

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into sustainable employment for disadvantaged jobseekers

Melbourne—Tuesday, 19 November 2019

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

Mr Brad Rowswell

Ms Steph Ryan

Ms Kat Theophanous

WITNESSES

Ms Leanne Ho, Executive Officer (*via teleconference*), and

Ms Emma Cvitak, Board Member, National Social Security Rights Network.

The CHAIR: Thanks very much for making time to give submissions today. We really appreciate it. All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you say it outside and repeat the same things, including on social media, those comments may not be protected by this privilege. All evidence given today is being recorded by Hansard. You will be provided with a proof version of the transcript for you to check. Verified transcripts, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible. If you can give a 5-minute presentation, then we will proceed to ask questions after that. Thank you so much.

Ms CVITAK: My name is Emma. I am a board member of National Social Security Rights Network and also a community lawyer for Barwon Community Legal Service. I do know you are hearing from some other community legal services this afternoon. Leanne is the Executive Officer—she is on the phone—of the National Social Security Rights Network.

The Department of Employment, Skills, Small and Family Business reports that on average there are 20 applicants per advertised vacancy, of whom only three are interviewed. In the competitive job market vulnerable jobseekers find it even more difficult, specifically those with a disability or mental health issues or who are unskilled and subject to discrimination for issues such as age or their background. So rather than increasing support for these vulnerable jobseekers, our social security system has actually increasingly made it difficult for them to access income support by tightening the eligibility criteria and introducing increasingly harsh and onerous mutual obligations. Our member centres are community legal centres which provide free legal assistance to people who have issues with their Centrelink payments and any other decisions that Centrelink makes.

We see firsthand the experiences of clients like Bill. He is one of our clients who applied for 500 jobs in the past years that he has been on the Newstart allowance. He is 62 years old and was told by one potential employer that maintaining an older employee would cost them too much due to age and health-related issues, even though he is in good physical condition for his age. His job plan does not take his experience into account and has him attending regular meetings with a service provider that requires him to meet an unrealistic job application quota. The move to digital servicing is something that we are concerned about. It is more likely to make the situation worse, as the creation of job plans will become completely automated.

We really appreciate this opportunity to provide evidence to the Committee today, to bring these experiences to light and to discuss what the Victorian Government might be able to do to assist. I am aware that there are a few questions that were put forward, so I can just work through them if that is fine.

Ms ADDISON: That would be great.

Ms CVITAK: So in relation to the first question of Jobs Victoria Employment Network, our member centres do not interact with that network, so we cannot really speak to that at this point in time.

In relation to the Victorian Government supporting vulnerable jobseekers who struggle with digitalised services, I guess the issue comes down to digital literacy, and that is an issue that a lot of our clients face and a lot of member centres deal with when it comes to assisting clients. We recognise that jobseekers often go into Centrelink service centres in order to, I guess, complete some of the programs or mutual obligations or reporting that they need to do online. That obviously sits with the Commonwealth as an issue and is not an issue that can be dealt with.

But in terms of the Victorian Government I guess it could be that jobseekers could take up the resources, like public libraries, that we have to better use those facilities when it comes to digital literacy. I guess it could take the form of a regular day or time which is advertised at a local library when there would be people there to help assist some of these people navigate the online system. They were some of the ideas that we had. Also the Government could partner with organisations such as us and our member centres so that we can continue to work with vulnerable jobseekers and provide funding for them to take community legal education, which is a large part of what we do as a community legal centre—to educate those within the community, such as workers in the library, to help those vulnerable people navigate the system if they do come to them. Leanne, please feel free to jump in—because I cannot see you—at any point.

In relation to strategies that we spoke about that the Government can use to counteract some of the negative outcomes for people who are able to work, it is structural causes of unemployment through job cessation, particularly for jobs which are accessible to particular cohorts of vulnerability, such as disability, CALD, refugees and asylum seekers. We know the Victorian Government does allow a certain quota for those—so to increase that, to just broaden that structural cause.

For people who are too impaired to work, and this is something we see quite often, they are on Newstart allowance when they really should be on the disability support allowance. However, getting that medical evidence and getting the eligibility criteria that they need is simply just too hard, be it access to medical providers or the cost of getting some of those reports from medical providers. So I guess it is to provide better access to state-funded medical services which can assist the people to gather that required evidence so they can successfully claim DSP or obtain medical exemptions from some of the mutual obligations they might face through, let us say, their Newstart allowance job support program.

