



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT AND
WORKPLACE RELATIONS

Reference: Employment: increasing participation in paid work

THURSDAY, 18 MARCH 2004

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT & WORKPLACE RELATIONS

Thursday, 18 March 2004

Members: Mr Barresi (*Chair*), Ms Vamvakinou (*Deputy Chair*), Mr Dutton, Ms Hall, Mr Hartsuyker, Mr Lloyd, Mr Brendan O'Connor, Ms Panopoulos, Mr Randall, and Mr Wilkie

Members in attendance: Mr Barresi and Mr Dutton

Terms of reference for the inquiry:

To inquire into and report on:

Employment issues in both rural/regional and urban and outer suburban areas, with particular reference to:

- Measures that can be implemented to increase the level of participation in paid work in Australia; and
- How a balance of assistance, incentives and obligations can increase participation, for income support recipients

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Committee met at 9.00 a.m.**MAUDE, Dr Alaric (Private capacity)**

CHAIR—I declare open the public hearing of this inquiry into increasing participation in paid work. The proceedings today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee does prefer that all evidence be given in public, but if at any stage you wish to give evidence in private, please ask to do so and we will consider your request. Welcome, Dr Maude. Do you have any preliminary comments you would like to make that are relevant to our inquiry?

Dr Maude—I think I should point out that the study that the submission was based on goes back to 2001, and some government policies in relation to employment services have changed. What I doubt is whether all of the issues that we picked up in the three cities we visited—Murray Bridge, Port Lincoln and Whyalla—have changed.

One of the main points I want to make to the committee is that employment problems in regional centres in Australia are different from those in the capital cities. Things that might work in a big city are much more difficult in a smaller place. If you are in Port Lincoln, you are working in a labour market that is quite tiny, and you have not got the opportunity to go elsewhere; there is no job accessible unless you drive a couple of hours to Whyalla. This is a very different situation from being in, say, the northern suburbs of Adelaide, where you can commute to at least half, if not more, of the labour market of a city of over a million people. Trying to train people for jobs in small regional centres seems to me to be quite difficult, because those jobs are few and far between and they can sometimes be quite specialised.

People in Job Network, in the community agencies, in local government and in regional development told us that, where there has been job growth in those places, the people who were already unemployed—particularly the longer term unemployed—were very unlikely to get the jobs. I will give you an example from Murray Bridge where, a few years ago, Woolworths set up an enormous distribution centre that services South Australia and, I think, Western Australia. It is located about 10 minutes drive outside Murray Bridge, and it was a big source of new employment. When Woolies advertised for staff, you had to get yourself to the place, and a lot of the people in Murray Bridge who were unemployed and had no private transport simply could not get there. That was a good strategy on the part of Woolworths because they wanted to make sure that people had motivation, equipment and the ability to get there, but it was a problem for the unemployed.

Bear in mind that many regional cities do not have the sort of public transport system that would service people without a car. Bear in mind also that we were focusing on populations that were in public housing, so they were especially disadvantaged. The reason that they were in public housing was that they already had problems that went beyond unemployment.

Another thing we picked up in the cities was that, in a country town, people and families are quite likely to be known. If you happen to come from a family that has a bad reputation, you are

stuck. This story came to us several times in Murray Bridge. They told me about one young boy of about 15 who could not get a job because he came from family X, which was blacklisted by employers; they did not trust anyone from it. The sort of anonymity that would work in a city the size of Adelaide is not as likely to exist in a smaller centre. From what people told us, it seemed that there were extra, special problems in the regional centres of Australia which make them different from not only the capital cities of Australia but also much of the experience of Europe. For example, you could train a person in an English town and there would be five other towns accessible to them by public transport as a much more extended labour market.

Bear in mind also that for people who are unemployed in, say, Whyalla, leaving is not always an easy option. It is pretty easy if you are young and unencumbered. If you had invested in a house, selling was a problem in Whyalla back then because the market was poor. There was no demand for housing, population was declining and your life's assets were tied up in a house that you could only sell at a loss. You certainly could not sell it and buy into the housing market in other parts of Australia. So, for the 40-year-olds, moving out of Whyalla was a major financial problem, even though it might have been a sensible strategy.

I will not say much about the other part of our submission. We looked at various ideas that we got from around the world and from people in the three towns. We tried them out on people I would regard as being in the frontline of dealing with unemployed people to see which of the ideas they thought might work. In the submission there is a discussion of a range of these sorts of ideas. The basic theme is the concept of trying to provide employment services through a more coordinated, integrated and locally managed program to deal with the particular problems of a place and to make sure that individuals do not fall in the gaps between agencies and programs. This was a fairly common theme that we got from various agencies.

CHAIR—Thank you, Dr Maude. I read through your submission and it struck me that a lot of the work you have done did take place a few years ago and there have been changes, as you have noted. Have you had an opportunity to go back and look at what changes have taken place in those towns? You are making a speculation that things have perhaps not changed that much, but has there been any formal study, even as basic as the unemployment rates in various categories? Do you have any information that you could provide to us?

Dr Maude—I have not done any formal study but I hope to resume that, probably later this year, and follow up on a number of these things. I think the statistics show a continuing, slow decline in levels of unemployment. We did not really look at unemployment as measured officially but as people who were not in the work force, and I suspect that will not have changed. We cannot really measure that until there is another census. You would be more aware than I am of this enormous group of people who do not class as being unemployed, who are not in the paid work force but who represent a group that seem to be stuck in welfare dependency. The only way we can really measure that is through the census. I would be surprised if that had changed significantly, but we will see.

Certainly some of the problems of service delivery will have been improved, but at the time we did the survey some of the new changes were known and some of the agencies said that it is going to help but it is not going to fully resolve the problem. I am unaware of any significant development in the way of community management and coordination of these programs. Individual programs have been significantly improved. One of the things that puzzled me was

that I would go to Centrelink and they would say, 'You can do this, this and this; and we have funding for this, this and this.' I would talk to Job Network, or even in some cases to unemployed people, and they would say, 'Yes, but nothing happens.' I could never work out the gap between what was meant to happen and what was not happening and, if so, why.

CHAIR—That is why I am interested in when any further work was done, because some of those gaps and deficiencies have been addressed through Job Network 3. Your studies would have been done during the Job Network 1 days when certainly some deficiencies were highlighted. The other thing that struck me in your study was the difference between Whyalla and other places. In Whyalla, private and public sector employment had decreased; whereas, in the other places you indicated that, while there had been a drop in public sector employment, it had been picked up in the private sector. It was not enough to make a difference in the towns, but at least there was a movement in the private sector. What is unique about Whyalla in that regard?

Dr Maude—The enormous dependence upon one industry, steel, which has survived by becoming more and more efficient and by employing fewer and fewer people and an inability to attract new private sector employment. There have been many attempts to get all sorts of industries to go there, but they do not make a significant difference. Whyalla has some very good ideas about where its future might lie—and one would be, say, in servicing mining. But there has not been any boom in mining in the north-western segment of this state that would enable it to take that up. The biggest sign of hope it had was in 2002 when Harvey Norman established a store there. The view was: 'Harvey Norman doesn't go anywhere if there isn't hope.' That was an interesting judgment, because Harvey Norman—

CHAIR—The town's spirits were buoyed, were they?

Dr Maude—Absolutely. The town was cock-a-hoop, because I do not think Port Augusta had one. The towns of Port Augusta and Whyalla are in constant rivalry. Apart from Whyalla being this one-industry town, there is tremendous uncertainty over the future of that industry, and in the long term—

CHAIR—Is that uncertainty still there, even two or three years down the track, or has a decision been made on BHP's future?

Dr Maude—I do not think anyone ever feels totally certain anymore, because steel internationally is a tricky industry. Just think of what the Americans do occasionally to international trade in steel. Eventually the resource will run out—and that will be within this century. So I think Whyalla people and the local government are always nervous about its long-term future. They have lost a lot of industries and a lot of employment.

It is not easy to think of what else you do, although I visited Whyalla not long after I had had a week in Tucson, Arizona, and I thought, 'Now, here is a desert based city that is absolutely vibrant.' The difference, however, was that Tucson, Arizona had the state university, a major military base, and a massive power house of scientific research, but in an environment which was as dry and, in some ways, as deadly as Whyalla. But we do not seem to be able to live in the desert the way that the Americans do.

CHAIR—The American regions are very much propped up by their defence and defence industries—quite extensively.

Dr Maude—Yes.

CHAIR—You advocate a whole-of-government approach as one of the strategies. How does that differ to what is in place at the moment by the government, particularly through area consultative committees that work through the regional and transport services department? Is something missing there, in terms of the whole-of-government approach at the moment?

Dr Maude—I do think there is something missing. If you go to the relatively recent Keniry report on business development services, they come back to a theme that I have spotted over the last 10 years, and that is that we have a variety of agencies around Australia in regional areas, including in some of the cities, doing rather similar jobs. So you have an area consultative committee, which in the case of Whyalla services something like half the area of South Australia—it is huge. It is crazy, to my mind. There is a regional development board, which is a state based, community based organisation which services only Whyalla.

The Keniry report advocates—and I have argued for this for some time—that regions should have one body for regional development that should integrate Commonwealth, state and local. So scrap the area consultative committees, scrap the regional development boards or the development commissions in Western Australia, and have one body in which all come together. Go back to the regional summit 2000, I think it was, or 1999 and there is a recommendation for governments to have one lead agency and stick to it—and that is all governments. But I would refer you to the Keniry report because I think it is a very interesting study which comes out strongly in favour of the need for much greater integration, coordination and cooperation. I would say it is not there at present.

CHAIR—You could say that across just about every portfolio—state and commonwealth governments. There needs to be a lot more coordination across portfolios and within the same portfolio across the jurisdictions. There is always that concern.

Dr Maude—Rather than trying to make individual departments coordinate themselves across that way, what I think is being asked for is a regionally based, locally based body that puts them together in that area. So you have representatives from the various groups. I notice that in practical terms the government officers, or the regional development people, often form informal networks just to get the job done well. It works much better across one level of government. So you would get all the state government agencies in Port Lincoln meeting together regularly in quite an informal way to coordinate themselves. When I said, ‘Do you get the Commonwealth in?’ they said no, which struck me as missing a large part of the picture.

CHAIR—We had some evidence from the Logan City Council that advocated something along those lines—where they developed a regional employment task force and invited all the players—whether it be government businesses, non-government, some NGOs—into the mix. That is probably the model you are advocating. Part of their program involves what I call recovery—that is, getting people out of drug and alcohol abuse and all sorts of other problems and into a job-ready situation.

Dr Maude—That would be very much what I am thinking, and I think that local government is often the agency that can be a catalyst or an organiser, but it is only one of the players. Murray Bridge tried to do something like that, but they failed to get the Commonwealth funding from the Regional Solutions Program, I think, that would have helped them do this; but they had an idea, which I thought was a good one.

Mr DUTTON—Thank you very much for your submission. I enjoyed having a read through it. I am interested in hearing more about some of the international models that you spoke about, if you could expand on some of those. I do not know whether you have had the opportunity to follow up since your report was compiled, but could you tell us about the effectiveness of some of those models and what we could learn from the international experience?

Dr Maude—That is an interesting question. I retire on 2 April, and one of the two things I most want to do is to follow up this thing in Britain and Europe early next year.

CHAIR—The ILMs, is that right?

Dr Maude—Yes, the ILMs. There is an excellent example in Sydney of an intermediate labour market organisation. It is run by an offshoot of Anglicare, I think. I talked to them a year or so ago and they were interested in expanding across the country. The ILM basically trains unemployed people in work discipline and work skills. The work discipline is probably more important than the work skills. They train people in a job which is also commercially viable. So it is a business that, to a large extent but not entirely, funds itself. In the case of the one in Sydney, they recycle computers. I think they have something like 100 workers. It is quite a big organisation. The guy who runs it sounds pretty dynamic. Many of these people are missionary types. They call themselves ‘social entrepreneurs’ now—if you have run across this term: entrepreneurs in the sense of being business minded and innovative, and social in the sense that it is a socially based operation, not for-profit. They are meant to be trying to train people in a real world situation. It is not a sheltered workshop.

The model came from Glasgow—an organisation called the Wise Group, which started training unemployed people to draught-proof houses as a way of saving energy costs and improving heating. They spent a lot of their early months just getting these people sane and balanced. There is a lot of personal counselling. People have to get used to the idea of a nine-to-five or an eight-to-four job. It took them about 12 months before they were job ready. The organisation was partly funded, I think, by using the social security payments that these people would have got. I am not aware of a model for that in this country.

So that is the idea. It is intermediate in the sense that it is in between being unemployed and being fully out into a competitive labour market. It is longer-term training, and it takes really difficult cases. From what I could see in some of the studies that had been done, it had a higher success rate than the standard employment programs, but it was more expensive. There seems to have been some questioning going on in Britain in the last couple of years as to whether this is—

CHAIR—So employment outcomes—

Dr Maude—Were better.

CHAIR—Can you quantify that?

Dr Maude—Sixty or 70 per cent, I think, were still in a job 12 months after they got one.

CHAIR—But the NEIS program that we had was higher than that, wasn't it?

Dr Maude—Possibly not for the very long-term unemployed. This is not dealing with the general level of job placement. It is taking a group which has been stuck unemployed for possibly 12 months or more, which is the group which, as far as I know, we have the greatest difficulty with, and where, in other countries, standard programs were not working.

The other programs I talk about are those that help people get to the stage where they can start to benefit from the more formal programs that we provide pretty well. There is a marvellous example called the Shed in the southern suburbs of Adelaide. A couple of years ago I was asked to do an evaluation of it. I went around all the agencies that sent young kids to the Shed—they were teenagers that went to it—and I could not get them to say there was anything wrong. They had nothing critical to say about this organisation. It was run by retired metalworkers and carpenters, who taught kids metalworking and woodworking skills and did lots of one-on-one counselling while they did it.

We suspected that a lot of these men were escaping their wives, because they were retired, had been kicked out of home and had to find something to do. But they seemed to be able to change the attitudes of a group of kids who were at risk of dropping out of school. We were not even thinking of employment training at this stage; we were just trying to keep them in school and thinking about becoming qualified in something. It was costing the community almost nothing. These were volunteers. But they continually struggled for a place to do this work in and for funding to pay for the administration. In this area—Onkaparinga Council—people kept telling me, 'We could do with 10 equivalents of the Shed. We have that much demand to get these young kids off the track they're heading down and into having some self-respect.'

CHAIR—Are these kids who have already been through the school system?

Dr Maude—They are in the school system.

CHAIR—So why can't they engage in VET programs?

Dr Maude—These might have been VET programs. The kids were being funded through the Commonwealth. They would go to an agency, such as one of the church based bodies, which was using Commonwealth funding. I do not remember which of the various programs the Commonwealth ran that they were using funding from, but they were using Commonwealth money. The problem was that there were not enough groups like the Shed to provide the services for which there seemed to be the funding. We were funding agencies to find people a place like the Shed, but we were not funding people who would run a place like the Shed to provide the service. That was where the agencies dealing with young people kept on saying, 'This is our problem. We don't have enough organisations to deal with the number of people that we have needing that type of thing.' Again, I look at what is being provided and what people tell me is available, and there is a mismatch. I do not quite understand where the problem lies, yet again.

Mr DUTTON—I want to follow on from that. I was going to ask you about the prevalence of drug abuse or substance abuse amongst some of the participants in your study in the three areas. Can you say what percentage of people may be afflicted by a substance abuse problem that would preclude them from going into sustainable work? Is that a real issue? Can that be overstated?

Dr Maude—I could not quantify it, and I do not think anyone I talked to could quantify it. But it concerned me that it kept on being raised by people in Job Network and in the various other agencies that were dealing with young—and not so young—people. It was often raised in the context of ‘in these cities we do not have a good drug and alcohol service’. They were available in the big cities. But I note in the submission that there is no resident psychiatrist outside Adelaide. All of these mental health problems, if they need a psychiatrist, are serviced by fly in, fly out people. In Whyalla, which has a particular problem, probably by far the worst, they said, ‘We have totally inadequate services to cope with the need,’ yet they have a big hospital.

There are some very good programs through CRS Australia, for example, which has a major program that deals with getting people with mental health problems back into work. I know about it because my wife works in it and she says, ‘But we do this, we do this.’ I say, ‘Yes, and it is very good stuff.’ What people kept saying to me, though, is that we need something that gets a person ready to the stage where they can actually benefit from a CRS. These people will not go there; they are so unmotivated or destroyed that we cannot get them to first base. The Shed was an example of a program that seemed to work. Community House in Port Lincoln was another one.

Mr DUTTON—I know that a lot of your study concentrates on the Housing Trust and public housing and the obvious complex problems that go with that, but a lot of the issues you have identified I would think are more because of the remoteness of some of those communities as opposed to some of the problems people in public housing face in suburban or outer metropolitan areas; you spoke before about the transport availability if people were living in North Adelaide. Is that fair to say, would you think? Instead of trying to categorise people in public housing as being demotivated and unable to access public transport, those same barriers would not be present in metropolitan areas, would they?

