive* system places significant pressure on job agencies to place as many unemployed workers into Work for the Dole activities as possible. Consequently, the number of Work for the Dole participants went from 54,000 in 2014/2015, to 106,000 in 2015/2016. This has led to Work for the Dole risk assessments being rushed, or in some cases, skipped altogether (see “Issue 7” below for more information).

*Jobactive*'s perverse incentives surrounding the Work for the Dole program have led to a crisis within the system. The data indicates that a large proportion of unemployed workers are not being informed of their rights and obligations in relation to Work for the Dole. Many have reported to the hotline that their job agency has failed to inform them of their right to attend a non-Work for the Dole activity, or denying their request to do a non-Work for the Dole activity altogether. A large proportion also reported that they were being told they had to attend Work for the Dole – under the threat of sanction – even though they were receiving a reduced Newstart as a result of the income test and were therefore ineligible.

### *Testimonies*

*“I am 51 years old, work as a casual Medical Receptionist. Was told I have to do work for the dole in a Local Charity shop. I know the manager there, she told me she is already over staffed but I was most welcome but I would be DUSTING all day..*

*I have over 20-30 years work history in admin, customer service, and owned a retail business for 10 years.. How is dusting going to give me the full time work I desire?*

*This work for the dole program is not feasible AT ALL!!!!!!! Does the gov understand that??? The Employment Ministers office told me I am not allowed to volunteer in an admin role for a allied health professional (with potential for further paid work) as it is SLAVE LABOUR... are they kidding.....”*

ANONYMOUS

## ISSUE NO 3: Minimum Mutual Obligation Requirements Not Respected

40% of callers to the hotline reported that their job agency was not respecting their minimum mutual obligation requirements. This represents a significant failure of the mutual obligation system.

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<sup>1</sup> Please note, as of 1 October 2016, the one-year waiting period for Work for the Dole was reintroduced.

<sup>2</sup> Paul Farrell, “Ill of injured jobseekers lose welfare if they can’t take up training programs”, *The Guardian*



Under the *jobactive* and DES deeds, unemployed workers are required to meet their mutual obligation requirements. Providing that there is no medical exemption granted, according to the relevant deeds the *minimum* mutual obligation requirements are:

- For *Jobactive* unemployed workers – attend one job agency appointment per month, attend job interviews for suitable work, undertake job search (20 jobs per month which can be reduced depending on capacity), and meet the Annual Activity Requirement where eligible.
- For *DES* unemployed workers – Six job agency ‘contacts’ over each three month period, attend job interviews for suitable work, and undertake job search (20 jobs per month which can be reduced depending on capacity)

The vast majority of callers stated that they were unaware of their minimum mutual obligations. As a result, many reported that they were being forced to attend appointments that were strictly *voluntary* and penalised if they refused. Some callers stated that they were being forced to attend up to 16 job agency appointments per month.

### *Testimonies*

*“Firstly, thank you for taking the time to read this. The question I have is how often can my job services provider legally make me attend their site per week? The reason I am asking this is that 4 days ago I completed my 6 month work for the dole program & today had an appointment with my job service provider. I told them that I wish to continue with my work for the dole activity as I am gaining beneficial training & I have a high chance of securing employment within the venue when I have obtained a few more skills.*

*I was then told by my provider that I will need to do that independently & regardless of work for the dole/voluntary work being continued I will be required to visit their site for 3 x 1 hour sessions of job searching per week.*

*Due to the nature of the role I have within the venue this could potentially make me a less desirable candidate for paid work as my rosters are changed weekly & only emailed on Saturday night when function bookings are finalised for the following week. This will often coincide with my job service providers 'alleged' mandatory appointments which will in turn impact on my availability for the weekly work roster & give the perception of less flexibility on my behalf.*

*To summarise,*

- *I am required by my job service provider to attend 3 x 1 hour, on site, job search sessions per week*
- *I do not receive the \$20.80 work for the dole supplement to cover part of travel costs where my travel will remain the same & at times increase*

• *Jobs search sessions at my providers site will negatively impact the possibility of gaining paid employment from previous work for the dole efforts*

*Thank you in advance for any assistance you may be able to provide. I simply feel as though this is a bullying money grab by the provider at my expense. This is making my already difficult situation impossible & destroying what I have been working towards for months.”*

ANONYMOUS

## Issue NO 4: Medical Condition Not Recognised

39% of callers to the hotline reported cases of both their job agency and Centrelink refusing to recognise their medical condition. Given the increasing proportion of Newstart recipients suffering from a medical condition – in 2014 it was reported that 25% have a “significant disability” – this represents a dangerous development.