On that topic, many of the people who have previously received disability support payments are now receiving Newstart. Centrelink looks at their eligibility. They can do it whenever they sort of seek to do it. There was a change to the impairment table, so a lot of people that had been on the disability support pension for a number of years were retested, looked at and all of a sudden after 20 years they said, 'You're not eligible anymore. You need to go to Newstart. You need to go back and look for work'. Again, they may still be eligible; however, there is that hurdle of them having to go back and get that really specific medical evidence required, which is a hurdle on its own. Particularly those with mental health conditions find it very difficult to access the necessary medical requirements.

The public system for some mental health professionals has quite a long waiting system. I guess for us it would be that the Victorian Government could also use its channels through the Department of Health to help raise awareness of these types of issues with the GPs and with the medical community, because a lot of the time that is what we are finding—just a lack of knowledge from the medical community in general about these sorts of issues as opposed to, not the lack of wanting to provide evidence, just what evidence these vulnerable people actually need to be successful, because Centrelink is quite specific. More broadly the Victorian Government could, I guess, use its voice to support raising the rate of Newstart and Youth Allowance. They are currently at a level which is too low to support food, and I am sure you have all heard about the campaigns against that.

In relation to flexible and holistic assessment models, I am not sure if everyone has read our submission—I am sure that they have—there are a couple of case studies that actually came from the community legal centre where I work. One of them is Mick, which is going back, and then James. Mick was a client who is schizophrenic and was on the disability support pension. Subsequently Centrelink reviewed it and told him that he was no longer eligible. Due to this he went back on Newstart. He had a job plan that he had to meet, and under the target of compliance framework if someone does not meet their mutual obligations—so attending appointments and all those types of things—they essentially get demerit points. The more they clock up demerit points, that can lead to them being suspended from their payments entirely. It does not take into account his mental health or his actual condition.

So he missed appointments. He had no money for his prepaid phone, to contact Centrelink. At that point in time, after rent and utilities, he had \$10 per fortnight for any other expenses and had \$60 out-of-pocket medication fees. Subsequently he became homeless because he was given a notice to vacate because he could not afford his rent, and because he was missing these appointments with his job service provider his payment was cut off completely, so he had no source of income whatsoever. So he finally came to see a lawyer, and that is where someone from our service got involved. Even then, it is quite an onerous and timely process, and I guess it just highlights the fact that there is maybe a lack of consideration for some of those other influencing factors—that he is not just choosing not to go to these appointments; he has just got all these subsequent other factors that are playing into his life.

On the topic of the employment services assessment, for instance, we have another client, James. This has, since the submission, escalated somewhat. He is a 50-year-old man. He has got chronic renal failure. He is on the transplant waiting list; he is on dialysis. He is trying to get on DSP; it is solely a lack of medical evidence in the correct format. He is with a job service provider. He obviously cannot do much that requires much physical exertion. They sent him to work, and it resulted in his hospitalisation for two weeks. He collapsed at work and

subsequently took an ambulance. He recovered. They sent him back again, and the exact same thing happened. He was hospitalised for a three-week period, even though his job service provider knew exactly what his situation was and that he had been hospitalised previously. There was just a complete disregard for his circumstances and taking those into account, which, as I mentioned, resulted in him going back to being hospitalised.

Leanne, did you want to add anything to that?

Ms HO: Yes. I just wanted to emphasise or clarify two of the points that Emma has already made in speaking about how the Victorian Government could use its channels of communication through the state Department of Health to raise awareness of the medical requirements for claiming the disability support pension. The case study that Emma used earlier, of Mick's case, is really a good case in point of how it is only with the support of a legal service like Barwon Community Legal Service that he was able to gather all the medical evidence. It would really be useful to have another sort of support from the medical profession to ensure that gathering that kind of evidence is made easier, because they understand the requirements, but also if support could be provided to meet or subsidise some of the cost of gathering that medical evidence.

The second point that I wanted to re-emphasise was just about supporting an increase to working-age payments such as Newstart and the Youth Allowance. Emma has already said how the current level is so low that people really just cannot survive and pay for food, rent and bills, but if we are looking at disadvantaged jobseekers that level of working-age payment does not cover the additional costs associated with effective job search. Those would be transport, clothing, child care—all the other things that we take for granted if we have got the resources to go through that job search process.