Dr Maude—I think that is true to some extent. It is much easier to commute out of, say, Elizabeth, one of our major public housing areas, to jobs elsewhere in Adelaide. You do have longstanding folklore that people from Elizabeth can be stigmatised. People from Western Sydney, the Westies, are again stigmatised because they come from an area and people can be a bit reluctant. If you have come out of certain high schools that have a bad reputation you can be stigmatised in the employment market. In any large area of unemployment and I guess in any large area of public housing even in the big cities there is a problem of second generation unemployment, lack of role models and total lack of motivation and interest. It is almost what they used to call a culture of poverty that kept you out of the work force and, while I think it is even more difficult in Whyalla to get out of that problem, people who have studied similar problems in, say northern Adelaide or other Housing Trust areas say, ‘We’ve got similar issues there; they are just a little easier to tackle.’

Mr DUTTON—That is my point. If there had been a bus service in Whyalla in relation to Woolworths, would people have accessed that service to turn up for the job applications or not?

Dr Maude—From what I was told, some of them would have but certainly not all. There was a group that needed considerably more intervention to become motivated to take that sort of opportunity. I think they said the interviews were early in the morning as well. The problem is that it was out in a completely isolated area off the main road from Murray Bridge to Adelaide and it was unlikely that any public bus would ever have serviced it because there was no settlement there. It is a totally greenfield site, so you would need a car.

CHAIR—You mention the need to build social capital and you have put forward nine recommendations. I will not go through all of them but I am intrigued by one recommendation—I was under the impression that that is happening right now—which is assisting schools to develop school-to-work relationships with businesses. In the city, Salisbury High is a great example of where that is happening quite successfully.

Dr Maude—Salisbury High is outstanding, not just in this city but nationally, in what it does. Unfortunately, not every school is a Salisbury High. That example needs to be spread, I think.

CHAIR—That is fine, but the recommendation is that we should be assisting schools. The fact is that assistance is available right now. If a school does not take it up, that is an issue for the school, the school community and the school council. You can lead a horse to the trough but you cannot make it drink. There are programs, and there are opportunities for schools to engage in them.

Dr Maude—The point I would make—people in these towns kept saying to me, ‘Yes, we’ve got programs’—is that, for various reasons, people are not accessing the programs. If we want to improve our record of getting people to participate, we have to go a little further. Let me give an example: the Housing Trust ran a program to help unemployed young women in its housing area—I think they were single mothers—better balance their budgets, get out of financial strife, be able to pay their rents and get on top of things.

Using their network—all these people have to front up regularly—they identified a group and got them interested. There were 12 participants. Six turned up and six did not turn up. I said, ‘Did you follow up the six who did not turn up?’ They said, ‘No; we don’t have the resources.’ If we rely on people to volunteer to turn up, we will not crack this problem because we have a large lump of people who are not going to volunteer to turn up. They have to be pursued through community pressures and all sorts of things. I know it sounds almost draconian but—

CHAIR—It should be pursued through programs such as Work for the Dole.

Dr Maude—That could be done if you have a community based organisation which can find these people and engage them, but it seems to me that the gap is engaging them. They will come along and do the minimum required. A number of them seem to be continuously recycled through programs without an end result.

CHAIR—One of the barriers you have identified is that of work ethic—that the work ethic is not there. One of the objectives of the Work for the Dole program is to encourage that work ethic. You can be critical of it. I just want to know where that criticism should be so we can direct our attention to it.

Dr Maude—From what I have seen, the intermediate labour market organisation is better than the Work for the Dole program because it is a job in an organisation producing a service for which there is a commercial demand. It is closer to the world they are going to have to move into.

CHAIR—As long as that intermediate labour market program is a transition program. Would you agree with that?

Dr Maude—Yes.

CHAIR—Are you familiar with a proposal being put up by Professor Bill Mitchell of Newcastle University?

Dr Maude—No, but I know who he is.

CHAIR—We met with him last week, and he is advocating that there should be a pool of labour, which is paid for by the federal government on a federal minimum award wage, which goes out into the regions and the regions employ those people for various activities which no other sector will do. It is not a transition pool; it is a fixed pool—that is it. I have some real grave concerns about that. You are certainly not advocating something along those lines, are you?

Dr Maude—I do not think work in something which has to be permanently subsidised, in a sense, which is not doing something that there is a strong demand for, is a problem. It is probably something that governments then have to continue throwing money at. I suspect—and I do not know the answer to this—there is a range of useful jobs which could be created. One of the areas I see as a problem is that we do not have a good link between our regional development agencies and the people who deal with, say, the long-term unemployed. The average regional development agency is trying to develop viable businesses, particularly export businesses. They do not employ people with long-term unemployment problems. They cannot afford to. If you can bring together the people who are creating new business with the needs of the people you want to get into paid work, we might get further. But that does not happen very much. I read Bill Mitchell's idea long ago. He has been advocating it for quite a while.

CHAIR—My concern is that it becomes a fixed pool of labour, there is no transition in it, so the pool gets bigger and bigger. My other concern is that it is potentially taking a job that may be resourced through the private sector or even through another government agency, such as a local government authority.

Dr Maude—The overseas examples are transitional ones.

CHAIR—My last question relates to, in part, the question that Mr Dutton asked. Your entire study was about unemployment in the public housing market. Your recommendations and your entire attention have been drawn to how we can help this group. Isn't there a danger that we will create a separate CAP program purely for the public housing group? We are, perhaps, isolating them from the rest of the unemployed community. What encouragement is there for people to move outside the public housing sector?

Dr Maude—I agree with you entirely. I would not, in fact, advocate something separate for the public housing people. This program was funded by AHURI—the Australian Housing and Urban Research Institute. We were asked to talk about public housing, so we did what we were told. If you were to set up an agency in, say, Murray Bridge, I would want it to deal with all people, not the public housing group alone. You would need to incorporate public housing into it, because that is probably the largest group. I would totally agree with you.

CHAIR—Dr Maude, thank you for coming. I could have asked a few more questions, particularly about your community programs, but I read through that information as well. I wish you well after 2 April. I do not know what you will be doing, but whatever you will be doing—

Dr Maude—Research and teaching, as I have done for the last 40 years.

CHAIR—There is no retirement there at all, is there? It is a false retirement. Thank you very much for coming. If we have any other questions, we would certainly like to get back to you.

Dr Maude—Thank you for the opportunity.

CHAIR—I will certainly be asking my colleague the member for Grey about what is happening in Whyalla and Port Lincoln these days, compared to when the study was done.

[9.54 a.m.]

PRICE, Dr Kay, Key Researcher, Senior Lecturer, School of Nursing and Midwifery, University of South Australia

CHAIR—Welcome. Thank you for coming in today and meeting with us. Do you have any comments to make on the capacity in which you appear?

Dr Price—I am presenting research results from a collaborative piece of research I did which was funded by the University of South Australia.

CHAIR—The proceedings here today are formal proceedings of parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We prefer that all evidence be given in public, but if at any stage you wish to give evidence in private please ask to do so and we will consider your request. I invite you to make some preliminary comments about the issues you think are important to this inquiry, and we will then move to questions and discussion.

Dr Price—The terms of reference include measures that can be implemented to increase the level of participation in paid work. The research that I have conducted with colleagues from the university was based on the premise that we had a high level of unemployment, on the one hand, but, on the other hand, a need for an aged care work force. The level of unemployment was mainly in the area of mature age persons. To me it seemed impractical to have a level of mature age unemployment in the state and a need for a work force, particularly when the mature age person is well suited to work with older persons in need of care. So, with colleagues, I went about looking at what it was that needed to be undertaken or addressed to get people who were unemployed participating in work that would be, in this situation, paid work.

What we found was in the context of aged care—that is how the findings are being presented or have been presented—but I put forward that they are useful findings that can be applied across several other industry areas. But, in terms of aged care, if we are going to get people interested in working in aged care, there is an issue associated with the image of the industry. People admire everybody who works in it but they do not want to work in it. There is an issue, then, for the aged care industry. Even if, as I was told by a previous minister for Ageing, Kevin Andrews, the level of unemployment amongst mature aged people gradually decreases as the work force ages, my concern is that it may decrease but the aged care work force will still be missing out on people because it does not have the image to attract them.

The other thing that came through in our survey is that it is not just the image of the aged care industry; there are also issues related to the sort of work that is anticipated to be done. From talking to aged care providers, which emanated from the survey that we did and case study reports, the issue really does relate to the view of the aged care providers. This is where I think the relevance is for other industries. Aged care providers say that they are not encouraged to take on mature age people to do direct care work, because of the risk of injury to these people—that

is, because of their ageing status. They are affected by that through the WorkCover levies. I think it is important for us to raise that at this venue. Participation in paid work relates not only to the individual whom we are trying to get participating but also to how ageing is valued in our society. We are talking here about mature age people who are unemployed and whom we are trying to get back into the work force. Acts and legislation have actually been set up with an ageist attitude—not knowingly or purposely—which has created an ageist response to encouraging people who are older to work and to getting them into paid employment. Does that make sense?

CHAIR—Yes, it does.

Dr Price—My concern, particularly in the aged care context, is that aged care providers are saying they are not encouraged to take mature age people as a potential work force, because of their ageing status and increasing risk of injury. Even if we encourage it on the one hand, they are not going to take them on the other, because they will say they will be financially disadvantaged.

To me, the dynamic that is working here, particularly when we look at increasing the level of participation in paid work, we have strategies in place that are really directed to young people, not to the older person who is mature age and unemployed. There will be certain industries where there is work that is more demanding on the physical body as a result of that work which young people are not generally attracted to and we need older people but in actual fact occupational health and safety and WorkCover work against employing them. I have a huge concern there that I think needs addressing. That is where we are coming from in our research and we are looking at ways to go forward with that. We have not taken that further than a good opportunity to present it today.

CHAIR—Thank you very much, Dr Price. Your research is interesting from a couple of perspectives which you have already covered, that you are trying to marry two different needs that we have: the need of an ageing society and the care that is required and the need to get mature age unemployed into work as well. It is very useful information for us and it actually supports some of the evidence we have received from other witnesses. I will start off on a very simple point. In your submission you talk about education and training of mature age people and the question of the relevance of formal education qualifications and the extent to which employers value qualifications. It is almost like two different and conflicting pieces of evidence we have had on this so far. One is from Dr Peter Saunders from the Centre for Independent Studies, who has said the value of the training dollar for mature age people is of marginal benefit unless it is women returning to the work force. On the other hand we are also heard from the banks. Westpac Bank has employed a very successful work program getting people back into the work force where they do take them through training programs. Could you make a comment on the value of training? I know your point is more from the mature age unemployed's perspective, that that they do not think qualifications and training are being valued.

Dr Price—Particularly not the vocational education and training. If you are a young person with a university degree you are greatly preferred to a person who has a VET qualification and is older. The bank is not hard physical work, so you can encourage an ageing person and mature age person to return to work. I do not know Dr Saunders's work but I would say that that is where I am coming from as well, that, even if they had some qualifications, the fact that they are

older and with the type of work that is needed to be done, the occupational health and safety acts and the WorkCover levies would actually say, 'Don't employ them even if they have got the qualification because they are an older person.' This is my point, that the acts themselves, though not intentionally, are now ageist.

CHAIR—That is a very strong point you are making and your whole research is on this particular point, but what actual empirical evidence do you have to back it up?

Dr Price—I take your point. What I am saying is that we have collected the views of people who are unemployed and the case study participants themselves and juxtaposed that with the literature and a critical review of the literature. I also carried on with other work since the work I presented here. What it is coming to is that, even if we did encourage them to go into a heavy, demanding work role like, say, aged care or even the building industry, the older person is not necessarily for that physical work thought about as being a good person to employed, even if they were qualified, because of the risk of injury and therefore extra cost to the employer. This is what the approved providers are telling us, the ones we have talked to in this state. We are trying to get through now and say, 'Where can we go?' I am telling you now about our future research program. I do not have any other than to say, 'I have talked to approved providers and this is what they are telling me.' I have done some questioning of the OH&S act and the WorkCover levies and I am coming up with the view that it has to be something to do with how they are applied.

CHAIR—It is particularly punitive here in South Australia, more so than in other jurisdictions?

Dr Price—My conversations with the providers have only been in this state, about this issue. I have not got a handle on the other states because the research that we did focussed on this state's needs. But if I apply it across the country—the shortage is across the country—we would need to go and investigate it, and get the funding to do that. The results—I am annoyed I did not bring the report—that came from the detailing of all the injuries that have occurred per age group per state show that the level of injury in people who are older, let us say 45-plus, is no greater than in any other group. There are a couple of areas, a couple of states, where there are little pockets of slightly higher percentages. So where there is a need for staff in areas where there is high physical work—this is my only point—there is a need now to critically review how legislation may preclude the employment of older people.

CHAIR—Let us focus on that. What is it about the Occupational Health and Safety Act at the moment that is preventing people from being employed in the aged care sector? What changes need to be made?

Dr Price—I think it is the way people read it. You cannot put somebody deemed at risk in a position where there is the likelihood of an injury because of the nature of the work and the preparation they have had. That can be read in an ageist way—because somebody is aging they are more likely to experience injury and, therefore, they should not be put in a high-risk job, such as the direct care of an older person who is likely to be non-compliant. There could be times when there is more of a risk to your body. We have a view in our society that, as you age, you functionally decline. There is a realism that you do functionally decline, but that is driving

the interpretation of the statement within acts like the Occupational Health and Safety Act about the risk that is embedded in the position.

Mr DUTTON—Just to take up that point, because I think it is a good one, is there a reality based on previous findings or payouts or research that these acts and legislation are based upon? There has obviously been a higher incidence of injury in aged care work places by a particular demographic. Is that just the reality of the situation as to why this legislation is arrived at, or do you think it is just discriminatory because of perceptions? Is it a reality, or not?

Dr Price—My understanding is that it is not just in aged care, with the OH&S Act—

Mr DUTTON—No, I just took that example.

Dr Price—I think it is trying to have employers not put people without any experience or training into a position where they are likely to have an accident. Its intention is well based. If the only person you have to employ is an older person, and you read that you are liable, you should not put them into a risk position without the appropriate education and training. Even if they have, let us say, a certificate 3 in aged care work through the vocational education system, the view is that that is not enough to comfortably say that they are still not at risk. Therefore, we had best not employ them for that direct care work. My point is that it is not written; it is how it is interpreted within this view about what is aging, and what a mature aged worker is likely to have to encounter.

Mr DUTTON—I take you to page 5 of your submission, where you quote from Chapman in the third paragraph:

HECS arrangements for higher education offer a solution to the financial market problems inherent in charging for VET. In contrast the up-front fee regimes in Australian VET are poor policy, for both economic and social reasons. Attention should be given to moving VET charging mechanisms more towards income-contingent repayment ...

How much of a problem is that? What have been the increases in VET charges and why is that a deterrent to people going in?

Dr Price—The participants of the survey and the case study clearly told us that the cost of doing VET courses just impeded them. These are unemployed people. It does not matter if the cost has gone up; it is just the cost of them in the first place. They had to make choices about paying their electricity bill, books for their children—if they had school-age children—or courses. With universities you can put off paying until you finish your course, and then you earn a certain income before you have to start paying the HECS fees back. It is not the same in the vocational education and training area. You have to pay up-front. So they cannot get the fees. The only reason the four case study participants could do the course was because we offered a scholarship. It was embedded in the grant that we got from the university. They jumped to that opportunity, and we had more people than we could afford to put in. That was their view, very strongly: the cost impeded them from doing the courses. Then you have to marry that with their view that, even if they do the courses, they are not valued. So the feeling was, ‘Why should we?’

CHAIR—What discussions have there been with the state government, the ministers, about addressing that issue? Have you had any discussions at all?

Dr Price—No. We have certainly put our reports, where we can, through to the state government. I have not had any personal discussions with any of them as yet. The point that we are trying to make—and we will take the opportunities when we can—is how people are encouraged to get the qualifications. If you look at other acts, the OH&S Act, for instance, says that you must have the qualification before you do the skill, in order to not be at risk. The costs involved in the VET system preclude people from doing that. The mature age people are also saying that they have not got the self-confidence to come back and go to a university and that they need to do small steps.

CHAIR—I think you are making a very valid point. When we see increases of somewhere around 200 to 300 per cent in TAFE course fees in New South Wales, you can just see what kind of deterrent that must be.

Dr Price—It is cost and time. If you go to a private registered training organisation to do it privately rather than through the public TAFE system, the issue is that the courses are quicker to do; they are more condensed. It is not over the year or two years. But again it is the cost that precludes people—even though they know there is an option to do it in a shorter time rather than the increased time.

We also found that people did not value their VET qualification, because the Australian qualifications training framework sets up this linear perspective that it is only forward. You cannot have a bachelor's degree, for example, and then 'come back' to do a cert 3, say, in aged care. That is going backwards, in some people's view, and they think, 'Why would we do that?'