Under the deeds, job agencies are required to take into account the medical conditions of unemployed workers when producing their job plan. Additionally, job agencies are required to reschedule an activity or appointment on the condition that the unemployed worker calls up 24 hours before with a ‘valid reason’ for non-attendance. If a job agency feels that the mutual obligation requirements are too onerous on the unemployed worker, they must refer them to a Centrelink medical assessment (known as an Employment Services Assessment or Job Capacity Assessment) for ‘reclassification’.

The data indicates that many job agencies are failing to adequately recognise and acknowledge the medical conditions of unemployed workers. As a result, unemployed workers are being forced to participate in activities and appointments that exacerbate their barriers to work. Despite the government encouraging job agencies to use “their judgement and knowledge of the job seeker...to determine what is acceptable in the context of the specific situation” when imposing penalties, the data indicates that job agencies are applying penalties when the use of discretion would be more appropriate.

Centrelink play a central role in this deeply concerning trend of sick or disabled unemployed workers being forced to attend inappropriate activities and appointments. Under social security law, unemployed workers with medical conditions are required to submit medical certificates to Centrelink in order to gain a medical exemption from their mutual obligation requirements. However, as recently reported by *The Guardian*,<sup>2</sup> this system is failing.

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<sup>2</sup> Paul Farrell, “Ill of injured jobseekers lose welfare if they can’t take up training programs”, *The Guardian* (1/10/16)

The AUWU's National Advocacy Hotline has received many cases involving Centrelink rejecting unemployed workers' medical certificates. In many cases, Centrelink stated that the medical certificate could not be accepted because it contained the same condition listed on a medical certificate previously accepted by Centrelink. According to Centrelink, an unemployed worker cannot be granted two successive medical exemptions for the same medical condition, as by the time the second medical certificate is submitted the condition is considered to be no longer *temporary* (a condition of being on Newstart) but *permanent*. In this situation, unemployed workers are generally advised by Centrelink to apply for the Disability Support Pension (DSP) or submit a new medical certificate that states that their condition has worsened or changed. Due to the new stricter eligibility requirements for the DSP introduced under the Gillard Government, most unemployed workers in this difficult situation are having their DSP application denied.

By rejecting unemployed workers' medical certificates, Centrelink are not only placing unemployed workers in dangerous situations, but are also ignoring the expressed advice of medical professionals. The AUWU has approached the Australian Welfare Rights Network and the Australian Medical Association who are both aware of this concerning situation.

### *Testimonies*

*"The 31st of May is nearly over and tomorrow is the first day of winter. Today has been horrible. I was insulted on the phone and ultimately I was informed by text that my unemployment benefits would be suspended because I failed to attend an interview today that I already informed Jobs Statewide I would be unable to attend for health reasons 24 hours beforehand.*

*Me: "I won't be able to attend due to illness."*

*Jobs Statewide Receptionist: "You will have to get a doctor's certificate."*

*Me: "Okay, done."*

*JSR: "You will have to bring it in to us on the same day as the interview."*

*Me: "If I am well enough to come into to give you the certificate, I would be well enough to attend the interview."*

*JSR: "If you can't come in you need to come in with a doctor's certificate."*

*Me: "How about I bring in the certificate on my next interview or you reschedule the interview to later this week?"*

*JSR: "If you can't come in for an interview you need to come in on the same day with a doctor's certificate."*

*Me: "I am sick and feeling very unwell."*

*JSR: "You need to bring in the certificate on the same day as your interview."*

*I call the Australian Unemployed Workers Union and am told that I do not need to go in tomorrow if I am ill. I should be able to either reschedule the interview or simply bring in the certificate on the next appointment. I call Welfare Rights in South Australia and they echo what the AUWU told me – I do not need to go in if I am unwell.*

*I call back Jobs Statewide:*

*Me: "I have spoke to two organisations that have told me that I do not need to come in tomorrow and I won't. I am more than happy to either conduct the interview by phone or bring in the doctor's certificate some other time when I am well."*

*Robotic Receptionist: "Alright, I have taken that down."*

*Me: "Please call me this afternoon if there are any problems or if you need clarification. Call me on my landline or my mobile."*