The CHAIR: Thank you. There has been a lot of discussion on radio today about the older population contributing a bit more to the economy. I think that is going to be the topic of the week, I would say. Having said that, I know of a lot of older Australians doing their bit, obviously, for the economy and having done so through their working lives. Quite frankly there are a lot of them that look after grandkids at the moment, which as we know is a valuable contribution towards the economy in itself. So how can government better support older jobseekers, both state and federal?

Ms CVITAK: We saw this in Geelong when the Ford factory shut down. There were a lot of people who had worked there for 40 years, were not at retirement age, who want to work, have worked in one particular job for a certain amount of time and all of a sudden now they are having to change their trade or change their skill set just because there are not jobs available within that particular area of work—

Ms ADDISON: Or industry.

Ms CVITAK: Industry—100 per cent. Back from a perspective of what can change, again, when those people are accessing service providers to help them, maybe perhaps a bit more education and acknowledgement of the difficulties that an older person may face changing jobs or getting into a different industry or a completely different sort of area that is not within their expertise, because a lot of the time—from what we see with our clients—it is a lack of acknowledgement that they have done this for so long. It is not as simple for them to just go jobhunting for completely other issues. There is the discrimination factor, I guess, as well—for example, the idea that it is going to cost an employer more to hire someone that is older as opposed to hiring a young person. We have not found that it is necessarily a lack of wanting to work—they want to work—it is just that perhaps there is some discrimination at that, so perhaps just encouragement of employers from across the board. These people bring valuable skills, valuable assets and a really good work ethic to the job. So I think that perhaps is a hurdle in getting them to enter that market to begin with. But also on the end of employers, just to encourage them that these people can bring a lot to the table and that a lot of those things that may be holding them back from employing an older person are not necessarily realistic. They are, I guess, just thoughts and in reality a lot of those things do not play out, such as the cost of having to hire someone, just because they think there are going to be extra costs associated because they are older, where in reality that is not the case. You could hire someone that is younger, and if they have certain vulnerabilities, you are going to be in the exact same position.

Ms ADDISON: Emma, you talked about structural barriers to people re-entering the workforce, and we have had previous presentations here talking about mothers trying to re-enter the workforce and access to child care, and I made a note that you have mentioned that. What was put forward to us was the issue that women who are trying to enter the workforce may have very low-entry level jobs which may not be standard hours. So they could be working at weekends, or they could be doing nightshift or they could be doing early work. How important do you think it is for flexible child care to be available for people who are particularly vulnerable and are trying to re-enter the workforce?

Ms CVITAK: I think it is absolutely crucial. Again, it is not a lack of these people wanting to enter the workforce. From a social security perspective, the ParentsNext program started, which was something that was rolled out. It started in Colac for us down in the Barwon region and has gone through to Geelong, which is where young parents—most of the time they are mothers at this point—have mutual obligations that they have to reach and are involved back in that jobseeker program. It has actually proven to be wonderful because we have heard feedback that it is actually encouraging those people to get out and about. Again, yes, it is crucial. However, it comes down to are they able to access computers and are they on that basic level of digital literacy. Obviously child care is going to play such a massive role in whether or not they are going to be able to do certain work. From my experience, yes, they do definitely enter into some of those really low-level jobs and essentially take what they can get if they are really struggling. If they do not have family, or if they do not have supports here—sometimes in newly arrived communities I see a lot of people for whom English is their second language and they get into a laborious sort of job where they can manage; however, it is then having to have that backup if they do not have other people to look after their children. It is absolutely crucial. Otherwise, without that it is not going to happen, essentially.

Ms THEOPHANOUS: For the end user it seems like a minefield in terms of employment services. They seem to be spread across different services, piecemeal; you have to go here and there. How can we better integrate things? I note that your submission mentions the introduction of flexible and holistic assessment models. Do you know of any existing models that are doing this right?

Ms CVITAK: From a personal perspective I tend to find that job service providers, particularly ones that are specified to do certain things, such as disability—so there are quite specific ones that just deal with people with disability—those job service providers tend to do that better than a generalised one. It really does depend as well, unfortunately, on the worker that someone gets at some of these centres.

I guess some of the issue is that they are corporate. They are for-profit organisations and we have heard quite a bit of pushback based on that: that it is them just doing their job to get paid, not so much from a care perspective of the vulnerable person who is actually trying to get a job. I went to a meeting with the unemployed workers union in Geelong, which is an absolutely interesting bunch of people. I got to learn a lot; they taught me so much. That was one of the main things they said: ‘Well, I sign my mutual obligations because if I don’t, they’re going to breach me and then I’m not going to get paid, even though I know I can’t do this’. They feel almost under duress, like they are forced to sign it because if they do not then their service provider is going to say, ‘Well, you’re not meeting your mutual obligations. That’s it’.