Mr DUTTON—Is that a community perception? You would hope it is changing, somewhat the same as the view years ago that if you graduated from high school and did not go to university you were a failure. Do you think that there has been a change in that mind-set and that vocational training is much more valued—trades—in today's day and age? Is it taking on a different perception than it had in years gone by? Or do you still think that that is a real core problem?

Dr Price—Amongst those unemployed people that we surveyed, it is still a core problem. At the same time, if you contextualise it within the Occupational Health and Safety Act, if they do not have the experience and they try to make a career change and do a VET course, even if it is sort of valued, if they have got no experience in it and they are an older person, then there are risks involved in putting them in direct care work—in aged care—and providers say that they would think twice, unless the provider has their own personal insurance. Some aged care providers said that they are great people and they take care of them, but they had different insurance arrangements.

Mr DUTTON—If a person is precluded from doing a TAFE course because of these up-front costs associated with TAFE courses, for argument's sake, what are their options then?

Dr Price—They have none; unless they are like these four participants who saw the ad and jumped at the opportunity. One man was 60 and he certainly wanted to carry on in health care. He wanted to become a registered nurse, but his previous work was in banking. He had a bachelor's degree. But he would not be able to do it unless there was a scholarship paying for the course. They did not get paid an income; they just got their course paid.

Mr DUTTON—In your study you also talk about the aspect of age being a deterrent for some employers. It is well documented, as you have cited in your report, but do you think that that perception by a lot of employers is a historical one? Has there been a change in mind-set in the last three or four years and a realisation that many of these mature-age workers bring great skills to work forces—particularly infant ones?

Dr Price—I agree. I think there has been a mind-set change but, at the same time, what precludes mature age workers from being employed? I asked approved providers that question—again, I have not done that outside of the state and it is not all of them—and there were those who said that, because of the way they have got their insurance set up, they can employ mature age people because they are very good, particularly with older people. Then there are those providers who have levies applied and say that they cannot really afford to put mature age workers into direct care work. It is not because they do not value them—it is not that at all; it is because of what they perceive to be a problem in the way that OH&S and WorkCover penalises them.

CHAIR—Are we excusing the management of those providers a little bit too easily? Are management practices the reason that some are able to do it and some are not? There is a whole range of things that you could do in the aged care industry. A person does not necessarily have to lift and help the residents.

Dr Price—Approved providers will say that they put mature age workers in different areas to do different pieces of work. We were making the point that there is a shortage of people to do direct care work. The issue is that there is not the number of people required to provide direct care work. There is a global shortage of nurses. You could use the employment of mature age people as a possible mechanism to get them interested in aged care work. They might like to go on to be an enrolled nurse or to do registered nursing, depending on their age and what they think they might like to do. It is one possible avenue of introduction into nursing, and we desperately need nurses. Direct care work is the issue.

CHAIR—When we were in Queensland, we met with East Coast Training and talked about the recognition of prior learning for aged care. They made the point that there is an abundance of labour available to move into the aged care sector, but they looked at it from a different perspective. They looked at it from the perspective of those who have been caring for a loved one, perhaps for three, four, five years. They have developed skills—albeit on-the-job or home based skills—and in the process they might also have developed the disposition to want to continue to do it once the need to care for their loved one has come to an end. East Coast Training's proposition was that we should be moving towards some form of accreditation of their skills to move them into the aged care sector.

Dr Price—I would not disagree.

CHAIR—I was going to say that I thought that you would totally disagree with that—that it still will not work because of the occupational health and safety problem.

Dr Price—That is what I am saying. I would not disagree with the concept, but it would not work for several reasons. Firstly, there is the cost involved in the recognition of prior learning. The unemployed person in particular could not afford to do it unless somebody paid for them to

get recognised. There are also self-confidence issues; they do not feel confident to do the course anyway. They would probably have to do some extra courses, so it would depend on their level of self-confidence. At the same time, depending on the sort of work and where they are going to work, it is highly likely that the facility would not be prepared to employ them because of the insurance and WorkCover concerns. There is a lot working against it. At the same time, what we found was that only a minimal number—16 per cent—of the total survey respondents actually wanted to consider working in aged care. I would be interested to know where these people are. They admire people who do it and think it is an extremely valuable role, but they do not want to do it.

They themselves recognise their own physical limitations. They are tired. The four case study participants in particular talked about the manner of institutional care for people when they get older, and it just put them off. I think also that at the end of their time they were thoroughly impressed. The four that went through have all stayed in the industry, and some have gone on to be enrolled nurses. Even though there were only four, we did achieve a goal. There were also things like: costs were paid for them; it was a short-term course; they were given lots of support as part of the group; and they did not have to worry about an ongoing debt.

Mr DUTTON—They were probably well and truly motivated, as well, weren't they? They sought you out, having responded to your ad. You had a 100 per cent success rate, which is great, but could you extrapolate that out if you advertised 400 spots? It would be difficult to get that motivation from some people, wouldn't it?

Dr Price—They were also very honest with us. What they actually saw was that their fees would be paid. That is what attracted them—the no fees. Here was an opportunity for them to get a qualification, and it would be the beginning of a move somewhere. Half of them—only two, I have to say; I recognise that—said to us: 'We didn't think we would continue to work in aged care. We just wanted to use it as a stepping stone to get a qualification to start us going again, and we didn't have to pay for it.' But they have stayed, because they were given a different perspective. We have to take that into account. We had very in-depth discussions with those four people in every week of the course before and after they left. The in-depth, qualitative experiences rather than the mass of numbers were important.

CHAIR—If legislation—that is, either antidiscrimination legislation or occupational health and safety legislation on its own—will not do it for us, what is going to change the ageist policies of these providers or of employers in general? You do say that there are still a lot of covert, insidious practices out there. What do we need to do in order to change those attitudes?

Dr Price—From the research that we are doing and from the survey results, the valuing of ageing needs to be debated within our society. The participants are saying: 'We just do not value ageing. We do not value people who are older.' The cost impedes them if they have been retrenched from one job. Even if they try to get another qualification, they cannot afford to. If a person has been unemployed for a long time, they get tarnished with that brush. An attitudinal change has to occur. We can bring that about only through informed discussion with and education of our public. Somebody has to take the decision to do that. From an education perspective, I think we make change only through educating people, informing them of different ways of thinking, challenging their ways of thinking, showing them the problems with their ways of thinking and then offering them a different way. Somebody has to take the lead in that.

I guess I saw the government's role in the inquiry that you are running as saying, 'Maybe we should be looking at that.' I do not see it coming from all areas of private industry necessarily. I know of private industries in the nursing circles that take the lead in that and do it, but they are not always supported. I do not have a magic ball. I can only say from my perspective and from what I have heard of these people that they need to understand that there are different ways of thinking about it and that they need to be told those different ways. The issue is how you get to tell them.

CHAIR—Are we really trying to solve a problem that is not going to be there anyway in a few years time? You mentioned your conversation with Kevin Andrews. In your submission you say it is:

... unlikely that unemployment will exceed levels of 2.5% in coming years.

Will employers just have to change and will governments just have to introduce legislation which does encourage the employment of mature and older workers? Recently we had the Treasurer, Peter Costello, making comments in that regard. It is an issue that is going to be forced upon us because of demographic changes.

Dr Price—Absolutely, but that is where my other concern stems from—the aged care area. The image of the aged care industry, the nature of the work and the whole perspective of ageing and the valuing of ageing in our society means that although we may have the unemployment rate going down—you will always be left with a group of always unemployed people—the aged care industry will be desperate for people to work in it still. There are not enough people in our population to do that. That is a concern I have. There are some industry groups in my area, being health and aged care, where I focus a lot of my attention and research. Maybe there are other areas where there is heavy demand for work.

CHAIR—There is no problem getting carers who are qualified nurses or qualified carers to work in the public system, but we seem to have a problem in the aged care industry.

Dr Price—There is still a problem getting enough people working there because there is a global shortage of nurses.

CHAIR—I am actually asking you this from another perspective: we hear criticism at a political level that the salary and conditions of those who work in the aged care sector are far below those of people who work in the acute system in the public hospital sector and that is one of the reasons why we have got the shortage in the aged care sector. You are saying that to a certain degree it is simply the image of the industry itself that is of far greater concern.

Dr Price—The image which embeds the issues that you have just raised—the rate of pay, how they are regarded and the way they are treated—creates this image that it is not the place to be. 'We hope we do not go there,' is what a lot of participants said. Most of the population do not go there, but there is an increasingly ageing society and the baby boomers are fast heading into older age. Personally, I know I want someone to look after me when I am older if I need it. My concern is that if we do not start valuing ageing in all aspects, then we are not going to have the people there to do that. Even if you have the unemployment rate go down and you get more people participating in paid employment, which areas will still be missing out on workers? My

mapping says they will still be areas where we currently desperately need people—that is, health care and residential aged care. They are making lots of efforts to do it, but it is an attitudinal thing of society.

CHAIR—Dr Price, thank you very much for coming in and going through your research with us. I note one of your concluding sentences—and I will give you a chance to give it a plug—is that you are currently seeking ongoing research funding to support your program.

Dr Price—Yes.

CHAIR—Where are you at in terms of getting your research funding?

Dr Price—Trying to find a fund where we can put this sort of research is not easy. When I go into the competitive rounds like the Australian Research Council, the area would need to have industry partners. It is about identifying who that could be and going through all the hard work of doing it. I am not saying that this is not an appropriate process, but there are not a lot of funds where we can go. Even if the government wanted to put up a tender or something that is focused on this area, I would like us to be one of several people to apply for it. But at the moment the money is not there, that we know of, to target—well, I do not know of any.

CHAIR—You have made your pitch.

Dr Price—Thank you.

CHAIR—I did not question you on this, but I also note you highlight that there is a lack of data available for us to work with, that we do not have the data regarding the trends that are going to take place in the work force in the future.

Dr Price—Particularly in areas where demanding, heavy work is required there is no data.

CHAIR—For your information, I was referring before to the Australasian Centre on Ageing in Queensland. You may want to get in touch with them through Professor Helen Bartlett.

Dr Price—Yes, I know Helen.

CHAIR—We received a submission from them on the issue of recognition of prior learning.

Dr Price—I think different states have different perspectives as well.

CHAIR—If we need to get back to you on any questions then we will do so, but we certainly thank you for coming in.

Dr Price—Thank you; it was my pleasure.

Proceedings suspended from 10.30 a.m. to 10.44 a.m.

DALY, Mr Andrew, Executive Director, Royal Society for the Blind of South Australia Inc.

HALL, Mr Peter, Coordinator, Employment Services, Royal Society for the Blind of South Australia Inc.

STARKEY, Mr Tony, Access Officer, Royal Society for the Blind of South Australia Inc.

CHAIR—Welcome. Thank you for coming in today and meeting with us. The proceedings here today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these proceedings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We prefer that all evidence be given in public, but if at any stage you wish to give evidence in private please ask to do so and we will consider your request. I invite you to make some preliminary comments about the issues you think are important to this inquiry, and then we will move to questions and discussion.

Mr Daly—By unanimous vote of the other two I have been nominated to present our comments. Firstly, I would like to welcome you to Adelaide.

CHAIR—It is a great city.

Mr Daly—I hope you will enjoy the race while you are here. The Royal Society for the Blind of South Australia was founded in 1884 to stop people who were blind from hawking and begging. Today it is the primary provider of services to people who are blind or vision impaired in South Australia. The RSB provides services to more than 9,500 people, and these include a full range of rehabilitation and employment services. The goal of all the RSB services is through our intervention to enable our clients to achieve independence and integration within the community.

The following comments with regard to employment are primarily made with regard to people who are blind or vision impaired, and are based on our knowledge of their situation. The main issues for people who are blind or vision impaired generally revolve around access to specialist services, access to information and the physical environment, and access to specialist equipment and transport. I have prepared a package of information for each committee member, which includes a copy of the notes to which I am referring as well as a number of other things which I will refer to later in the briefing.

The RSB's employment services include a business service, which currently employs 68 people who are blind or vision impaired. It is managed as a true commercial enterprise and it delivers a true productivity based wage—one of very few in Australia to do so. The average wage for a permanent employee in our factory is 72 per cent of the relevant award. With regard to open employment services, we receive FaCS funding; DEWR funding, through the Job Network; and case based funding. We are currently placing over 120 people who are blind or vision impaired in employment every year—which, based on our research, on a per capita rate is

probably better than anywhere else in the world. We are the only specialist five-star intensive support Job Network provider in Adelaide and we have been for the last five years.

The RSB's response today is focused primarily on the value of creating a strategic approach in the transition from secondary school to employment or tertiary studies and retaining people in existing employment, and it reinforces the need for specialist support and equipment. For the purpose of today our presentation is composed of the following elements: transitional and vocational guidance, work experience and work trials, early intervention, specialist equipment, supported employment options and system design.

I turn first to transitional and vocational guidance. For a secondary student there should exist a range of information sources and vocational counselling options of both a generic and a specialist nature to ensure an optimal outcome. The RSB is aware of many instances where this has failed and, as a result, the RSB has been left to manage a crisis situation rather than assist in a smooth transition. I have listed a number of suggestions for improvements to the existing system. These include enhanced links to specialist providers and relevant professional people. This does not necessarily include teachers, educators et cetera, who do not always have a first-hand or current understanding of the modern workplace or the specialist modifications and supports that are available.

The RSB has created a model which could be adopted by other service providers. At its own expense the RSB has created a student transition employment program that we refer to as STEP. A brochure of this is included in the package of information prepared for the committee. As with many other innovative proposals, this was not funded by any government subsidy but through the RSB's internal resources, which are being used to meet a very real unmet need. STEP includes career planning, interview skills, resume preparation, work experience as part of the year 10/year 11 negotiated curriculum plans, on the job support and access to adaptive technology through the RSB's loan scheme.

In our submission to the committee I also made a suggestion with regard to the provision of up-to-date and relevant information. The submission included a suggestion for the creation of an electronic online database similar to our assisted technology web site. This could include cameos of people who are vision impaired who have created successful careers and information about the ways in which they have done it; links to a panel of mentors for advice; links to other supports, for example information on assisted technology, government schemes et cetera; and links to other specialist providers. Clearly, this all needs to be in a format that allows a person who is blind to access it independently.

I turn secondly to work experience or work trial. This is an integral part of the process of both deciding long-term career options and gaining exposure to the workplace and its practices. Work experience or work trial also creates a useful tool for overcoming the reluctance of a potential employer to employ a person who is blind or vision impaired.

Suggestions for improvement are as follows. There is a need to provide some form of recognition for employers who do offer work experience or work trials. Currently, these are often taken at the employer's cost and hence are a disincentive to taking on people for work experience or work trials. Another suggestion is the investment in community education to change the perceptions about people who are blind or vision impaired. The RSB's experiences

have indicated that employers are reluctant to employ people with disabilities as they do not see the potential but see only the problems. Standard comments to RSB staff include: higher risk of injury, lack of productivity and lack of flexibility in the workplace.

Forcing employers to employ people with a disability does not work either; indeed, with a quota system introduced in the UK, it is my understanding that the organisations have opted to be fined rather than comply. As a person who manages in excess of 80 people who are blind or vision impaired, this is a fallacy and proactive measures, which include education or community education and the introduction of universal design principles, will overcome this and result in a highly productive and motivated employee. The RSB's 3VI model is an example of this form of strategy. I have included a copy of the CD in the package of information and I am certainly happy to discuss that further in question time if people wish.

On early intervention, the focus is to prevent people becoming long-term unemployed. As noted above, part of this is the need for early vocational guidance. However, for the majority of RSB's clients who have an acquired sight loss, the goal is to maintain them in existing employment. The RSB's experiences are that by the time people either access the RSB or Centrelink, it has already become a crisis situation. It has also been estimated, I believe, that it costs between three to 10 times more to find somebody employment rather than maintain them in existing employment.

Suggestions for improvement are as follows. There is a need to educate people in the availability of both specialist service providers and Centrelink programs before they give up on their employment. Strategies could include targeting ophthalmologists, community support workers and the human resource industry with information pertaining to these programs. There is also currently a two- to three-week delay from the time of applying for assistance and accessing the program. During this time the RSB currently intervenes, when the client does contact us, using its own resources. This causes unnecessary stress on an employee already experiencing a traumatic time in their life. Another suggestion is access to assistive equipment through a loan pool, also to prevent dislocation—and I will refer to that shortly.