*RR: "I will pass that on."*

*Call ends.*

*Late today I learn that I have had my benefits suspended."*

STEPHEN GUY

*"I would like my story to remain anonymous please.*

*I am receiving Newstart and I comply with all of my mutual obligation activities. I have only once reorganised another job network appointment.*

*I was recently very sick with a flu virus. I rang my Job Network Provider within plenty of time to speak to my case manager to rearrange another appointment. I was so sick I kept having to stop talking on the phone so that I could vomit. I wanted at least seven days to recover but my case manager was pushing for me to reschedule an appointment within only two days of the original one. I kept trying to push for another seven days but they said they were all booked out and could only fit me in on a day that was only two days after my original appointment. Being so sick I was tired I needed to go back to bed, I said yes, thinking if I was still not well enough I could rebook.*

*I had the home doctor service come out to see me, and received a medical certificate for 48hrs only. I was much much sicker than that. I was in bed for seven days and I had a post viral fatigue for another seven days. I rang my Job Network agency to find that I could not reschedule a second appointment and would need a medical certificate and that I would need to take it to Centrelink. I was so sick I could not walk, I don't drive and I don't have someone to drive me to a GP and even if I did I wouldn't have been able to go. I rely on public transport. I also have a spinal disability and lying in bed for seven days makes it worse. My vertebrae stiffen and I can't walk. My case manager kept saying she didn't understand why there wasn't someone anyone even a neighbour to take me to the GP. There isn't, I have no family and my neighbours all keep to themselves.*

*Because I couldn't get to a GP for a medical certificate nor take this to Centrelink my payment was suspended until I was well enough to go to a re-engagement appointment.*

*When I was well enough I attended my appointment my payment was reinstated and I received back pay. However, if the new compliance measures were enforced I would have lost my payment and essentially I would have been fined for being too sick."*

ANONYMOUS

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## Issue NO 5: Right to Reasonable Excuse Denied (Unfairly Breached)

35% of callers reported that either their job agency or Centrelink had penalised them without contacting them to see if they had a reasonable excuse. A further 30% of callers reported cases of being unfairly threatened with a penalty by their job agency. In 2015-16, there were 2 million penalties imposed on unemployed workers – three and a half times more since the Coalition took office.

Under the *jobactive* and DES deeds, job agencies are required to contact unemployed workers *prior* to imposing a penalty to ensure that a reasonable excuse does not exist. Similarly, Centrelink are also required to meet this requirement before issuing a financial penalty. However, according to the data captured by the AUWU Hotline, Centrelink and job agencies are increasingly failing to make contact prior to imposing a penalty on unemployed workers. This has allowed a culture of fear and intimidation to pervade the employment services industry. As reported in *The Guardian*<sup>3</sup> and *The Courier Mail*,<sup>4</sup> The AUWU is preparing to take legal action in relation to this failure.

### *Testimonies*

*"...I got a call suddenly from the Hospital saying that my surgery has been moved forward and I can actually come in for it on 22nd August, I got the call about 2 weeks before that date. So I said yes and updated Max [Employment]. We realised I had an appointment with them for 25th August and I said I probably wont be able to make it. She said it's just day surgery so I should be fine but if not I can just call up the day before and let them know and they can reschedule they just needed 24 hours notice. Not a problem.*

*I had surgery and the next day I called them and Jacinda answered. This is when the*

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<sup>3</sup> Paul Farrell, "Centrelink could be sued over privatization of job schemes", *The Guardian* (22/9/16)

<sup>4</sup> Jessica Marszalek, "Australian Unemployed Workers' Union plans class action over welfare", *The Courier Mail* (24/12/15)

*attitude started. I said I knew that I wasn't going to make that appointment and she said I needed to go to Centrelink and hand in the medical certificate from the hospital. I said if I could make it to Centrelink I could make it to their appointment, but I seriously couldn't leave the house in that state. She said to fax it instead then and I said I might not even be able to do that because I have to walk to one and I'm currently unable to. She said "Well it needs to either be done today or tomorrow morning if you can't do then call us." So the next morning I really couldn't so I called Belinda and she said I can take a photo and upload it on the app. I told her the app doesn't work for me and she said I'm obviously not doing it right. Not really a wrong way to do it but okay. I tried it anyway and it didn't work so I called her again and as soon as she answered she said "There's a job going at Clark Rubber in Brookvale, you interested?" I literally just got out of surgery 2 days before I can't even go to their appointment or to a fax machine even and she hits me up for a job interview already? By the time I could go for the job it wouldn't be available anymore, how fast does she expect me to heal?*

