



Community and Public Sector Union

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Senate Education and Employment Committee
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Dear Committee Secretary

Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014

The PSU Group of the Community and Public Sector Union (CPSU) is an active and progressive union with approximately 55,000 members. The CPSU represents employees of the Australian Public Service (APS), the ACT and NT Public Service, Telstra, the telecommunications sector, call centres, employment services and broadcasting. The CPSU has over 15,000 members working in the Department of Human Services and employment services.

The CPSU welcomes the opportunity to make a brief submission to the Senate Education and Employment Committees inquiry into the *Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014*. A more detailed submission was not possible for us in the timeframes provided. The information provided is based on feedback from our members doing this work.

Level of non-compliance

The Minister's media release of 25 September 2014 announcing this legislation stated that "*In 2013-14, 12.75 million compulsory appointments with employment providers were scheduled and of these 4.47 million were not attended by job seekers.*"¹ CPSU members have advised us that they believe these non-compliance numbers are over-stated. They have provided a variety of examples as to why a job seeker does not attend an appointment or is recorded as not attending. These include:

- The job seeker contacted the Job Search Provider (the provider) to either change an appointment or advise that they no longer require assistance, and the message was not received or passed onto the relevant person;
- The job seeker has found work but has not yet advised the provider;

¹ The Hon Luke Hartsuyker MP, New legislation to address the 4.5 million appointments missed by job seekers each year, <https://ministers.employment.gov.au/hartsuyker/new-legislation-address-45-million-appointments-missed-job-seekers-each-year>, 25 September 2014

- Appointments are booked by the provider when the job seeker is unable to attend and they are not able to contact the provider to reschedule before the appointment time; or
- The jobseeker attends but an administrative error occurs and this is not recorded.
- The jobseeker did not understand the implications of non-attendance at an appointment.

Given these legislative changes have been based on what is thought to be the current level of non-compliance there needs to be an analysis of the existing system to determine the actual level of non-compliance. This may demonstrate that the problem is not as great as initial figures suggest. It also indicates that the proposed legislation would lead to significant numbers of jobseekers having their income support suspended when it was not warranted. People receiving unemployment benefits are among the most vulnerable in society. It is the view of CPSU members that problems with the existing system ought to be addressed prior to implementing any major changes that place income support for this group at risk.

Impact on vulnerable job seekers

CPSU members are concerned that vulnerable job seekers would be adversely affected by the proposed legislative changes. In addition to the potential for jobseekers to have their income support cut because of problems with administrative arrangements, CPSU members have also expressed the need for compliance arrangements to be flexible to take into account individual circumstances. Circumstances should take into account job seeker vulnerability, remoteness, good attendance history at appointments, recent activity test exemptions reasons, and complex customer issues. CPSU members have in the past noted that:

Reasonable excuse provisions need to take into account individual circumstances and be humanitarian in their application. These people rely on these payments.

Job seekers affected by sickness or accident could be adversely impacted by the changes proposed in the Bill. This raises concerns for those who do not attend an appointment and did not notify prior of their non-attendance. It is possible that in these circumstances job seekers who miss an appointment due to illness or accident may not be able to make a rescheduled appointment as soon as they are able, simply due to the limited availability of appointments – which will result in further disadvantage due to the suspension of payment, and the removal of backpay provisions.

Customers living in more geographically isolated areas that do not have a Centrelink office nearby may be at increased risk. With the immediate suspension of payments, it could be days until a reconnection requirement can be met and payment restored. This is likely to have a particular adverse impact on Aboriginal and Torres Strait Islander customers living in remote communities.

CPSU members are also concerned that this legislation does not attempt to address the barriers that may be preventing jobseekers from securing employment, but in fact may add to them.

System Alignment

In the CPSU submission to the Inquiry into the *Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011* by the House of Representatives Standing Committee on Education and Employment, CPSU members raised concerns on IT Systems Alignment issues. These issues are still relevant today. In that submission we stated:

“Some CPSU members raised concerns about existing IT system alignment issues. Members noted that informal feedback from PSTs indicates that approximately 15 per cent of failures triggered are due to incorrect data coding or the Centrelink and DEEWR systems not reading or transferring the data correctly. There was also concern about level of knowledge and skill among providers to ensure information was properly coded to avoid inaccuracies and payment suspensions. Concerns were also raised about the quality of training for Centrelink staff on how to verify customer information.

An example of an existing system alignment problem provided by a member related to customer reminders about rescheduled appointments. The reminder that goes to a customer about a rescheduled appointment in Centrelink may not necessarily be sent depending on where the customers' information is located on the system. If the customer's file has not been moved across the system, for example, and they have moved interstate, a rescheduled appointment reminder may not be sent to the customer even though an updated address may have been provided. There were concerns about similar system problems for Job Network providers where appointment reminders may not be going to customers, leading to payment suspension. Verification can occur on the Centrelink system but it would be likely to be after the fact.

