



THE HON MINISTER MAL BROUGH MP

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Minister Brough's Speech to the NESA Conference - 'The way ahead.'

Well, ladies and gentlemen, today we need some straight talking. I think that's what you expect from me and that's what you're going to get from me.

First of all, I would like to say congratulations and thank you to not only the people in front of me today, but your staff. I have moved around the country, from Broome to Tennant Creek, Alice Springs to Melbourne, Wyong, Caboolture and my own home, all around the place, and I have not ceased to be surprised or amazed, but absolutely enthralled with the commitment of the people that you have working for you.

They are the backbone of what makes the Job Network; they are ultimately what is going to make the Job Network work as successfully as it can.

And that comes from the leadership that you provide but also the fact of the commitment that they all have as individuals.

I know that you've had a lot of difficulties. You've had a lot of challenges and a lot of those challenges are because of the policy settings that I am personally responsible for.

And I do not apologise for most of those things. Because most of those things are showing up what we should have been doing for many years and that is engaging a group of Australians who otherwise have been excluded, some through their own choice, others because they've been disengaged.

Whatever those reasons, we need to engage them. And the people who are best to engage them are you. And with the policy settings that have been provided to you.

But never in my wildest imagination did I think it would be so hard to get some of the people that we are dealing with through the door to be helped by your good selves.

There have been a lot of challenging issues as people have moved space to accommodate what was anticipated to be bigger numbers, as you've employed new staff, as you have put in new systems and as, as it says, embracing change.

Embracing change at any time in your life is a challenging thing and you are all doing it collectively in a very diverse market across a great region of Australia.

Let's put this into perspective. In March of this year, there were 720,000 job seekers on our register. About 84 per cent of those are what we call activity tested, people who the Government can have sanctions against if they do not turn up to appointments. And the remainder were those people, who,

through their own commitment, decided they wanted to be part of employment services and therefore registered, people like parents and disabled, et cetera.

The fact is that many of those people haven't shown up -- and I will deal with those issues as we go through.

Let's talk about the amount of money that is available to you that underpins the services that are being provided.

Because as you know, the appropriations for 2003 and 2004 and in the out years are considerably greater than they were in years gone by. But the reality is in July and August of this year, you have not received the money that was forecast.

I made a commitment to the CEOs in late June, as I pulled you altogether at the commencement of this July 1 Active Participation Model, and gave a commitment, a commitment that the flows of income that were projected under the KPMG model and the Econtech model would flow to you. That hasn't occurred. But that will occur, in full.

You have been forced, if you like, you have been encouraged to do things that were not in your contract. Things that are important for individuals and things that are important for this nation. Because I think it is our social responsibility to find out why people who are receiving unemployment benefits are not showing up. Some of them have very valid reasons.

Today, as I stand before you, there are more than 60,000 Australians who have received unemployment who you have made numerous attempts to get through your doors, who have had letters, who have had phone calls from you and from Centrelink. They're had their doors knocked on. Who have had no valid reason.

There are those with valid reasons, but we are talking 60,000 Australians plus, people who you anticipated you would be assisting. And you are not.

I have asked you to go above and beyond anything you have had to do in the past to try and contact those people, to find out why they are not engaged. And much of that service has not been paid for because of the system that is instigated, that you know how you get paid, on the fact when people turn up and you register them.

And that is not a tolerable situation in my eyes and I have directed the Department to ensure that you are paid for those services and that will be done in consultation with the NESAB Board and the wider industry group. And it will be done now.

The number of job seekers on the register has shrunk and that is a very, very good thing. When we first put the figures out, there were 780,000 Australians who were registered. And unemployment over that 12 months has come down. There are fewer people on benefits than there were at that time.

That is an exceptionally good thing and hopefully we'll continue to drive it down even further.

But it means that it opens up opportunities for us to be able to embrace other Australians and to be able to provide more assistance to those who are part of Job Network.

Your hard work has contributed to a freeing up of these positions. The number of job seekers identified for intensive assistance was sitting around 80,000 in March of 2003, that's what we anticipated. Today, I'm advised that it's something like 130,000 and that number could climb even higher. And this will have a major impact on your future revenue flows.

But earned income, income where you have actually provided the services under the contract is down considerably from that that was modelled in July and August. And I don't think anyone in this room would dispute that.

There are differing degrees of that, in fact, I think that the highest performing Job Network member has about 83 per cent commencements to referrals and that should be applauded and I congratulate that organisation.

But for a variety of reasons, that is not happening everywhere. Of those 720,000 job seekers, there have been some 900,000 appointments, so I realise and recognise that you have actually done what we have asked you to do. You have actually dealt with the entire caseload, or that close to it, it doesn't matter. But you've dealt with them on a multitude of levels and on multiple occasions, with no outcome.

And I repeat, I hear what you say that you have not been paid for that and that is unreasonable. You will be.

Six hundred and seventy million dollars is more than what was projected, more than what was spent in the last year of Job Network. Because I am excluding the job seeker account, I am excluding the training account, NEIS, Harvest Labour and the AWT measures. The \$670 million is the money that goes to you to underpin the services that you provide, the personnel that you provide, the offices that you provide, the technology that you provide.

And that money is rightfully and will be spent on job seekers and you will be the ones spending it. I am committed to ensuring that that money is spent year in, year out on Australia's unemployed.