I move now to the Equipment Subsidy Scheme. For a person who is blind or vision impaired, the availability of equipment will be the difference between obtaining and maintaining employment or not doing so. In the past few years the guidelines for granting requests higher than the current limit—currently \$5,000—have been amended to allow program managers the ability to vary the amount granted. The threshold for people who are blind or vision impaired is too low. As an indication of the cost of equipment, a refreshable Braille panel of 80 characters costs in excess of \$10,000; a Braille notebook costs \$7,500; and a simple closed-circuit television magnifier costs approximately \$3,500. The Equipment Subsidy Scheme is also restricted to those employed or classified as employed rather than self-employed. As noted above, there is a negative perception of people who are blind and vision impaired by employers, resulting in barriers to employment. As a result, a number of motivated people who create their own employment opportunities and should be rewarded are punished, as they are denied access to the Equipment Subsidy Scheme. There are also difficulties, again caused by the time it takes to access and process an application. This is then compounded by the time taken to order, supply and commission specialist equipment.

Suggestions for improvement are: the threshold for the program be increased and recommendations from specialist organisations such as the RSB be automatically approved within pre-agreed guidelines; a maintenance facility be included in the program for equipment repairs, system upgrades and software maintenance agreements; the restriction of access to the Equipment Subsidy Scheme to self-employed be lifted, subject to being able to demonstrate legitimate business intent; and a loan pool of specialist equipment be created to facilitate immediate access to the equipment.

On supported employment, the RSB strongly believes that there is currently a role for a specialist blind and supported workshop. It has a long tradition of providing meaningful employment on a commercial basis. Wages within the factory are based on a genuine level of productivity; indeed, the average wage for a permanent employee is 72 per cent of the brush-makers' award. Indeed, the Blind Workers Union have been active within the workshop since the 1920s. However, the RSB is forced to compete against other workshops for similar work and these do not remunerate their employees at a similar level. The disability employment standards process is, in my view, compromised by the lack of reliable guidelines and a focus on an intellectually derived model. Similarly, the use of a specialist auditor with no knowledge of the blindness sector was of no value. The RSB has recently experienced an unsatisfactory DES audit and, in spite of lodging an objection and appeal in mid-December, has yet to hear the outcome—something I would be delighted to discuss further during questioning.

I move now to systems. As a service provider, the RSB is continually frustrated by the unnecessary level of bureaucracy inflicted on it by the funding bodies. For instance, the Job Network and case based funding systems are time consuming and an administrative nightmare. Coupled with this is the forever changing nature of funding agreements and audit requirements. For people who are blind and vision impaired the systems created tend to be inappropriate and structured around cognitive ability and personal care issues and not related to the functional issues of severe sight loss. Suggestions for improvement are: that funding bodies need to recognise that each disabled person is an individual with different needs and requirements for support and that a single assessment tool does not fairly assess an individual's support needs—for instance, a person who is blind and vision impaired has special requirements far different from those with a cognitive disability.

Thank you for your time. I welcome any questions—certainly any of us would welcome any questions about anything we have said or any other matter.

CHAIR—Thank you very much—that was very comprehensive. Mr Starkey, do you have any comments you want to make?

Mr Starkey—I would just like to re-emphasise the issue of the assessment tools. As we have mentioned, they all tend to lean towards an intellectual issue and they are quite demeaning to fill in for a person who has only lost their vision, mainly because of the questions asked and issues around personal care and things like that. I firmly believe that there is not one answer for a disability assessment tool or any forms that relate to disability on one form. I think it should be more basically in a generic sector such as sensory, physical and neurological rather than in a one-cap fits all form.

CHAIR—Thank you. Peter?

Mr Hall—I think what Tony is saying is very relevant. We are dealing with a lot of documentation that does not fit into the sensory sector, particularly vision impairment. Therefore we are having to ask our clients questions, particularly on funding forms that give productivity levels and that sort of thing and our funding levels, that are totally irrelevant. Our people are just vision impaired, from the loss of sight in one eye down to no sight; they are not intellectually disabled, nor do they have any other neurological problems, in most cases. In some cases there are dual sensory problems and that sort of thing, but in 95 per cent of cases we are dealing with someone who has lost their sight only and we are having to fit into the slot of across-the-board assessment. I am continually frustrated by consultative processes where we put in time and suggestions and make recommendations and these are not given a second thought.

CHAIR—Thank you very much. We will move to questions. First of all, congratulations on what your organisation is doing. Placing 120 people per annum in employment is a fantastic achievement. You should be complimented for that great effort, and so well done on that—and particularly as you are also paying 72 per cent of a relevant award in your own services.

Mr Daly—For permanent employees.

CHAIR—That is pretty high.

Mr Daly—It is exceptionally high and it is reflective of the fact of the disability itself—where we can overcome the functional effect of the vision loss we are able to create a very productive and motivated employee.

CHAIR—Sure; that is great. One of the problems in the disability sector, if I can just use it as a generic sector rather than making a differentiation between the intellectually disabled and your people, is the magnitude of the problem. There does not seem to be the data out there at the moment to tell us how many people are involved, how many are on welfare compared to work. The information seems to be quite scant.

Mr Daly—That is something the RSB has actually committed substantial resources to in recent times. I am happy to forward to you a paper I have written on the prevalence of vision impairment. That paper is really just a summary of the recent AHIW survey. There does not seem to be a definitive number. The RSB's database has, I think, 9,556 people on it at the current time. Of those, we would service between 3,000 and 4,000 people a year. Of that number, approximately 150 would be under the age of 16, approximately 1,500 would be aged between 16 and 65, and the balance would be over the age of 65. The main cause of sight loss is normally acquired sight loss as part of the ageing process.

We are currently attempting, with a number of other countries, to do a benchmarking exercise. We are currently in communication with New Zealand, Cleveland in the US, Scotland and the RNIB in the UK to try to create some benchmarks in terms of epidemiology and things of that nature. There are a number of other studies currently being conducted but there are no definitive results. The closest we come is basically saying that Centrelink have previously advised us there are currently approximately 200 children who are blind in both eyes in South Australia; there are currently, from memory—and Tony might help me here—just under 1,000 people who receive the DSP (Blind)—this is in South Australia. That does not necessarily mean that that is the total number; it is those who have opted to go to the DSP (Blind). Beyond that, there is an aged care

pension for the blind, but again I do not think those numbers are definitive insofar as if there is no value in going to the DSP there is no point in changing your current arrangements. I would think that our numbers in total are about 9,500. There are probably about another 1,000 people we are not providing services to.

CHAIR—We do not rate very well in terms of international comparisons of putting people with disability into the work force; we are very low indeed. I am just trying to get a feel for how many of your people—the blind disability cohort—would be in the work force compared to those on welfare.

Mr Daly—I cannot really give you a number Australia wide, I am sorry. For South Australia, again I can give you an estimate. Sometimes people do not provide the details. For example, they may not receive employment or achieve employment through us. There are also quite a number of people, for instance, who are self-employed—and again I refer back to the comments I made about access to equipment. The number quoted by Blind Citizens Australia is 26 per cent of people in employment, I think. I suspect in South Australia that number would be substantially higher. If we went back and said that there are, for instance, 1,000 legally blind people, we have 68 employed in the workshop and we have been placing probably 100 plus in open employment for the last four to five years, so I would suspect that the number would be in the vicinity of 60 to 70 per cent. But I cannot give you something that is definitive with regard to that. Tony might be able to. Tony is also a director of Blind Citizens Australia and he might have some more information.

Mr Starkey—Yes. I think the problem nationally is that we believe there are about 10,000 people under the age of 65 and over the age of 16—but the hard part is that I think some of the eastern states do not demonstrate success in the area of employment. A lot of people are studying. In some cases they seem to get advice that studying might be an easier way for them to go rather than trying to wade back into the work force, which tends to be a negative type of thing. We should be able to estimate roughly, but I would say in South Australia well over 50 per cent or 60 per cent of people of that age are able to work or do work.

CHAIR—Thank you. You made a very valid point in your opening statements about how the goal should be to maintain existing employment—that is for those whose eyesight is degenerating over the years rather than them coming to you as young people—and how it is cheaper than finding a job. The Multiple Sclerosis Society of Victoria has a similar problem in that people's conditions degenerate in the work force and once they become disabled they find themselves out of a job. They have actually designed and implemented with FaCS a targeted employment service aimed at preventing premature cessation of work through the provision of articulated information and long-term support. Is there a similar sort of program in place with the vision impaired community that you know of?

Mr Hall—We get to hear about people—we term them 'jobs in jeopardy situations', which is a similar scenario I guess—from ophthalmologists around the South Australian locality where they refer people to the Low Vision Centre and then they are introduced to our service. We can then move in and assist from our loan pool with modifications to keep them in that position through fairly fast-tracking assets and that sort of thing. I guess our difficulty is the barriers and time frames of getting a person from A to B onto an official FaCS program where we can move and get funding. So we usually move before we get the authorisation from FaCS to put them on

that funding so that we can intervene and keep them going. I was just saying to Andrew, walking up here, that if someone is in a jobs in jeopardy situation, if you waited three weeks, what can the employer do with that particular person? At the initiative of the RSB, we are able to provide that service where we can move directly in and save the job.

CHAIR—Who funds that jobs in jeopardy program?

Mr Hall—No-one funds that program. The RSB meet the costs themselves.

CHAIR—Is it the RSB's program?

Mr Hall—Yes. We would have probably, I would say, around 40 scenarios like that a year where someone's sight has deteriorated or they have been smitten with some hereditary disease in the 30- to 40-year age bracket which has led to vision impairment and their sight has gone over a three- or four-week period in some cases—some are not as rapid as that, of course.

Mr Daly—Perhaps I could just make one comment about what Peter has said. The RSB provides a full range of rehabilitation services, one of which is the Low Vision Centre. Basically, every ophthalmologist in South Australia refers to our Low Vision Centre. So when anybody sees an ophthalmologist and they have a severe sight loss or a deteriorating sight loss scenario, they will come through our Low Vision Centre, which then acts as a gateway through to employment services and everything else. So we tend to have a very good model here where we catch the majority of people who are diagnosed or assessed as having that sort of degeneration.

Mr Hall—Our concerns are that that is unfunded but, further to that again, what Andrew highlighted in his paper here is that, if we miss those positions, it is so difficult to get a person back into the work force and into a job and there are so many ways we can intervene to change that current position and save that job if we get to know early enough.

CHAIR—Early intervention.

Mr Hall—It is great, yes.

CHAIR—A few years ago I had the opportunity to go to Washington DC and meet with the National Institute for the Blind and the National Institute for the Severely Handicapped—NIB and NISH. I do not know whether you have had any involvement with NIB.

Mr Daly—I know of the National Institute for the Blind.

CHAIR—They have got a program there to help the sector become basically self-sufficient. It is called the Javits-Wagner-O'Day program. Are you aware of that program?

Mr Daly—I am. Basically that was a quota system that provided so many of the federal government programs to sheltered workshops, and you probably have more current knowledge of that than I do.

CHAIR—I know it like the back of my hand. I have made four submissions to four different ministers on it.

Mr Daly—My understanding is that they were actually withdrawing that or pulling back on that because a lot of the defence contracts were being centred in one area. But I must admit that I have not spoken to them for a number of years.

CHAIR—It has been running since 1937, and it really is dependent very much on the defence industry more than anything else—you are right. The reason why I ask is because you make some fairly critical comments about the business employment services sector. We have just been through a review of that. I am not sure whether the minister has made any announcements but one of them is the wages assessment tool. You are saying that it is going to be pay productivity based. Is that right? If it is not going to be that, a lot of these centres are going to close down.

Mr Daly—Again, I can only talk from the RSB perspective.

CHAIR—We do have the disability sector people meeting with us this morning too, by the way.

Mr Daly—I can only talk from the RSB perspective and I would like to make a couple of comments, if I may, starting off with the DES audit we have recently undergone. Effectively, we passed everything but standard 9 with regard to wage assessments. The reason we failed standard 9 was because, while no-one actually disputes that we are paying a genuine productivity based wage, because of the guidelines set by the Commonwealth or the way the auditors are interpreting those guidelines, we are actually unable to receive accreditation. The auditors that we saw at the time—and, as I have said, we have made a formal complaint with regard to this; albeit it was 4½ months ago and we are still waiting for a response—have basically said that they could not accept a tool that does not involve a stopwatch. So effectively, in my view, we are going backwards in time to create a scenario where people have to be timed on everything they do. Firstly, the unions that we have spoken to will not accept that. Our people are affiliated with the National Union of Workers; they have advised us that they would not accept our people being put on a stopwatch. Secondly, it is not a terribly practical scenario if our people are doing 70 or 80 different jobs over a year; the permutations on 70 staff become ridiculous.

CHAIR—The unions want an award system in play. Is that right?

Mr Daly—I can only talk about the National Union of Workers, whom we have consulted with on this. We spoke to them when the assessment was going on. They have said that in our case they would not support a series of stopwatches coming into the factory. I do not know what other unions are saying.

CHAIR—In all fairness, those stopwatches are only for the initial determination of what the tool is going to be and what the rates are going to be.

Mr Daly—Our current situation is that people come in on an initial work trial. Based on an observation of that work trial, they are assessed and receive an initial, if you like, rating. It is reviewed at three months and formally reviewed at the end of every year. Effectively, that rating is reviewed throughout the year if there is an increase in productivity. The rating is done on an average basis by the coordinators and supervisors. It is then overseen by the factory manager and, at the end of the day, it comes to me to approve it. That system—even though it is genuinely delivering the outcomes the Commonwealth are looking for—is not compliant with the current

guidelines that are set. The auditors have basically said that they can accept any package that meets the guidelines, and I believe what we do meets the guidelines. But when questioned, we get the catch-22 scenario of no situation is acceptable without stopwatches.

CHAIR—The parliamentary secretary responsible for this lives in your town. Have you made time to see Chris Pyne?

Mr Daly—Not Chris, but I have met with his adviser, Eacham Curry. I have not spoken formally to Chris, but I have written to him about this issue.

CHAIR—When I spoke to Mr Pyne about this last week, he said that there will not be one tool to fit all and that multiple tools will be applicable. Perhaps that addresses part of your concern about being forced into a specific wages tool.

Mr Daly—I will preface my statement by saying that I agree with the principles. But the way the auditors have assessed those guidelines has excluded us, even though we can demonstrate that we meet the outcomes. I believe there is an announcement due in the next month—

CHAIR—That is right.

Mr Daly—from the minister's office that will address some of what we are talking about. Without seeing that, I honestly do not know.

Mr DUTTON—I want to tease out a little bit more about the stats and the number of people who go on to tertiary education and then find employment outcomes from there. I think Tony was saying before that some people park at universities because—for argument's sake—it is too difficult to go into the work force, or whatever the case may be. Do you have any national figures on that?

Mr Starkey—No. There does not seem to be a lot of data around. It is more anecdotal from people I know of around South Australia and Australia generally. There are quite a number who are termed as 'professional students', unfortunately. A lot of that is not necessarily their fault. A lot of that is to do with—'unrealistic' is probably not the right word—bad advice on where they would be able to be competitive in the work force. For instance, we accept that we are not allowed to fly planes. There is legislation preventing that, and everyone accepts it. But sometimes they do not accept that they would never be allowed to operate a laser machine guillotine type thing or something like that, unless there were severe modifications.

There is some work that we can do. Work modification could also include the redesign of a work team. I have participated in work teams where I could probably do eight out of the 10 jobs—there were two that I could not do. Yet I could have picked up two other jobs from someone else and then been fully competitive just by redesign. It is an education issue along those lines.

Mr DUTTON—You are talking about sort of a job-share scenario.

Mr Starkey—It is job share. A lot of the jobs you go for say that you need a driver's licence. A small business may need someone to run around and pick up the mail and things like that, but

if the job could be redesigned so that someone else could do that rather than the person who is usually nominated, you could get around those sorts of issues. It is about job share or job redesign.

The other thing to be aware of is what we assume to be a good job. I suppose the best job for a blind person is one where they absorb knowledge and then give out advice. That is the best way to work because you do not have to do a lot of reading. The other issue is that so much of the information that is needed to maintain your job is not accessible. For instance, at least 90 per cent of the Internet is not accessible. We cannot read the Internet through our screen readers. You get lots of government reports, even today, where you have to ring up and ask for an accessible version. There just does not seem to be an easy way to get the information, which is one of the barriers. We are continuously working on trying to make the web more accessible, with people providing information in alternative formats and so forth.

CHAIR—How is that done? When you say ‘in a more accessible format’, what is the accessible format? Is it a paper version that comes out or is it a voice version that comes through your system?

Mr Starkey—I use what is called a screen reader. Information comes to me, I open up the Word document and it is read to me. That is good for absorbing information but, for instance, if you are studying, you do not absorb electronic voices as easily as you do reading. Say a person who is braille dependent goes to uni. If they were able to get one of those refreshable braille panels which we were talking about—the \$10,000 jobs—then to them that would just be reading, and they would be able to read the information just as you would read print. They would be able to access that.

When you get to the Internet, there are a lot of web sites that do not read straight off the screen. Some of them have Flash pictures and things like that, which the screen reader falters on, and you cannot get information. Some of the links have the same names. When we interpret a page, it says there are 13 links to this page that are all labelled ‘click’. You have 13 links and they all say ‘click’, whereas if they said, ‘This is the application form; this is contact us,’ and things like that, it would be better. If they abide by the World Wide Web consortium’s web accessibility initiative, they follow guidelines and protocols so that, for instance, if there is a picture, it is labelled ‘this is a photograph of so-and-so’. If there is a form to fill in, it will tell you how to tab through that. This also involves software design, so that it reads automatically when the software comes up and that sort of thing.