*She then said I could take a photo of it and email it to her and she would send it through for me which I thought was nice. I called up the next day and she said they didn't accept it because it didn't actually have my condition on it like it's meant to. I said "Well what am I supposed to do?" And she said "Just go into Centrelink when you're feeling a bit better and hand it in and in the mean time we will just reschedule your appointment." And that was it, they made me a new appointment for the 8th of September and that was that. Until I got a text message 45 minutes after they closed saying my payments have been suspended because I didn't attend the appointment and to ring Max Employment as soon as possible. I was confused because it was all sorted I spoke to them every day after surgery updating how I was and that I couldn't make it and they even made me a new appointment."*

LEIGH MARKOVIC

## Issue NO 6: Reasonable Notice Denied

32% of callers reported cases of being denied the right to reasonable notice for appointments and activities. In these instances, job agencies informed unemployed workers of an appointment or activity with only one or two days notice, or in some cases, did not inform them at all. Despite the *jobactive* and DES deeds clearly stating job agencies must give at least 3 calendar days notice before any appointment or activity, the data indicated that a number of unemployed workers were unfairly penalised when they did not attend.

## Issue NO 7: Work for the Dole Safety

30% of the callers reported safety issues at their Work for the Dole site. Callers stated that they were being placed in Work for the Dole sites that were either dangerous or risked exacerbating an existing medical condition.



Under the *jobactive* deed, all Work for the Dole sites are subject to a 'Risk Assessment (place)'. This is designed to ensure that basic occupational health and standards will be met. Additionally, a 'Risk Assessment (job seeker)' must be undertaken for each unemployed worker referred to a Work for the Dole site to ensure that the activity is appropriate for them and that no existing medical condition will be exacerbated by attending.

However, the testimony the AUWU has received strongly suggests that there are significant problems with the Coalition's Risk Assessment process. This development is reflected by the significant increase of unemployed workers suffering injuries at Work for the Dole sites. During 2015/2016, 500 injuries were reported at Work for the Dole sites – including the tragic death of 18 year-old Josh Park-Fing at his Toowoomba Work for the Dole site in April 2016 – compared to 90 the year before. Given this Work for the Dole crisis, the AUWU renews its call for the abolition of the Work for the Dole and Community Development programs. Callers to the AUWU Hotline recount horror stories surrounding the mismanagement of the Work for the Dole platform, highlighting an erratic line of decision-making between job agencies and work for the dole hosts that put unemployed workers at risk.

### *Testimonies*

*"Hello, my names Blake Hourigan.*

*I was going to work for the dole since 6 months before the changes came to July of last year. When the changes came through I had to go for another 6 months or longer (it did seem longer). Although I do believe Work for the dole or other activities to help get jobseeker's ready for work is a great idea on paper that was not the case in the experience I had during my time.*

*I was doing work at a self sustaining farm (I want the owners to remain anon they were very nice people) which included building gardens, lawn maintenance, brick laying and a lot of carpentry work. I also had no experience of doing this work when I first started.*

*The health and safety rules or regulations were almost non existent. It was a miracle that no one was seriously injured. The second day I saw a red belly black snake. When I told the supervisor he did not believe me at the time until later that week when the snake actually came out onto the field. When i told my job network they just said "these things happen at least its gone".*

*That's just one of many examples. Another one was the heat last year: it was 40+ one day at work the dole. I had a job network appointment the next day and I had to re-schedule because of dehydration.*

*At the next appointment I said "sorry i couldn't make it it was hot o-". I was interrupted straight away and was told by my case manager, "oh well i have to drive here from Sydney and then do work from my car". Must be nice to have the air con, the amount of disrespect and humiliation doesn't stop.*

*People are being treated like prisoners at “work” for the dole sites. When i saw that there was a death at one of these sites I wasn’t surprised. At the moment its 12:17am on the 28/04/2016 and I have an appointment with my job provider and I’m so scared to go because I’m going to be told to go to one of these work for the dole sites again. Scared for my life.*

*If that is the case then i’m absolutely not going to do it again. I would rather live on the streets then to be afraid everyday i go to work for the dole. Anyways that was my experience and thoughts, I don’t want to be anon I do not really care to be honest.*

*Also I would like to add after finishing the time I had at work for the dole nothing changed it did not do anything I felt no accomplishment and it did not get me job ready. I was job ready long before that I live in Nowra where job employers are looking for juniors with 5 years of experience.”*