There was also concern that if payment suspension is automatic, the system may not factor in medical and other exemptions e.g. allowing enough time to get the continuing medical certificate onto system, vulnerability indicators or the overall attendance of the job seeker.”

CPSU members report that there is often a delay of several days between a medical certificate being lodged and it being processed. There are two causes for this; the scanning and mapping process of images which often takes a day or two for the image to arrive at the processing point; and declining staff levels which can lead to delays of up to seven days in processing. Manual actioning of breaches means that these pending medical certificates can be viewed where a system of automatic cut off does not accommodate these circumstances.

Staff Safety

Given the extreme hardship these measures will create for some of our most vulnerable citizens CPSU members are also concerned that if introduced this legislation will likely lead to increased anger, abuse and violence directed to DHS and provider staff.

Personal safety is a significant concern of DHS staff, with most security incidents involving DHS clients occurring in a “face-to-face environment”. DHS staff are seen as the face of government, and are often held responsible for implementing Government policy. This means that when a policy is seen by a client as adversely impacting their life, this can lead to an increase in customer violence and aggression towards staff. While the overwhelming majority of DHS clients do not respond violently to decisions of this nature, many of them do become angry and desperate. This will be exacerbated by an automated system which does not take into account personal circumstances, administrative error and geographic isolation, and where the penalties for non-compliance are extreme.

This is some of the available data in relation to DHS staff personal security.

- In 2012-13, the DHS had 7504 customer aggression reports submitted,² which is an increase of 1,604 from the previous year (5,900 in 2011-12).
- The results of the 2011-12 CPSU *What Women Want* survey also found that 60.6% of DHS women have experienced customer aggression.
- Some clients have also carried “weapons of some description” into some DHS offices.³
- Security guards have been placed in 76 Centrelink sites to counter increasing client aggression.⁴

At any time when government policy that removes some or all of the payments an individual receives is being implemented, the personal safety of staff needs to be a primary concern. Existing policies on workplace safety and security must be reviewed prior to implementation of any changes to identify existing and possible risks to address likelihood of increased customer aggression.

If the government proceeds with these changes, management must develop and implement a strategy in consultation with staff to address the potential increase in customer aggression resulting from the new arrangements.

DHS staffing has declined from 34,839 ASL to 29,989 ASL over the last 4 years.⁵ Declining staff numbers in DHS also impacts on the support provided to jobseekers and their experience in accessing services. This can also increase the adverse client reaction to decisions that impact negatively on them or contribute to some of the delays that lead to lengthy processing times.

Decision making should stay with DHS

Under current arrangements providers will make recommendations to the Department to apply an activity test breach. DHS staff will then consider the circumstances of the alleged breach and make a decision based on that investigation. Suspending a person’s income support is an important action that warrants an individual and considered decision, not an automated process. The CPSU and its members are firmly of the view that responsibility for that decision should stay with the government through its DHS staff and not be delegated to a contracted provider.

Accountability for decisions

It is an important principle of democratic government that the decisions of government are transparent, accountable and subject to review. One of the most important decisions a government can make in relation to an individual citizen is a decision to terminate income support. The proposal in this legislation that restricts or removes access to the review of a decision, attacks this principle. It also means that some people will lose income support when they should not have.

² Senate Community Affairs Legislation Committee, Senate Estimates Answer to Question on Notice HS 66, http://www.apf.gov.au/~media/Estimates/Live/clac_ctte/estimates/sup_1314/DHS/Answers/066.pdf, 24 January 2014

³ Julian Bajkowski, Proposed Centrelink and Australia Post retail fusion draws fire, *Government News*, <http://www.governmentnews.com.au/2013/10/29/article/Proposed-Centrelink-and-Australia-Post-retail-fusion-draws-fire/UKPTOGNSFY>, 29 October 2013

⁴ Patricia Karvelas, Guards place in welfare offices, *The Australian*, <http://www.theaustralian.com.au/opinion/guards-placed-in-welfare-offices/story-e6frg6zo-1226337507732#>, 25 April 2013

⁵ Data from 2011-12 Budget Paper No.1 – Statement 6: Expenses and Net Capital Investment, Appendix C: Additional Agency Statistics, and 2014-15 Budget Paper No.4 – Part 2: Staffing of Agencies

Conclusion

The CPSU is concerned that the proposed legislation:

- is intended to address a problem that may be over-stated;
- does not recognise the complex and diverse range of circumstances that result in a record of non-attendance by a jobseeker;
- will adversely impact on some of the most vulnerable people in our community and provide further barriers to them securing employment;
- does not acknowledge the contributing role of DHS IT systems in some of these issues;
- is likely to lead to an increase in risks to staff safety;
- may not guarantee a considered decision making process by DHS staff, which takes account of all the factors affecting the job seeker; and
- represents a diminution of accountability and transparency in government decision making and denies a basic right to review of government decisions in some circumstances.

Yours faithfully

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Community and Public Sector Union