Mr Daly—On the very first page of the notes I provided, we have put that the main issues for blind people include access. That access is generally a lot broader than just a physical environment; it comes back to information and everything else. Part of Tony’s full-time role is as a systemic advocate, so his basic role is to change the environment before it becomes an issue, instead of basically doing retrospective fits.

CHAIR—I would have thought that, with the way information technology is advancing these days, it should not be a difficult task to make that automatic conversion. You made a comment which is relevant, because I read about it in one of the other submissions from witnesses appearing later on today. You said that forcing employers onto a quota system does not work. We are going to hear contrary evidence later this afternoon. Can you go through that for me?

Mr Daly—The discussions I have had with the Royal National Institute for the Blind have been about where they introduced a quota system in the UK. Employers opted to absorb a fine rather than employ a disabled person. I can contact England to try to get further information for you if you wish.

Mr Starkey—The other thing is that, once people go onto a quota system, they tend to take what we call the easier disabled person. They may take an amputee or someone like that, who may be easier to employ than a person in a wheelchair or a person who is totally blind. So I do not think having a quota type system is really a good fit. It tends to be patronising rather than encompassing.

CHAIR—It sounds like a quota system for mature age employment. Employers would probably employ someone who is 45, because 45 is the low cut-off point, rather than someone who is 65.

Mr Daly—If you can create an environment, through education and all those other things, where you have a pull-through system instead of a push-through system I think you are going to get far better outcomes in the longer term. The 3VI package that I have provided targets grade 4 schoolchildren. We went in and married it up to the school's curriculum. The concept was that, in 30 years time, the children who will then be employers will have an understanding of blindness and vision impairment. I know that is a long-term strategy, but it is clearly preferable to have people wanting to have these people working in their environment rather than having to have these people working in their environment.

Mr DUTTON—Peter, I have a question for you. It is probably best directed to you, as it is in relation to some of your employment schemes. I echo the chair's comments about the success that you have had so far. How does your scheme here in South Australia stack up to the scheme in the eastern states that you spoke about before? What are the outcomes over there, and what makes your model more successful than theirs?

Mr Hall—In consulting with other blindness agencies we have found that our numbers are far greater than in most states on the eastern seaboard—in fact, all states. The RVIB has quite a successful program. The Royal Blind Society in Sydney is very much downscaled at present. As for Queensland and Western Australia, we do not get a lot of numbers from there. I do not have a lot of consultation, except with Vision Queensland, but their numbers are only very small in the Job Network system. We have about 180 referrals here a year across the board through the three programs we run. As Andrew has already noted, there are in excess of 120 people placed each year, so usually around the high 60s to 70 per cent of people who come to us get into some sort of open employment. Our retention levels are extremely high. I have just done a couple of staff appraisals and I looked at the case managers' positions and what they placed during the year for the people who are still currently employed. One was 75 per cent and the other one was about 82 per cent. When vision impaired people get into a job, when all the post-placement supports are finalised and we have backed away from that job, the retention levels are extremely high.

Mr DUTTON—But the point is why wouldn't the other states pick up on best practice? Why aren't the states talking to each other and saying, 'South Australia has a great model and we could employ another 100 people nationwide'? Why is there not that consultation?

Mr Hall—I have had consultations with Vision Queensland. They have visited here and looked at our model. We have had a couple of day sessions with them and have spoken about our program, and the same with the RVIB and the RBS. In fact, I had a call last week from the RVIB. Because they have changed their employment services they want to send a representative over to spend two or three days with us in April. So certainly consultation programs are going on. I do not know why the numbers are not as great in the eastern states.

Mr Starkey—I think it comes back to resources. The RSB, compared to the RBS, puts a lot more of its own resources into the employment area. Even before a lot of the programs came in, traditionally we had a placement service since the early 1900s. For instance, my first job when I was placed out at the factory was nothing to do with government funding or programs; it was just part of the organisation's process.

Mr Daly—It is probably not fair for us to comment on other agencies, in truth. I think Peter has introduced a lot of concepts that perhaps are used more in the open employment type market. We do a lot of cold calling and we have a lot of equipment available. So if there is a placement we can support that immediately; we do not have to wait for a bureaucratic process. I think we have done a lot of innovative things around that, which has probably attributed mainly to our success.

Mr DUTTON—It is good to identify good practice and it is crazy to think that it would not be adopted elsewhere.

Mr Hall—There are no secrets with the program. My case managers are expected to do the hard yards, one-to-one, with their clients, and that is the success of the program.

Mr DUTTON—Whereabouts would the majority of those 120 people be placed? What sorts of industries?

Mr Hall—It is very broad and diverse. A lot of people go into industrial types of employment, but they range from the professional to the semiprofessional and to the people who are operating in call centres. Adelaide has a very big call centre base. You get clerical positions. It is very broad. I could certainly do a breakdown if you wanted numbers in that area. I would say that mostly it would be 40 per cent industrial, 40 per cent clerical call centre operations, and the rest are broken up into specialist fields.

CHAIR—Andrew, run through your point about a loan pool for assisted equipment. How do you envisage that will work?

Mr Daly—We already do it. We currently have a short-term loan pool—

CHAIR—You are asking for Commonwealth funding now to set up a more extensive loan pool.

Mr Daly—I guess that we are saying two things. One is that best practice is to have access to that equipment, whether it be in South Australia or anywhere else. The fact is that it enables us to meet a need straightaway so we do not have the lags that the system and everything else impose on us. Certainly we can expand our current loan pool. It does not necessarily have to be

administered through us either, in my view. Basically, a lot of this equipment is expensive, and you have seen some of the respective—

CHAIR—It is on loan, so it comes back?

Mr Daly—Yes, it comes back.

CHAIR—Or is it a purchase system that is done through you?

Mr Daly—No. We do not sell equipment. We do not sell equipment because we believe that is inappropriate if we are providing advice on the most appropriate equipment, training, assessment and all those sorts of things. We have a short-term loan pool and people access that to enable them to do a work placement, a work trial, a work job or a job in jeopardy. Once we are able to access the appropriate programs, that equipment then comes back into the loan pool.

CHAIR—And it is lent by the individual or by the employer?

Mr Daly—No, the equipment is lent by us.

CHAIR—I am sorry, I meant the borrowing. Is it borrowed by the individual or by the employer?

Mr Hall—The individual. We lend to the individual to structure the placement, as Andrew has already spoken about. Until we can facilitate workplace modifications through the FaCS unit funding—which is available up to about \$5,000—that loan pool is an interim measure until we can get that funding approved and purchase and get the other equipment installed and bring our own back. I guess that is the operation.

CHAIR—Is the funding approval working to your satisfaction?

Mr Daly—We fund that ourselves.

CHAIR—No, through FaCS.

Mr Hall—We have a little difficulty, where equipment is over \$5,000, in justifying that sometimes. In most cases we can get it just under the \$5,000. A general fix, if I can use that term, would be a CCTV, a large monitor and perhaps a zoom text program. That would come in just under \$5,000 or pretty close to \$5,000. So we do not have any problems with that. It is where we go over the \$5,000 that we have to provide extra assessments and justify why we are making that particular application.

Mr Daly—There are two different things here. One is our internal loan pool and the other is the equipment subsidy scheme, which is what Peter is talking about now.

CHAIR—What you are saying is that, once the person is in the workplace and you are able to access the equipment subsidy scheme, that equipment comes back to you.

Mr Daly—That is correct.

CHAIR—Firstly, is the process of getting that equipment subsidy working to your satisfaction? Secondly, how large is that subsidy, not in dollar amounts, and is it applicable only to your sector or to the entire disability sector?

Mr Hall—No. The entire disability sector has access to that funding.

CHAIR—So there is no segment that is earmarked for the blind?

Mr Hall—No, not at all. I think it has probably been an advantage to our placements. We could not live without it, to be quite honest, for the simple reason that a lot of our expenses are a lot higher than they are for other disabilities in making modifications in the workplace.

Mr Daly—Perhaps I could make one other comment. With the internal loan pool, it is not a static amount. The fact is that a lot of this equipment not only wears out but also becomes obsolete very quickly. So it is an ongoing commitment the RSB makes to maintain that as being up to date.

Mr DUTTON—Can the employer contribute too? Say somebody bought one of these Braille notebooks that cost \$7,500 and there was \$5,000 contributed under the ESS, can the employer top it up for the \$2,500 or not?

Mr Daly—There is nothing preventing them. I think the issue then becomes ownership at the end or if the employment contract finishes.

Mr Hall—The workplace modifications unit, the FaCS unit based in Sydney, are very emphatic that if they fund something the article or the equipment belongs to the employee and not the employer. So if they wanted to change circumstances in employment and move to another position, they take that equipment with them. Our relationship, or my department's relationship, with workplace modifications is very good. I cannot really grizzle about any of the service there at all. I cannot remember when we have been knocked back on an application in my 10 years in this position.

Mr DUTTON—But it should be extended to self-employed people.

Mr Hall—I guess what Andrew's submission is saying is that the funding amounts have not gone up with the pro rata of expenses. Most of this equipment is specialist equipment that has been brought in from overseas and is affected by other economies as well.

Mr Daly—I think we are saying that there are the issues of the level of funding, the timeliness of receiving the equipment, and the short-term need, hence the recommendation for some form of loan pool.

Mr DUTTON—The self-employed aspect is also very important as well because to fund, say, a \$10,000 item before you even start the business is pretty hard.

Mr Daly—Yes.

CHAIR—Putting aside the equipment side of it, what assistance is there to help someone move into self-employment if they are visually impaired? Let us stick to your own particular industry.

Mr Hall—The current guidelines for self-employment are that it will only be funded for anyone who is on the NEIS scheme and going through that process. If you have your own business and for some reason or other you are vision impaired, you fund those workplace modifications out of your own pocket or by some other process.

CHAIR—But you can access the NEIS scheme?

Mr Hall—You can access the NEIS scheme but the NEIS scheme is very much designed for people who are starting off a business. I can remember only two people in our 10-year process of employment going down that pathway. The idea, while it is good and has merit, has a very low take-up.

CHAIR—Let us talk about the bureaucracy for the moment. We have been told about the difficulties that employers have in having people with a disability operating in two parallel systems, one through the Department of Employment and Workplace Relations and the other one through the Department of Family and Community Services. Do you have experience of some of the difficulties in working through both departments?

Mr Hall—I guess the reporting schemes and electronic schemes or systems for both programs are very difficult and time consuming. With the changes of the block funding now in the FaCS program going over to case based funding and the implementation of that program and the training and development of staff, it is a very costly and difficult exercise. It was the same with the Job Network with the introduction of the EA3000 system. Most of my staff are at capacity, and training and development is at a premium to improve skills. But when the departments change systems—I know it is designed for the good and that sort of thing—it is very difficult, time consuming and expensive.

CHAIR—I guess the problem that has been highlighted to us is more from the point of view of job placement—that you have employers who perhaps are accessing one system and not knowing about the other. If you are someone with a disability and you want to open up the possible pool of jobs to go to, you have to register yourself on both systems through FaCS and through DEWR.

Mr Hall—In that case it probably is not applicable so much to us because our registrations are done usually in conjunction with working with a disability officer in Centrelink so that the clients are referred to us and then our job search method and techniques are looking for those jobs that are not advertised. Very rarely do we acquire a position through paper adverts or through the Australian job search page or CareerOne.

CHAIR—Say I am an employer and I have a vacancy, I am more likely, though, to go to a Job Network provider or to seek assistance through that stream rather than through the open employment system.

Mr Hall—I do not think so, not for specialist employment. You would go to the agency that you were thinking about rather than go through the Job Network. We have been involved with the Job Network through the ESRA scheme and through Job Network 1, 2 and now 3, and I cannot remember an employer coming to us that way through the Job Network because we are a Job Network member. They have come to us for repeat business because they have had a person there with a disability on their work force and they have said: ‘I am very happy. Can I have another one to do a certain chore? Can you come and have a look at the work site and assess it for us?’

CHAIR—You are funded through DEWR?

Mr Daly—We receive FaCS funding, DEWR funding and the case based—

CHAIR—Do you receive FaCS funding as well?

Mr Daly—Yes.

Mr Hall—Yes.

CHAIR—Through which program? What program do you run if it is funded by FaCS?

Mr Hall—FaCS funding is for the block funding program and for the case based funding program.

CHAIR—I am restricting this to the employment sphere at the moment.

Mr Daly—We receive three for the open employment and we also receive block funding for our factory through FaCS.

Mr DUTTON—Thank you very much for your submission.

CHAIR—Andrew, are there any last comments you want to make—any last pitch?

Mr Daly—No. I think we have probably worn out our welcome.

CHAIR—I will give you one last pitch: the big item that you want the government to work on that will help your industry—what is it?

Mr Daly—As far as employment goes, I believe it is community education. I believe that we can spend millions of dollars and hundreds of thousands of service hours to make a client independent and to integrate into the community but, at the end of the day, if the community does not accept them, basically you have achieved nothing.

CHAIR—So you want partial support for those sorts of programs?

Mr Daly—Those sorts of programs.

CHAIR—But also just an awareness amongst employers out there.

Mr Daly—As someone who employs over 80 blind and vision impaired people, I can tell you that you will not find better workers. But trying to get that message out to the broader community is the issue.

CHAIR—Let me just say to support you, that is exactly what we have heard through the MS society in the disability sector, that presented us with some statistics from the United States. They were great stats about the worthiness of putting on someone with a disability in terms of job retention, sick leave, staff morale, job satisfaction. On just about every criterion those with disability came up with incredibly high results, and yet that is not known. Who knows that? Nobody knows it.

Mr Hall—The big fear factor out there is the barrier that we have to overcome. All of what you have said when they get on the job is very true. It is overcoming this fear factor of employers saying, ‘Well, if someone’s blind, have we got an occupational health and safety issue here?’ That is our biggest barrier to overcome in the workplace. I might say that in 10 years we have had one WorkCover claim.

CHAIR—That is a fantastic effort. Congratulations to your organisation for what it is doing, as I said in my opening comments. You should be applauded for your efforts. We do thank you for coming in. We may have other questions to raise at some stage. If we do we will give you a call.

[11.54 p.m.]

BAKER, Ms Monika Dora, Senior Systemic Advocate, Disability Action Inc.

CHAIR—Thank you for meeting with us today. Would you please state the capacity in which you appear before us.

Ms Baker—Thank you for inviting me. I work as a Senior Systemic Advocate for Disability Action, which is a community based organisation advocating on behalf of people with disabilities of all kinds, including mental health problems.

CHAIR—Thank you. The proceedings here today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public, but if at any stage you wish to give evidence in private then please ask to do so and the committee will consider your request. I invite you to make some preliminary comments about the issues you think are important to this inquiry and then we will move to questions and discussion.

Ms Baker—Thank you. In summary, my submission talks about access to employment opportunities for people with disabilities. As it points out, there are several barriers. While, in general, people with disabilities are very keen on having employment and being employed, they sometimes have great difficulties gaining access to employment services as well as gaining and maintaining employment. There are several reasons for that. Some are to do with the community. In some cases I believe programs could be improved. There are also some issues to do with individual choices at times. But since we do not have any control over that I did not go too much into that. The issue is what individuals choose to do or not to do and what their belief in themselves is—how much they can and cannot work and things like that.

CHAIR—Thank you very much for your submission. We have had a number of submissions from the disability sector. The fact that there have been so many submissions—particularly from South Australia—indicates that this is an area of high need. You mention that we need better statistics regarding the level of participation in the work force by those who are disabled. What is available at the moment? We cannot seem to get a real handle on the size of the problem. We know the number of people who are on welfare, but how many of those people would be in the work force as well, that you are aware of?

Ms Baker—I cannot tell you off the top of my head. There might be some statistics in here. I read somewhere that it is about 10 per cent of people. It was only recently—and probably with regard to the safety net discussion and business services—that some statistics came out that said that only 10 per cent of people on the disability support pension have some form of employment. But I cannot guarantee that and I cannot tell you where I found it exactly. I had the same problems trying to find exact numbers and statistics. It is very difficult to find any statistics about participation.

CHAIR—Prior to you coming in, Monika, we had the Royal Society for the Blind with us. A couple of issues that you raise and directions that you want us to move in are contrary to some of the things which we heard from them. The first one is the five per cent quota for companies. You are advocating a five per cent quota. On what basis are you advocating that? What evidence is there that that is a successful strategy to employ?