I have asked the Department to look at ways in which we can facilitate my commitment that I gave to you in June.

Now there are those that like to talk bail-outs. There is no bail-out of the Job Network. There has been no bail-out of the Job Network. There has been no bail-out of the Job Network and I will not countenance any bail-out of the Job Network.

I will simply pay you for what you have done and what you will continue to do in fulfilling the Government's goals of ensuring that those personnel who are activity tested, who are receiving unemployment benefits do one of two things. They either attend and receive the assistance that you so badly want to provide them, or they are no longer are on unemployment benefits.

Centrelink is working now very, very closely with us and with the Department to ensure that we find out what the issue is and if there is no valid reason, that they be suspended as per the two-two-two model that you are familiar with.

From September, those arrangements will be made rock solid through the formalisation of our suspension model. We are seeing an increase in that action and that information is flowing through to job seekers.

Also from September, with the AWT model, Bob Correll pointed out to you, I think on Wednesday, that there are opportunities. There are opportunities which go beyond the story that we've just spoken about.

There are opportunities for more Australians to be helped by you. That is people such as parenting payment recipients, who can come into this system and be assisted. But they are a separate issue. They are not the answer to the questions that you have been asking and putting to us. And I don't want anyone to get the two issues confused.

Because we have additional capacity, because people who are activity tested are dropping off benefits at a higher rate, this will give us capacity under our appropriations to provide additional assistance. But that does not mean that we neglect our responsibilities to pay you rightly and properly for the services that you have provided.

I go back to where I started. When we commenced with the journey of Job Network 3, it was as massive a change as that from the CES to the Job Network, maybe even greater. Never in the history of this country, nor am I aware in any country, has there been an attempt to find out exactly what the situation was and is with every unemployed person receiving benefits.

We know from our attitudinal studies that we have people who are drivers and that we have people who are disengaged. Well, we need to re-engage those people.

And I know there are people in this room who do not like it and do not support me fully when I say that they have two choices. My preferred choice, if they are not working and rorting the system, is to be in and assisted and to be able to change their attitudes.

I don't blame some of those people for their attitudes. It's because they have been left on the shelf by successive governments for too long.

They haven't had an access, an automatic access to every service. They have not had automatic access to the commitment that your staff are providing. They haven't had access to automatic matching, they haven't had access to the additional jobs that are available to them and they're not trusting.

That group of the 60,000 we want to re-engage. I don't know what the percentage is. But we're asking you at the coal face to do your bit and we will pay you to do that, to find out who they are.

If they don't want to play that game, that's fine. Get off benefits, free the space up, so that you can help someone that you want to help.

This has been a difficult few months for you. But it has been an exceptionally important few months. And I hear a lot of the positive messages that come out and can I tell you, my office receives numerous positive individual anecdotes from individuals who want to tell us about a difference that one of you made in their life.

Up in Wyong, on the Central Coast, I was at Salvation Army Employment Plus and I met three unemployed people there.

There was one bloke who had gone in who is a screen printer. He'd been unemployed for the first time in his life at age about 35, I guess. He'd gone into Centrelink the day before, the day before and they had done his interview, put him to the Salvation Army Employment Plus and he was there the next day doing his vocational profile.

The fellow knows no difference. He thought that's the way it should work. We all know that that has not been the experience for many in the past, but that must be the experience for everyone into the future.

We're seeing very good attendance rates for people in the flow, the people who are coming into the system now. But we are not going to neglect our responsibility to those people who have been unemployed for a long period of time. And that is where I need your encouragement, your assistance and I reiterate yet again, we will pay you for that service.

Six hundred and seventy million dollars is a lot of responsibility. It's a lot of responsibility to the taxpayer. But you have a network that extends across the breadth and width of this country and it needs to be underpinned and it will be underpinned.

I assure you, when I move around, I do not close my ears to the frustrations when consultants say to me, 'I just want to get my teeth into job seekers and get people into work'. That's what I want all of you to do.

I want you to have the confidence that the Department will follow my instructions and work with you to ensure that you have the capacity to do that, that you will receive the money that you are due and that you will focus on getting people into work, like you have already achieved through these challenging times.

More than 30,000 Australians have been placed by you collectively since 1 July through job placement. That is a challenge which you took up in this time and you have achieved. But I know full well that you can do better, you aim to do better and you will.

We are not talking long delays here. We are talking about this money flowing to you in the next two to three weeks. That is what my commitment is to you. I gave that commitment to the CEOs and I stand by it.

There was nothing wrong with the modelling of KPMG. There was nothing wrong with the 720,000 job seekers. But anyone in this room that foresaw such a poor attendance rate, they didn't tell me about it prior. And they certainly didn't tell the Department.

So, ladies and gentlemen, this is about getting real people into real jobs. This is about you and me and the Department building a better employment services regime.

It is about saying that what has been put before you, the flexibility that you can deliver through all of the mechanisms that you know about, NEIS, AWT measures, obviously Work for the Dole as well, the training credit and, of course, also the new measures that come in from 1 September, which will allow people to earn income and also take on part-time work, are all tools that are in your arsenal to help people.

The message I want you to take back to your staff is that we are going forward in a positive sense and our focus is on getting jobs and people into work. That is our focus.

I thank you. I remain committed to you and I hope you remain committed to the vision of helping your fellow Australians as part of Australia's employment services regime.

Thank you very much.

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