BLAKE HOURIGAN

*“Attention everyone: recently i was placed into a Work for the Dole (wftd) activity which was ok basically just painting a gymnasium, the supervisors on that project were good but that activity stopped after 2 months I had completed I was risk assessment prior and even trained in manual handling.*

*Now I’ve been placed into a new wfd that is renovating a old house without been risk assessed which I have to attend for another 6 months and the supervisor there is basically a slave driver and non safety compliant the second day I attended on the site he instructed me to remove soil to install paving which having a short look I FOUND ASBESTOS so I refused to work in that area.*

*The day before I removed some material from that area and NOW there is a possibility of ME being EXPOSED to ASBESTOS I put in a incident report with my supervisor who did not believe it was ASBESTOS so he collected the ASBESTOS material and took it to a ASBESTOS MANAGEMENT CENTER with me to doubt my belief that it was .The management center CONFIRMED THAT IT IS ASBESTOS AND ALSO WILL BE TESTED FOR GRADE and the dwelling was on the asbestos register but all asbestos was supposed to have been removed and there was a warning sticker on the window of the wfd house which my supervisor removed which stated before commencing work on site refer to ASBESTOS REGISTER which he did not . I have also contacted SAFE WORK SA who will be investigating the incident and I will pursuit to my best abilities I will relay they outcome of my situation as the investigation goes on so BEWARE any one who has to attend WFD and basically forced to do any unsafe work or in unsafe working conditions to avoid being cut off from centrelink benefits.*

SANDOR SZOLONKI

*“Afternoon, I’m new here and just have a question regarding wftd. I waked on mine after four days since I was ridiculed and demeaned whenever possible and insulted before I finished what little I was asked to do this morning and left. I called my jsa and she said I need wait for her manager to be in so I can do a statement however*



*I'm extremely worried centrelink will be stopped since I walked. Is that legal if I do get cut since I left before I broke and with what little dignity I had?? I live alone and my*

*home is the home my kids come to during holidays its hard enough to survive I can't risk not getting paid even just once. Thank you for allowing me to rant."*

ANONYMOUS



## CONCLUSION AND RECOMMENDATIONS

The first yearly report of the AUWU's National Advocacy Hotline provides a unique insight into the dysfunction occurring within the Government's \$3 billion-a-year employment services industry. The AUWU strongly champions the need for a thorough investigation into job agencies, Centrelink and Work for the Dole sites across the country. Given the dysfunctional and punitive nature of the employment services industry, the Coalition's recent push to give job agencies unprecedented powers to penalise the unemployed is inappropriate and dangerous. The implementation of the Government's proposed PaTH program next year presents similar problems.

The AUWU would like to point out in the strongest possible terms that before any changes are made to the employment services industry, the government must appoint an independent body to review and appropriately regulate the employment services industry. The government should and must do better to ensure that unemployed workers are treated fairly and offered the helping hand they require to get back into the workforce. To this end, the AUWU make the following recommendations to the Coalition government:

- Establish an employment services ombudsman to handle complaints
- Establish a parliamentary enquiry into the implementation of the *jobactive* and DES deeds
- Raise Newstart to the Henderson Poverty Line
- Improve laws and processes to hold badly behaving job agencies accountable
- Provide more funding to advocacy support related to employment services issues
- Remove strict eligibility requirements for the Disability Support Pension
- Abolish the dangerous Work for the Dole and Community Development Programs.
- Establish parliamentary enquiry into Centrelink's process of rejecting medical certificates
- Establish parliamentary enquiry into Centrelink's imposition of financial penalties
- Implement Extensive Government Job Creation Programs



## OUR DEMANDS

### Fair Welfare

- **Raise all Centrelink Benefits to Henderson Poverty Line (\$517 per week)**
- **Abolish Work For the Dole**
- **End Discrimination Against Centrelink Recipients (including Income Management)**
- **Remove Punitive Eligibility for Centrelink Payments**
- **Abolish use of Privately owned Employment Services Industry and Reinstate Commonwealth Employment Service**

### Fair Work

- **Undertake extensive Government-run job creation programs (i.e. Job Guarantee Program)**
- **Secure Employment for all Workers**
- **Enforce Minimum Wage and Award conditions across all Workplaces**
- **Reduce Working Week to 35 hours**
- **Lower Retirement age to 60**

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