Ms Baker—First of all, the five per cent is basically a quota that I thought up and that we discussed with some people with disabilities who came to our consultation. What we really would like to see is a quota that reflects in the workplace the level of disability in the community. I am from Germany, and I know that in Germany they had quotas. The problem there was that the quota was only for people with severe disabilities, or severe handicaps as they expressed it. So a lot of people tried to gain employment by trying to be severely handicapped—I am not saying they were pretending—in comparison to not being as severely handicapped in order to get employment. So part of that worked. There was also a lot of talk when I was in Germany—and it was talk—about the system not really working because there are loopholes in it and employers as well as people with disabilities can gain access to those employment opportunities when they might not really be eligible for them or might not use them in the true sense that the program was developed for. So that is what I have heard. I have not done very much research, but I know that it definitely increased the participation rate of people with disabilities in the work force in Germany.

CHAIR—What did it do to their acceptance level in that particular work force? First of all, the blind society said that it does not work and the experience in the UK indicates that it does not work. You are saying that it has worked in Germany.

Ms Baker—Yes.

CHAIR—Maybe they are two different models—and that is worth exploring in itself—but you are advocating a position and I am a bit concerned that you are saying that you just thought it up rather than advocating it as a result of some sort of empirical research.

Ms Baker—I am very sorry, but just to clarify the way our organisation works: we are a community based organisation of people with disabilities, we have a management committee and the management committee directed me to make a submission to this committee. We got together and had consultations, but these are consultations with people with disabilities who have definitely no access to research facilities themselves, and neither do I.

CHAIR—Let us look at anecdotal evidence then; that is fine.

Ms Baker—This is a demand to just put it in perspective. It is not the ultimate of what we want, but it is an idea.

CHAIR—Have you discussed at least with possible employers what their reaction would be to a quota?

Ms Baker—I have spoken to some employers. Naturally, their reaction was not very favourable. They would say that it does not work, and I think there would be some resistance in the community. To go back to the direction in which you were going before regarding what kind

of reception people might get in the workplace if you implemented such a policy: it can definitely cause a lot of community resistance and opposition. For example, I was spokesperson for the Australian National Organisation of the Unemployed and unemployed people would probably have some problems if people with disabilities had a quota when long-term unemployed people did not. So I can see that a lot of division could be created. However, the situation of people with disabilities is so desperate that they basically asked me to write it up as an idea, at least, so that it gets some airing in the discussion and so that we can see some progress. Our biggest problem is the attitudes of employers who sometimes fear that, if people with disabilities come into a workplace and something happens to them, they are not adequately insured and it will cost too much. That is a problem that I have heard frequently from people. Another attitude of employers is that they think people with disabilities might not be as capable as other workers.

CHAIR—We often hear that you have a better chance of getting a job if you are already in employment and that part-time or casual employment can very well be a step towards full-time employment. What proportion of people with disabilities are in part-time employment, and how many of those would then move through to employment on a full-time basis?

Ms Baker—I cannot tell you that because I have not seen any statistics about that. That is where the lack of statistics is coming in, and I would dearly love to have access to those statistics. My personal experience of those I have seen going through is that they have started as volunteers, maybe in a community organisation, and then got employed. I do not think that happens very often for people with disabilities. There are some exceptions here in South Australia that are almost famous of people having gone from part-time employment and possibly half volunteering to gaining positions in community organisations and then building a career from that. There is one other fact regarding my work. Disability Action is actually running the employer and employee of the year awards in South Australia. They are not the Prime Minister's employment awards, but we are in contact with the office.

CHAIR—So this is separate from the PM's awards?

Ms Baker—Yes.

CHAIR—And who is auspicing this one in South Australia?

Ms Baker—We are auspicing it, as a community based organisation. They started in 1997, and we have held them every year since then in the Adelaide Town Hall or at the Governor's residence.

CHAIR—Are some of those recipients then moved through into the Prime Minister's award?

Ms Baker—Yes, definitely from the employer perspective, but our awards also go to people with disabilities who have shown extraordinary efforts in employment.

CHAIR—Fantastic. Well done on that, because that is part of the process of education in the community, so that is good.

Ms Baker—Exactly, and that is our contribution to promotions. We will work together with the Prime Minister in the future to line them up even better, through Tina Zeleznik from the National Disability Recruitment Coordinator here. We are sponsored by Disability Employment Services, who sponsor the awards, so it is a concerted effort, so to speak, from the disability employment services like Interwork and so forth. There are some people to whom I have given awards in the last two or three years who have moved very successfully from part-time to full-time work and also from business services into open employment.

CHAIR—I have one more question. You make reference in pages 11 to 13 of your submission to workers with a disability in open employment and in the business services sector. There has recently been a thorough review of the business services sector by the department, under the minister's direction. Have you had a role in that review? What input have you had into it?

Ms Baker—No, I did not have any role in the review into the business services sector. The only thing I had to do in my function as the systemic advocate—

CHAIR—I am referring not to you as an individual but to your organisation.

Ms Baker—No, we did not have a role in that review, but we were involved with the enterprise-bargaining process at Bedford Industries, because Bedford Industries invited us in, and I was on the consultative committee.

CHAIR—On the enterprise bargaining that took place?

Ms Baker—It was the enterprise-bargaining consultative committee, and I have had some input into the enterprise-bargaining process through the Community Business Bureau and so forth. We went to a consultation with Sue McAveney from FaCS for advocacy organisations. We are also currently working with a sub-branch of Our Voice, from the National Council of Intellectual Disability, supporting a person—who is running a group for intellectually and learning disabled people—to form a committee which can be used for consultancy and advocates. It consists only of people with intellectual and learning disabilities.

CHAIR—Do you have any comment or observations to make about the proposed wages assessment tools in the business services area?

Ms Baker—Yes, I could make a comment on that. I have not seen the final version of that—

CHAIR—I do not think it has come out yet.

Ms Baker—but I have heard from Bedford Industries—there was someone who was involved with the committee—

CHAIR—Yes, there was.

Ms Baker—and Bedford have developed their own assessment tool, which has been integrated into the enterprise-bargaining agreement, which is close to the Commonwealth one. I think I see that there is inherently discrimination still happening, if you compare people in business services with people in open employment. I understand that the supported wage

assessment tool was developed because there was no possibility of comparing the productivity of a person with a disability in business services in the same way as you could compare it in open employment, where you have a person with a disability working next to people with full capacities. Therefore they introduced the assessment of competency of generic work skills and the assessment of work competencies in the area where you work.

As a worker in employment, I have a staff appraisal maybe every year or two years, and that staff appraisal does not go as thoroughly into an assessment process as is the case for people in business services. So they are actually more thoroughly assessed than people in open employment. Their wage is calculated from these three factors: generic competency, work competency and productivity, by multiplying certain factors. I have some fears that some people with disabilities which make it impossible for them to achieve competency in certain things—for example, let us say, someone with a brain injury who forgets, who cannot follow instructions—therefore will always have a lower wage than other people, whereas I thought that the Disability Discrimination Act was there to compensate and put supports into place so that people can basically produce—

CHAIR—Can you just clarify this for me: are you advocating therefore that there should not be differentiation between the wages in the open employment sector and those in the disability sector? Is that what you are advocating?

Ms Baker—Ultimately, what I would like to see—

CHAIR—Disability employment providers—that is, business services—tell us that if that happens a lot of them are going to go under. Therefore, you will find that a lot of people on disability who are currently employed will be out of a job.

Ms Baker—Yes, I know that. I am very aware of that problem. You are talking about adjusting the level of wages to levels similar with open employment. I agree with you that many, many business services would go under because they could not afford it. That is what I saw at the enterprise bargaining agreement committee at Bedford Industries.

I have no solution for how we are going to negotiate and keep a balance between the different groups. I do not know how you address the injustice for people with disabilities—for those reliable people who work sometimes for 25 years from 7 o'clock in the morning to 4 o'clock in the afternoon in a business service and end up with \$800 superannuation after 25 years—in comparison to the injustice of many people losing their opportunity to work if sheltered workshops, or business services, have to be shut down because they cannot afford to operate. I do not have a solution for it, but I am advocating for equality and access to the same rights as the people outside. Someone has to advocate for that. That is my role and that is what people with disabilities have asked me to do.

Mr DUTTON—Can I ask a quick question along a similar line in relation to business services. I respect your position. When you are talking about equality, you suggest to us that you have no solution or outcome to the inequities that you see, but the basis of your submission in relation to this aspect is that wages should be increased. You give a breakdown in percentage terms of how much people are earning and what not, but you are really saying that there should be equality in wages with open employment, as Mr Barresi was saying, aren't you?

Ms Baker—I am saying supported open employment. Let me clarify that. I am not saying that people with disabilities should earn exactly the same as a capable person earns. I am saying that there is a supported wage system in open employment and in the award system, so why do we have to have an extra supported wage assessment for business services, for example, and create more differences between the supported wage system in open employment and the supported wage system in business services?

Mr DUTTON—Because there are people in business services who might have a capacity of five or 10 per cent of output but, if I understand what you are saying correctly, you are suggesting that they should be paid at 80 or 90 per cent or close to—

Ms Baker—No. If they were assessed according to the open supported wage assessment tool, they would have a productivity of 10 per cent, so obviously they would get 10 per cent of their wages according to the wage system. I am not advocating that people should get more than what they produce.

Mr DUTTON—If you were, the outcome would be that people would be displaced out of these services, wouldn't they?

Ms Baker—No, I would like to clarify that completely. A comparison was done by the Disability Employment Advocacy Centre in Melbourne in their submission to the safety net case. They showed that, in open employment, when a person goes to work they get assessed according to their productivity, and their productivity is less. But with the open supported wage assessment tool, people with disabilities earn on average about \$11 an hour; whereas, in the business services they earn on average \$1.50. So where does the discrepancy come from? It cannot simply be that there are more people with higher support needs in business services. If it is, people with disabilities argue that we need more government support in there so that people still get paid at the 10 per cent, but the need for support that this person needs in the work place gets funded through the Commonwealth government.

Mr DUTTON—I understand that but I just take issue on the first point you made in relation to the people who are in business services as opposed to some of their colleagues in open employment. The reality is that they are in business services and not in open employment because many of them have a profound disability. There are plenty of parents in particular and people with disabilities in general who are quite angry at the National Council of Intellectual Disabilities for creating this situation and forcing a government response to a very serious issue.

I would suggest that the majority of the people who are involved in sheltered workshops—or business services as we, being politically correct, have to call them—do not have any regard for what they are being paid. They want to have some constructive element to their life in terms of employment, where they can go and spend time with their friends. One day they might have an output of two or three units and the next day 100 units. It is particularly the case that a lot of these parents argue that they do not care whether their kids are getting \$1.50 a day, an hour or a week, or whatever the case may be. It provides them with some interaction with other members of the community and it provides a respite that the parents would not otherwise have had. It is putting many of these families in a most undesirable position, and yet you are supporting this position of the NCID.

Ms Baker—I am very aware of the position of parents and parent advocacy—

Mr DUTTON—I just wonder that because I have not spoken to one parent who has any involvement or contact with the NCID.

Ms Baker—I would like to make another statement. I am called by people with disabilities; I am not called by their parents.

Mr DUTTON—You are called anonymously in your submission.

Ms Baker—No. For example, one lady came to me and said, ‘I’ve been referred into sheltered workshops. If I go there, I will lose my identity. I was previously a nurse. I have a mental health disability. If I go into a sheltered workshop, I will lose my identity and I will never be able to work in a free workplace again.’ That is just a conscious statement. I have talked to many people with disabilities who work in sheltered workshops—at Bedford and at Phoenix Industries—and these people have told me that they want more money. We are very aware about what happened at Bedford, for example—that there was also great concern. But what are we arguing here? We are arguing the disability services standard section 9. I thought that it was legislated that we were moving towards an equal playing field between open supported employment and business services. That is the point that I am arguing. It was supposed to be that, by the end of 2004, we would not be there.

As you pointed out, there is such a need for additional funding for the business services that they cannot move towards bringing up standards to an equal level with outside because there is not enough money there. So there have to be some compromises. I am not arguing that we should go the whole hog and shut everybody down who is not there—absolutely not. But I take the position—and it is in opposition to that of parents—on the side of people with disabilities who want more superannuation at the end of their working life and who are currently in workshops. They want a bit more money. It is not the case that they do not care how much they get. There might certainly be several people who do not care how much they get in the workshop, but there are many others who do care. Many of them do not dare to speak up against their parents, either.

CHAIR—I take up that superannuation one because that to me is very intriguing. I have never heard that one mentioned. They are receiving a wage, albeit a much lower wage than they would receive in the open market. But in a lot of cases they are receiving a pension at the same time.

Ms Baker—Yes.

CHAIR—There is a joint situation. So they are getting a Centrelink welfare payment along with a wage.

Ms Baker—A disability support pension.

CHAIR—Of course, superannuation entitlements are calculated on wages. What are you advocating—that that superannuation entitlement be based on the combined income that they receive from welfare and the wage?

Ms Baker—That would be a solution, yes. I have not put any solutions to it; I am just using it as an argument.

CHAIR—I have had a lot to do with the disability sector. I have been a big advocate of it. I know Bedford Industries well, I know Phoenix well, I know the Endeavour Foundation up in Queensland well, and I know Ackroyd and their services in WA very well. It just seems to me that when someone on a disability pension eventually gets to retirement age they will then be on the pension. The chances of them ever having superannuation as an alternative source of income is minimal, even at best.

Ms Baker—That is what they complain about: they are working all their life, they are going from morning to night into a workplace—

CHAIR—Therefore, they should be in the open employment field, rather than in business services, because they are getting a welfare payment at the same time.

Ms Baker—I understand the point that you are making, but if you look at it—

CHAIR—They will eventually move from a disability welfare system to a pension welfare system.

Ms Baker—Firstly, on the word ‘welfare’—many people feel that they do not want to live on welfare. They are working and are productive enough to come to work every morning at 7 o’clock, work till 4 for five days a week for several years, but it is the government’s decision to give them the disability support pension so that they can keep on working, because people need something to live off. With the situation is as it is, business services were born from a different perspective: from a parent movement which may have wanted to find something for their children to do and which also wanted some dignity for people with disabilities so they could say that they go to work—that is where it comes from. I understand the idea and the history of it. So, now, many of them are going to work. If all they ever achieve is to live on the \$465 of the disability support pension—

CHAIR—But they have certain levels of productivity results because of their disability. All of us are assessed based on our contribution to our employer. As you said, you have a performance appraisal and your future employment and future wage are dependent upon your performance. All of us are assessed on that.

Ms Baker—I understand that, but look at the Bedford Industries gardening crews, for example. There is one person at Bedford Industries, a Centrelink endorsed employee, who takes out seven other people with disabilities every day, supervises them throughout the day—they run their own gardening business in their own group. This person is as productive as his supervisor, yet the supervisor gets \$550 per week and he earns \$200. Now Bedford has raised the highest functioning workers on the highest level up to almost open employment conditions. So, before, he was earning much less. People see that injustice. There are many high functioning people in business services. For example, I gave an award to a person who had a double-lung transplant and something else. Before he had the double-lung transplant he was working in a doctor’s surgery part time as a receptionist. All the other staff gave up half a day’s work in order for this person to be employed. He was definitely not 100 per cent productive, yet from them he got the

highest amount but, if he was assessed according to his functionality, he would probably have received an award wage that was 70 per cent of a normal wage. In business services that is not happening.

CHAIR—I will move to something else, because you do have lots of other recommendations—you have 12 recommendations. Recommendation 6 says that the Commonwealth should ‘invest more into employment creation through the development of alternative, sustainable industries and niche markets’. What are you referring to there? Aren’t business services an alternative market and providing niche industries?

Ms Baker—Yes, they are and I considered that as part of it. It is not that I want to eliminate the business services sector at all.

CHAIR—Are you talking about Commonwealth investment?

Ms Baker—We were thinking of cooperative ventures, for example. It would be an opportunity for some people with disabilities who want to develop their own businesses, work together and to own it as a cooperative venture. Another small business that we thought of—and there is a restaurant in Germany—

CHAIR—Are there any examples where there are cooperative ventures?

Ms Baker—I think that the Spanish lottery system started as a cooperative venture for blind people and became the state lottery system, where many blind people still earn their living. I have no examples of it working in South Australia. I do not know of any cooperative venture in South Australia but I know of some examples where parents started to develop a small business for their children with disabilities. They were supporting that because they do not get much support.

CHAIR—You raise a point which has been raised by other witnesses—that is, you are critical of Job Network providers and their ability to help those who are disabled. Can you make a comment on how extensive that is?

Ms Baker—Some clients came to us with complaints of discrimination by Job Network providers—not disability employment service providers. Many of these cases related to mental health, whereby the Job Network provider staff member was not trained to deal with people with mental health problems. In other cases, many of the Job Network provider offices are not accessible for wheelchairs. It is a problem if physical access is not possible. Also, we have a very famous example where a person who is deaf went to a Job Network provider because he had worked for more than 40 hours and was not eligible for the DSP anymore. He had a high position in government and was firstly told to do Job Search training while he was employing others, but without any support—he is completely deaf, so he needed an interpreter. That was not provided and so he refused to go. He was breached. Secondly, he was told to go to do telephone marketing training. He said, ‘I can’t do telephone marketing training, because I can’t hear.’ He was breached a second time. That is just an illustration of what happens. Naturally, the breaches were revoked, but only through advocacy. That is what I am referring to when I talk about the lack of disability awareness training amongst staff, and I have also looked at the training program for people in Employment Services, which does not do very much for them.