From my perspective, and Leanne might be able to contribute to this, within my work I have not seen very many clients that have been completely satisfied or completely happy with that non-holistic approach. I am not particularly sure. It may be an education matter, I guess, where these people that are working in these companies are not educated about the mitigating circumstances that some of their clients are facing, and not so much that but how that impacts the greater scale of what that client is going through. Seeing someone face to face at a meeting for 10 minutes, I guess you can only gauge so much from that person and understand their background and the barriers they are facing, whereas if you are to put that on paper it would extend.

So off the top of my head, no, but I have found that specific employment services like the ones for disability tend to be a bit more holistic in exploring options, whether it be like, ‘Well, part of your job service or program support for disability is going to a pain management appointment’. That is benefiting them in multiple ways because they manage their pain, so (a) from the health perspective that is a wonderful thing and (b) that is going to make them more able to work in the future. That is where I have really found the more holistic approach comes into play as opposed to the more generalised services. Again, I guess it is hard to gauge an individual’s

specific circumstances because it has to be done on a case-by-case basis and they are so full and so overrun. Leanne, I am not sure if there is anything you can contribute?

Ms HO: Yes, we are advocating for greater government oversight of job service providers. As Emma mentioned before, a lot of jobseekers find that they are pretty much at the mercy of their individual job service provider staff member as to whether or not they get a quality service, and some of the current payment systems for those businesses are activity based rather than outcomes based, even to the extent where there are some perverse incentives to record non-attendance because they get a payment for each activity rather than for the overall outcome. As Emma mentioned, we are really quite concerned about the automation in the new employment services system. Job plans are planned to be completely automated so there will not be any contact with an actual person that can look at the jobseeker's individual circumstances and the key barriers they may face to employment before a job plan is created by the system. With that, as well as suspensions and penalties in the system increasingly becoming more automated, more people will be caught in the cracks and face those kinds of suspensions and penalties where it is not actually warranted.

Ms THEOPHANOUS: So you are calling for more regulation of that sector?

Ms HO: Yes. We have really shifted the responsibility for making sure that there is compliance. We have actually shifted that oversight from the government to the job service providers. They are the ones deciding, in essence, whether someone gets a demerit point that leads to a suspension and loss of payments, where it used to be Centrelink.

Ms THEOPHANOUS: Thank you.

The CHAIR: The consultation with service users—your submission mentions that consultation should prioritise the views and experience of young people engaged with employment service providers. Can you expand on that? What do you mean exactly?

Ms HO: Are we talking now about strategies for gaining input from vulnerable service users?

The CHAIR: Yes.

Ms HO: Yes, so what we were thinking was that to gain access to the experiences of vulnerable service users, you really need to partner with organisations that work at the coalface with vulnerable jobseekers day to day: organisations like our member centres, who provide free legal advice to them and provide support and funding for them to undertake research and user testing. We already do this at the NSSRN. We play this kind of advisory role with the federal departments of social services and human services and the Department of Employment, and I know certainly the Victorian Government is also interested in gaining this insight. Our member centres in Victoria, I am sure, would be really happy to do that if they are resourced to do so.

Ms CVITAK: Yes, and I guess it is on the forefront for lawyers like me and other people, and I am sure you will hear from the community sector, that we work with these people all the time. In the community sector you are not just dealing with someone's legal issues, you are dealing with all their social issues that come along with that. Like Leanne mentioned, we were recently in Canberra at a biannual meeting with DSS and DHS, and we do conduct research projects into certain areas that have particularly been requested by those departments. We find that we have worked together, and it is really valuable, those insights that people can provide.

Another member centre that is in Victoria, in Fitzroy, is Social Security Rights Victoria. They are a community legal centre, but they just specialise in social security—that is all they do. The data that they have pertains to this, and the range of matters that they deal with is really vast, as well as the amount of knowledge that they have there with the issues that these people face, and vulnerable people. I guess the types of issues that they convey to us when they come to see us and all those barriers that they face may not be legal issues but are general issues that pertain to the types of barriers that they face when it comes to employment.

The CHAIR: Excellent. Thanks very much for being here.

Ms CVITAK: No worries. Thank you. My pleasure.

Ms HO: Thank you.

Witnesses withdrew.