CHAIR—That is pretty consistent with what we have heard from some other witnesses as well, particularly that some of the private recruitment organisations are not focused on the disability sector. I thank you for coming in. I have read through all your recommendations. I understand the gist of where you are heading as an organisation and what you are after. We do not have a full complement of members here today, but I know that there will certainly be some concern about some of the things that you are raising, particularly about waiving some of the rules for those in the disability sector from various programs. That could very well cause some difficulty, but I do note it and I am sure all your points are going to generate a lot of discussion when we come to putting together our report. We may have some other questions for you in due course.

Ms Baker—Please do not hesitate to contact me at any time.

CHAIR—All the best to your organisation. There is obviously a big need out there to help people with disabilities. The Royal Society for the Blind certainly indicated to us that there are also differing needs across the disability sector and that sometimes what we see as a response for the sector as a whole is not relevant to other disabled cohorts of unemployed people. That is food for thought for us as well.

[1.31 p.m.]

MILCHEM, Mr Andrew John, Managing Director, Corston Pty Ltd

CHAIR—The proceedings here today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public but if at any stage you wish to give evidence in private then please ask to do so and we will consider your request. With us today is Mr Peter Dutton, the member for Dickson in Queensland, a government member. I am also a government member, from the seat of Deakin in Victoria. Our opposition colleagues could not make it today, but no doubt they will read through the submission as well. I invite you to make some preliminary comments about the issues you think are important to the inquiry, then we will move to some general discussions.

Mr Milchem—I would like to preface my remarks by saying that some of my comments may seem extreme to some people, but I think they have to be looked at from a balanced perspective. I would like to tell you something about my history. I failed fourth year high school. I took an apprenticeship and during that apprenticeship I did my matriculation by correspondence at night school. Then I did my engineering degree et cetera. I have worked as an employee in some cases for a number of companies, I have also worked as a contractor for a number of companies and I have run my own business employing people. So my argument is stated in light of the fact that I can look from a number of different perspectives at the situation. Although today I am appearing as an employer of people in a business, I have experienced all different aspects. I do not have a great deal more to add other than that I believe that the full consequences of any government legislation are not necessarily considered before it is actually implemented. When I say that, I do not think a lot of people in parliament appreciate the impact of particular legislation and the follow-on from that legislation on a one- or two-man band working 10 or 12 hours a day in a small business. In contrast, if you are employing 1,000 people, you can afford to have specialists who can deal with individual issues.

CHAIR—Thank you very much. Firstly, I do not consider your submission to be extreme at all. In fact, your submission is consistent with some of the other submissions that we have received. I reassure you, in relation to your comments in the second last paragraph, that certainly this committee does not consider those in small business to have lesser intellectual capacity or merit to be heard. Far from it. We do consider, as you rightly say, that small business is essentially the engine room of growth. The small business sector plays a key role in large employment growth. I want to assure you that there is no pecking order of importance here with small business at the bottom.

Mr Milchem—Yes.

CHAIR—Having said that, you bring up a very interesting and, I would have thought, somewhat controversial recommendation—that is, providing an incentive for householders to

use legitimate service companies instead of the black economy by giving households up to \$1,000 per annum to use on services. You see that as a way to get rid of the black economy—

Mr Milchem—And to have effective growth as well.

CHAIR—How does that improve growth? I can see how it will help legitimate small business versus the person who has set themselves up in a black economy. What does it do for employment growth?

Mr Milchem—Here is an example. I am speaking for myself. When I mow my lawn, I make a decision to use my time in lieu of paying somebody \$15 or \$20 every fortnight. That is after tax money, so I have to earn \$40 to pay for that. If I get a tax rebate then it is only costing me \$20, so it is half the cost to me and I have that \$1,000 to use. Another example of that is with my car, which is privately owned. I receive a car allowance from my employer for using my car for company use and that means that costs incurred are tax deductible, if you like. When somebody offers to wash my car at a certain price, I am actually only paying half that price as opposed to if I get my other car washed, which is not under that allowance, I pay the full price. It is rather like negatively gearing property or whatever.

CHAIR—I understand. I am trying to work out how in the context of this inquiry that would help in generating increased worker participation.

Mr Milchem—If you take my current situation, I really do not have anybody come to my house to do work for me because I always look at it and say, ‘Gee, it’s going to cost me \$20, which is \$40 before tax; if it takes me half an hour, it is better to do half an hour’s work.’ If you change that balance I say, ‘Heck, I’ll start using services.’ I am saying that there are a lot of people in the same boat, who will make that decision.

CHAIR—Would not there be a tendency to actually drive prices up by the service providers because they know that—

Mr Milchem—Prices will go up because demand will increase. At the same time, competition comes in.

CHAIR—I would have thought that the actual provision of that service would increase in dollar value. It is the argument that is being used at the moment with the Medicare rebate. If we give doctors an extra \$5, it is not going to mean that there is \$5 less to pay. Doctors may actually increase their own rates by an extra \$5.

Mr Milchem—Let’s step back from that argument and look at it. You come to me as a householder and you offer to do work for me for \$40 instead of \$45 or \$50 that Andrew is charging. I say, ‘Beauty.’ The thing is you are not paying tax to the government, you are not paying GST and the whole system is being bypassed. When I charge my \$50, the government is going to get a good deal of that money. I am preventing the government paying money for people on the dole because I am employing people. Those people themselves are paying tax. I am paying GST on the product and I pay legitimate tax through my business. All of this money is going into the black economy if you like, so you are getting increased revenue from that for a

start. I do not accept that prices are going to spiral out of control, because as the prices go up you are going to increase competitors in the business.

CHAIR—Market forces come into play, I understand that.

Mr Milchem—I cannot actually charge enough in my business as it is. That is one of the problems. I need to make a differential between what I charge and what I pay out and that differential is not that great in home services when you are employing people.

CHAIR—One of the other measures you advocate—and you are not going to get any argument from Mr Dutton or me on this issue, although if some of my ALP colleagues were here you may—is removing the unfair dismissal laws. Can you articulate the reasons for it? Is it really going to assist or is it just simply hype?

Mr Milchem—Let me give you a couple of illustrations. I have worked as a contractor for about eight years. I can tell you that when I go to organisations in an engineering capacity, a lot of those organisations are driven by contractors. They work two or three times harder than the employees. A certain slackness exists within the employee community—people think that to some extent they are untouchable. That is the first thing. People have a threat—although I would not say it is a threat; it is a motivation. As a contractor I am only as good as my last job and I rely on repeat business. People have to say, ‘Andrew, you did a flaming good job, and you are worth every dollar you charge so we will get you back.’ There is no loyalty. Here is a good example: I currently have a trainee working for me. I was misled by the training people and government representatives—

CHAIR—Was it a good training organisation?

Mr Milchem—I cannot recall the exact details but I am very angry about it. They did not fully explain to me what I was getting into. I found out after the event that I had a one-month probation period. We started this fellow and he was as good as gold for a month. I have had to read the riot act and do everything possible to chivvy this fellow up. He is still employed by us; we do not have a choice over the matter. To some extent he is coming good, but in the four or five months we have employed him he has had over 20 days off. How do I deal with that situation? When I was an apprentice I knew that if I did not turn up to work they would kick me out. The sense of responsibility associated with work is not there.

It is an illusion. Here is a classic example. A fellow I work with flats with a fellow who is about 23 years of age. This fellow has no job and has no intention of getting a job. He has never worked. He is quite happy. Right now he feels that he is winning in life. He gets up in the morning and plays play station, messes around, spends his money doing whatever he does and then goes to bed again. The situation is that he is fast approaching a point at which he will not have a track record and he will be locked in and the opportunities will not be there. This is what I have said with our trainee. He needs to perform to create opportunities for himself. Unfortunately we are not creating the incentive, if you like. We are expecting younger people to have the judgment of older people to realise the consequences of their actions.

CHAIR—You are talking about work ethics. From the unfair dismissal point of view, I wanted to hear from you as a small business operator. You are saying that it is punitive. Do you think it is going to help a business with fewer than 10 employees in terms of jobs growth?

Mr Milchem—I have been taken for unfair dismissal and that taught me an important lesson. This fellow was hired by me as a contractor. He messed me around in the contract process so that an actual contract was not in place. Under contract law, once a contract has been floated, if you like, and the parties start in that action then the contract stands. Under employment law, unless you have it signed off by both parties it does not stick. As it turned out I came out of that hearing unscathed because the fellow had stolen from me and I had a police report. But the point is that if I want to employ somebody they have to have all the finance as a contractor to put all that stuff together. Otherwise the government will turn around to me and say, ‘He wasn’t a real contractor because you helped him too much.’

CHAIR—There have been some discussions in the last week or so, particularly in parliament—I do not know whether you have caught up with it—about an idea from the opposition. I am not sure whether they are floating the idea or they have firmed it as an option. The idea is that long service leave should be portable across employers. Have you heard of that?

Mr Milchem—I have not but I probably agree with it. However, I think more important than that is the portability of sick leave.

CHAIR—It should be carried across?

Mr Milchem—Yes, I think everybody should pay into a fund but the quantity should be reduced. In other words you would get five days a year instead of 10 or 12 but you would maintain portability. If you take my situation, where I have probably worked as an employee for 12 years and had about four days off—

CHAIR—I am interested in your agreeing to portability being a principle of long service leave because my gut feeling would have been that small business would be against it because you could be at the end of a 10-year line. The person might have only been working for you for 12 months but they would have all their long service leave which had been carried across and you are it—you are the employer.

Mr Milchem—I know what you are saying and I see that perspective, which I had not considered—because you have just bumped me with this on the run. I am talking more from the financial side. We still have that situation with certain laws on maternity leave and other things. We have some difficulty in dealing with those things, so I do not think this is dissimilar. But it is a really hard problem. When you are in a small business and a person is not available and you only have two or three employees it really knocks you about.

CHAIR—I could see a situation of small businesses saying, ‘How much long service have you accumulated? You have just left your last employer; you are now with me and you have eight years of accumulated leave. I’m going to have to bear the cost of the last eight years plus the next two when you take your long service leave.’

Mr Milchem—But the only cost you would be bearing is the actual time cost, not the dollar cost.

CHAIR—Time cost is a huge cost for small business.

Mr Milchem—Maybe that is something that needs to be a component so that, when people pay in, a component of that is some compensation for the time aspect. I do not know; it is complicated.

Mr DUTTON—Thank you very much for your submission. I wanted to ask you about the paragraph of your submission where you mentioned the opportunity cost of people giving up welfare to be employed by you. You said that the employees' argument was that they were being paid only two dollars an hour. You based that on the difference between the welfare payment and the wage that you are offering. How do you get people over that mentality? What could government do; what recommendation could we implement to drag people out of such a stupid state of mind?

Mr Milchem—I guess there are number of issues. Within the community people see it as a legitimate situation. They think it is quite satisfactory to collect the money. It is seen as a legitimate form of income, whereas I would find it an anathema to consider taking money like that. How do you get past it? To be honest I think the brutal truth is that you have to have a cut-off point somewhere where you say, 'Listen, buddy, we like you a lot but you have to go out and get a job. Come hell or high water you have to get a job.' I think there is a forcing point where that should happen. I do not have a solution. The situation is that I can offer people work and they can decline it. And there is nothing I can do about and there is nothing that the government seems to be prepared to do about it. I do not have a solution to that.

Theoretically, most of the people who are unemployed are probably in the lowest skill base of our community. I say that because when employers hire they are looking for the higher set. So if they were looking for a storeman they would ask, 'How much stores work have you done? Well, you've done a lot, you seem experienced and you seem like the right guy so we'll employ you over a guy who's done less.' I am suggesting, theoretically, that the people who are most likely to have their situation improve are in the lower skill set. In other words, the differential between the wage they can earn and government benefits is going to be less. As a professional I look at government benefits and say, 'That's trivial.' But if I were at a lower skill base, if you like, I would be saying, 'Hang on, government benefits are not too bad compared to what I could make working at some particular job.'

Mr DUTTON—You are talking about recruitment in your business. You operate a retail outlet, a domestic pool business, and you run service vans. Are the employees you have on a contract basis?

Mr Milchem—No, they are all employees.

Mr DUTTON—Therefore, obviously, you have a lot contact with the domestic retail market.

Mr Milchem—Yes.

Mr DUTTON—Bearing in mind that your business is a home service, is there much offer of cash out there, which relates to the chair's point before? I am trying to get a handle on how many people would make that offer?

Mr Milchem—I do have customers who try to bypass our system by talking to the service guys directly and trying to do deals. I am aware of people who do that within the business. I have actually taken it up with my suppliers and told them that it is extremely unethical for them to sell to people who they know are employed by other people. They know what has happened to that gear. If one of the guys who works for me wants a cheap pump or some equipment for their pool, they can have it at cost price. I do not have an issue with that, and I will arrange that for them. But there is no reason for my suppliers to be supplying people who are not legitimate businesses. That is the first point. Secondly, I do not ask for cash because I operate a straight business—there are no under the table dealings. The bigger the business, the more that is so. But for a single operator, it is common, and that is why a lot of guys prefer to work by themselves in their own vans, because they can get around and do that.

Mr DUTTON—If they had \$10,000 worth of inputs in one month and sales of only \$5,000 on their books, is that something that could only be discovered if they were audited?

Mr Milchem—I guess. I do not know how careful most of these people are. The defence that most of these people would have in relation to their auditing is that their paperwork is all over the place. You would not be able to find it anyway. It would be next to impossible to prove. I really do not know. For me, I just operate a straight business. It is easier, I sleep at night et cetera. But these guys do it because they make very good money out of it. If they were operating legitimately, they would barely be making a living.

Mr DUTTON—Insofar as your situation here in South Australia is concerned, what sorts of programs do the government run to support small business at the moment in terms of employment programs or issues that you might have with their position on unfair dismissal industrial relations laws?

Mr Milchem—I am not aware of any. Certainly no-one has lifted a finger to help me do anything, which I find a little frustrating. I have created three jobs, and I am trying to grow the business. One could argue that those jobs may have appeared elsewhere, but if you use that argument you will end up nowhere. But I do not see any thanks, if you like. My wife questions my sanity, because we derive very little benefit from the business but we put an awful lot back in.

CHAIR—Can I ask the reverse of that question that Mr Dutton has asked, and that is: what are the impediments—and I do not care whether they fall into the area of local government, state government or federal government; you have identified a few federal government things here—to you really growing your business?

Mr Milchem—I have reached a point with the business where I am now taking a strategic direction change to hopefully minimise the number of people I employ, because I simply cannot get people to fill the positions. I have work coming at me from everywhere. We are turning work away because I cannot find people to do the job.

CHAIR—So it is getting the available people to come to you. What type of work is it? Is it skilled, semi-skilled, unskilled?

Mr Milchem—I would argue that it is semi-skilled. You do not actually get a trade qualification. This is one of the problems: we cannot get any sort of course put into place through TAFE. As a small business person, I have zero clout. I do not have the time to beat on doors. I know for a fact, because my uncle is a TAFE lecturer, that they are actually closing down areas of TAFE because they do not have the volume of students they need in certain areas at the particular college he is at. There is no way I can get that training off the ground. Obviously, for example, if you train an electrician then they are available for the market to take on board. But there are no courses available for the work we do.

CHAIR—What are the pay rates? How do they stack up?

Mr Milchem—I have made a number of inquiries on this and to date I cannot find an award. I have been told there is no award for what we do. We pay our technician \$40,000 a year and he gets a van and all the other usual conditions—four weeks off and so on. You do not need any qualifications and I can train someone in a year to do the job.

CHAIR—That is interesting. So you have work but you just cannot get people to fill the jobs.

Mr Milchem—I am not alone.

CHAIR—Have you gone into the schools? Have you accessed the Job Network?

Mr Milchem—That is what we have done via this traineeship. I am halfway through that. I have to laugh at myself, because I keep on doing stupid things and then finding out afterwards—it is part of that learning curve. We are not going to do that again. There is not enough protection for us. We are treated as a second-class citizen in the whole transaction. So he gets a month's probation and after that he can basically do what the heck he likes and we have no proper mechanism for pulling him into line et cetera.

CHAIR—What are people saying to you about the reasons why they do not want to work? Is it a remuneration thing? Is it a condition of work? Are you getting any feedback at all about what it is that is not attracting people to your business?

Mr Milchem—We find that the younger people do not have the sense of responsibility of work that we would like. I have discussed this with other members of the industry and we all reckon the target age is about 35. They are happy to come and work for me but there is no way of paying for the training because they want a decent wage. I have to buddy them for at least a month and, after they have finished buddying for a month, they are still not up to speed, if you like. So I have to take 12 months to really bring them up to speed but they still want to be paid reasonable money and our business is not churning over the sort of money where we can afford to do that. There is no real training assistance.

CHAIR—In saying that, you have said you have work coming out of your ears.

Mr Milchem—Yes, but the point is that that is at a certain pay rate. What I am saying is the differential we have—

CHAIR—But if you do not have the people you cannot do the work, can you? You have to knock back work.

Mr Milchem—Yes.

CHAIR—Are you knocking back work at the moment?

Mr Milchem—Yes. But in the home services industry we will get up to, say, \$60 an hour, but we work down to about \$45. If I pay an engineer \$40,000 a year, I can then sell his services at \$85 an hour or more. So the differential in the home services industry is not as large as in other areas.

CHAIR—Andrew, are there any other closing comments you would like to make? I think we have probably gone through it all and exhausted it.

Mr Milchem—Only to say that I have discussed with a number of other colleagues in the engineering businesses the situation with apprenticeships et cetera. I have worked on a large number of construction sites in the power industry—building power stations et cetera—and we are shockingly short of tradesmen and so forth. Everybody thinks it is a lamentable situation but, unfortunately, the changes in all these laws and so forth have just forced the end of apprenticeship systems.

CHAIR—What changes in laws?

Mr Milchem—In terms of the unfair dismissal laws et cetera.

CHAIR—This is what I asked before. What are the impediments to your business at the moment?

Mr Milchem—I am sorry; I am talking on a different scale. I am talking about an engineering construction business. I am talking about welders, fitters, construction oriented people for power stations and oil industries and so forth, and employers find this a major impediment. They do not want to be saddled with someone for four years whom they cannot get performance out of. Then they are concerned, I guess, that once they have put all that investment in the person packs their bags and leaves.

CHAIR—So be it. It is a free market. It is competition.

Mr Milchem—I do not disagree. I did the same myself. But the thing is when I applied for apprenticeships there were that many apprenticeships in the newspaper I could pick from and I could apply for them. Yes, I had to compete against 400 people to get my apprenticeship but at least there was the opportunity. Now there is not.

CHAIR—Actually, that is not quite right. There are a lot of opportunities for apprenticeships and traineeships in Australia; it is that kids are not moving into them. In fact, apprenticeships and

traineeships are undersubscribed. They just do not want to move into that line of work. We have heard from a number of witnesses already about part of the problem perhaps being the pay scales. A lot of young people cannot see five years out; they can only see 12 months out. They do not want to be on a lower wage. Perhaps it is the nature of the work—they do not want to be involved in the dirty nature of work, such as sawdust and filings. There are jobs. We just cannot get the people into them.

Mr Milchem—Certainly pay is an issue with our trainee. He feels that he is being robbed.

CHAIR—Thank you very much. I am really pleased to hear that at least your business is going well. That is good news.

Mr Milchem—Yes, but it is a real shame when you hit a brick wall and you really cannot move forward, and you ask: what do we do now? We have painted ourselves into a corner.

CHAIR—You may want to look at your remuneration packages, perhaps provide delayed incentives.

Mr Milchem—The thing is though that we are not making a great deal of money out of the business now so we really cannot—

CHAIR—It has very small margins.

Mr Milchem—Exactly right. If I were sitting on a fortune all these options would be available to me. But I can make a lot more money by not employing people than I can by employing people. That is where we are pushing the business now.

CHAIR—That is sad to hear. Thank you very much. If we have any more questions we will get back to you. Good luck.

Mr Milchem—Thank you.

Proceedings suspended from 2.02 p.m. to 2.16 p.m.

PRATT, Mrs Bernice (Private capacity)

CHAIR—Welcome. Thank you for coming in and meeting with us today.

Mrs Pratt—I have a short piece to read out, if that is all right.

CHAIR—Before you read that, I wish to tell you that proceedings here today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We prefer that all evidence be given in public but if at any stage you wish to give evidence in private please ask to do so and we will consider your request. We invite you to make preliminary comment that is pertinent to the issues that we are looking at through this inquiry and then we will move to questions and general discussion.

Mrs Pratt—I will read my statement. It follows on from what you already have. The workplace situation does not appear to be improving. We have the situation where a very large number of people have never been employed and may never be employed. Everything is grinding to a halt, as can be seen in the hospital and policing professions. There is too much pressure, no flexibility and no balance in people's lives. The unemployed are without hope and are made to feel inadequate and inferior. Those fortunate enough to be in a work situation are stressed, overworked, have very little say in their work environment and receive very little praise or acknowledgment for their contribution.

Young people are advised to stay at school longer and to enter university, yet funds to public schools are cut and there is no guarantee of paid work on graduation. Indeed, many university students may drop out because there is no part-time work available to enable them to exist while they study. Older people are being made redundant due to downsizing. This results in more stress for those remaining as they struggle to keep up with the workload. There is disillusionment for those being made to leave the work force with no hope of gaining more work due to their age. It has become almost impossible for people to plan for any kind of future stability. In this climate, this country's only direction is down.

People would be happy with a more flexible and balanced approach to work in their lives. They need to feel some worth, but they also need some quality of life. Australia has thousands of clever people, so businesses should be encouraged to find ways of accessing and utilising that talent. Parents should be able to work more flexible hours. Most employers' family friendly policies are focused on the hours people spend at work rather than the quality of that time. More attention should be paid to controlling workloads, managing the intensity of work and ensuring that goals and targets are achievable in the time available.

An ageing Australian labour force will be in real trouble if youth unemployment continues. Young people are not being adequately skilled. This has been highlighted by the problem of acquiring skilled workers at the present time. Most people are keen to feel the pride and self-respect that comes from fully participating in the work force and the rich reward it provides.

There are fears that Australia is going down the road of the US and the UK, where communities are marginalised as a result of poverty. Long-term unemployment, jobless families, family breakdown, unaffordable house prices and poor access to opportunity, education and health are key factors facing people. Dog-tired doctors making life and death decisions, sleepy train drivers and weary firefighters are some of the 63 per cent of the work force that are sleep deprived. A survey by Healthworks shows that doctors are working 12- to 14-hour shifts back to back, and they are exhausted. There has to be a better way to combat all the items mentioned.

My idea of working 3½ days out of a seven-day working week would enable more people to gain employment and give business more benefits. This idea may not be the answer to all problems, but it is certainly worthy of investigation and serious consideration. If government is serious about this problem then it must encourage unions, workers and business to look at new ways of focusing and cooperating with one another. It must look seriously at the monetary incentives required and at the benefits that could ensue. Change is easy to achieve if it originates at the bottom. Let people decide what options give the most benefits to all parties. Government would gain credibility if it could outline the various good options for change in the workplace environment. It would be beneficial to allow comment and discussion from all groups of people—including the public, employers, employees, unions and elected members—once these options have been formulated and are deemed to be workable.

We are a clever country. We do not need to keep copying other countries' mistakes. Let us find good solutions and show the rest of the world the way. Let us provide a better way of life for our people. What we need, therefore, is hope for better, more productive and balanced lives, flexibility in the work force, quality of life for everyone, pride in our work ethic and in ourselves. George Bernard Shaw wrote:

A day's work is a day's work, neither more nor less, and the man who does it needs a day's sustenance, a night's repose, and due leisure, whether he be a painter or ploughman.

There was a little bit in the *Advertiser* today about a survey which said that the dream of 28 per cent of people surveyed was to find a perfect balance between work and home life. That is all, thank you.

CHAIR—Thank you very much, Mrs Pratt. Relax—we are very informal here. I know we have microphones, but please feel very much at ease. We are not in the position of interrogating—

Mrs Pratt—I realise that. I just get nervous.

CHAIR—but just quizzing you on various aspects of your submission. First of all, I thank you for your submission. You have obviously put a lot of work—a lot of personal time—into it and you have also done some research on overseas experience. We do thank you for the time and effort that has gone into it.

I worked for a company that introduced 35-hour multiple shifts. It did not do anything for that company in increasing jobs growth. It was a Kodak organisation back in the mid-eighties. They had a situation of three or four days on, I think it was, and another six or seven days off, and there were multiple shifts going, so it actually ended up being 12-hour days. La Trobe University

came in and did some studies on the effect that that would have on the employees. Are you familiar with any of that work—or with the resulting effect that it is going to have on an employee?

Mrs Pratt—I was not thinking of 12-hour days but of cutting down the hours and days.

CHAIR—You are cutting the hours right down, but only making them 3½ days—

Mrs Pratt—Yes, so it is about 28 hours a week.

CHAIR—I guess I am looking at it from the point of view of disposable income. Are you advocating that their income, their take-home pay, is reduced as a result of that as well?

Mrs Pratt—In lots of cases I have looked at they do not actually drop, because they get incentives. If a firm has an incentive from the government which, say, cuts out payroll tax, or if they do not have to pay long-service leave—if we cut that out—there are lots of things that can balance it out.

CHAIR—So there is no payroll tax—are you saying the company will just increase their wages then?

Mrs Pratt—No. I am saying that they can keep the wages the same but drop the hours. They will be more productive.

CHAIR—Keep the wages the same and drop the hours?

Mrs Pratt—Yes.

CHAIR—In other words, they are paying them more for less hours. Your proposition is that their productivity levels will remain high.

Mrs Pratt—I would say that they would remain high, because people would be keener to go to work. They are not going to have the sickness.

CHAIR—It is a fairly long bow. Apart from a gut feeling, is there any evidence to show that that would actually happen?

Mrs Pratt—Only from the things that I have read on the Web. I realise how much businesses have to put away in money. I was on a council and that council was putting away \$1 million a year just to pay for your long service leave and all your benefits.

CHAIR—They will still have to do that, won't they?

Mrs Pratt—It is worth seeing what it would be like if you have more people working who are more satisfied with their work and who are getting the same pay, and you have a proper superannuation fund in which everybody knows what is happening—not like the ones that are a bit weird at the moment. I am not saying it will balance; I am just saying it is worth looking at to see what the balance would be.

CHAIR—I am just concerned that, whenever we try to remove any entitlements from an employee, there is a huge backlash.

Mrs Pratt—That is why you have to get the unions thinking about it too.

CHAIR—I just cannot see that a unionised work force would embrace something which is going to reduce their total entitlements.

Mrs Pratt—If you were telling somebody that they were going to have a long weekend every week, that they are going to be happier at work, that they are not going to be sick so much and that they are going to have more time with their families, a lot of people will stay at a level. At the moment, there are a lot of people that live on their overtime—they cannot help it—but there are a hell of a lot of people that are just too stressed to have any life at all, and they would consider it. I am quite sure that they would. All I am putting forward is an idea that might work. The only way you can do it is to do away with all penalty rates. That is the only way you could work it; if you are going to keep penalty rates and everything else, forget it.

CHAIR—It is going to require a lot of convincing of the different stakeholders in the process.

Mrs Pratt—If you only got a few business that could try it, that would be good. It has been tried overseas. As I said in my report, there were over 500,000 hits on the Internet to do with that sort of thing. There is no way I could read all of them. I think I read 200 of them, and that nearly sent me cross-eyed. But a lot of them claim that it is working. People are quite happy to take less money. Some firms are doing it a different way—they have an extra day off every two weeks or something.

CHAIR—Let us get back to what this inquiry is about: how to increase worker participation levels. Your contention is that if people were faced with an employment situation where they were only working 3½ days a week, they would willingly come out of the woodwork and want to participate in the work force rather than withdraw.

Mrs Pratt—I would think so—definitely.

CHAIR—So that becomes a driving motivation for them to come into the work force.

Mrs Pratt—Being retired, I know lots of retired people, and nearly all of them would be quite happy to keep working at lower levels instead of being off. You get too much spare time—although we are always busy.

CHAIR—But if they needed a motivation to simply work less hours so they can balance work—

Mrs Pratt—You cannot get part-time work.

CHAIR—We are constantly told that part-time and casual employment is going through the roof in this country.

Mrs Pratt—My son works through an agency. He left his work at the Post Office after 25 years and he has been working with an agency. They get pushed around different places. They get a minute's notice to go to places. They go to some jobs that are horrendous and some that are really good, but they get two days here and two days next week. He has a wife and child and he is just managing, but it is not good. I have another son who has just got his third degree from university but he cannot get any work. He did tourism and Asian studies and was hoping to do tourism. He cannot get work anywhere.

CHAIR—We have also heard evidence in this committee on some research done by the Boston Research Group which indicates that because of the changing demographics of this country—the ageing of the population—in 14 years time, which is not a long time, just when my little boy is going to be looking for a job, there are going to be 500,000 jobs in this country with no-one to fill them. In other words, there will be a huge number of vacancies.

Mrs Pratt—With no-one to fill them.

CHAIR—That is right, because there is a vacancy—in other words, there will be more jobs available than people. This situation is surely going to address itself simply through demographic changes.

Mrs Pratt—What happens to everybody now? There are still people now who need work.

CHAIR—But the proposition that you are putting forward is based on unemployment getting worse—that is how you started your submission. You painted this dire picture of where we are today, how communities are being fragmented and how unemployment is not getting any better. What I am saying is that, based on this research, unemployment is actually going to reduce dramatically over the years—

Mrs Pratt—In 14 years.

CHAIR—No, that is when we get to 500,000, but there is a progression all the way up to there. In fact, even this morning we heard from someone saying that unemployment will very soon be reaching around 2½ per cent. So there will be a lot of jobs with no-one to go into them.

Mrs Pratt—Those figures are not getting into the newspapers or anywhere else. They are not coming through to anybody out here. In 14 years we will have jobs for all the young people—but half the young people do not know how to work. They are coming out of school and not getting any work.

CHAIR—That is a different problem.

Mrs Pratt—Yes, but you still have to put that in.

CHAIR—I am just addressing your particular scenario. That is a different issue—of training, vocational education in schools and all that sort of thing, and we are looking at that as well. I am just trying to concentrate on your particular theme at the moment. Peter, do you have any questions?

Mr DUTTON—Mrs Pratt, I also thank you for the work you have put into the submission. It is a lengthy submission and you have obviously spent a lot of time compiling it. We appreciate that. I want to ask you a couple of practical questions about how it would work if, say, a middle manager of a business had to finish work at Wednesday lunchtime and then somebody came in to do the job for the remainder of the week. How would there be a transfer of information, for argument's sake? Practically, how would you facilitate that?

Mrs Pratt—I did speak to someone who was a middle manager in one of the government departments. She was saying that you could have an hour's handover, which would probably work quite well. Mostly you would have your work up to date and anything that was not you would have listed. For that half-hour or hour you would detail anything that needed looking into.

Mr DUTTON—How would employers afford the proposal? On my reading of it, you are essentially suggesting that a lot of five-day jobs would be turned into seven-day jobs.

Mrs Pratt—No, I am saying that you have a seven-day week, meaning that there is no five-day week with two days off. You would have a seven-day week which is divided into two shifts or two lots of people. People would work for 3½ days and then the other people would take over for the next 3½ days. In some firms it will not work at all, because they are not geared for it. But this way would work—

Mr DUTTON—You said that there are four down days—that is, four weekend days—in a fortnight. Where are those down days?

Mrs Pratt—You would work 3½ days. Then you would have 3½ days off. When you get a job, if you are a religious person who needs a weekend to go to church then you try to work it so that you work the beginning so it does not interfere with any of your—

CHAIR—Basically what you are saying is that you have two people working a job. One works 3½ days—

Mrs Pratt—And one works 3½ days.

CHAIR—and the other one works 3½ days. So a bank, for example—take that as an industry—would have its doors open for seven days a week and two tellers would have the same job.

Mrs Pratt—Virtually. This would only work where the people want it. There are a lot of firms which do work seven days a week. There are a lot of tourist places that want to open seven days a week but cannot because they cannot afford weekend rates.

CHAIR—So it really is only applicable to certain industries and, more importantly, certain occupations. It would be very hard to be job sharing in a very specialised job.

Mrs Pratt—Like what?

CHAIR—I am just thinking about a job where perhaps there needs to be continuity of a person doing the same job, otherwise they would need to spend a bit of that last half-day in a handover situation with the next person and that continuity could be broken.

Mrs Pratt—I still think there is a hell of a lot that would work. Banking would work. Call centres would definitely work, because you do not hand over with those. Factory work would be all right, as long as you get your quota done.

CHAIR—It would work with certain positions in factories.

Mrs Pratt—Yes. As I said, I am not an expert. I do not know about—

CHAIR—Let us take a typical position of perhaps a project engineer in a factory. That project engineer has a specific job and specific plans that they are working on. He cannot just hand those over to the next person. They basically go on hold until that person gets back and the second person is working on something else. This is where I have a concern about productivity levels, because it does not mean a particular job gets done any faster. There are some jobs that you cannot just transfer over to the next person.

Mrs Pratt—But overall if you have everybody keener to work and thinking, ‘Right, I’ve got a nice long weekend every weekend,’ they are going to be working a lot happier, a lot faster and they are going to give a lot of benefits. I suppose I am more interested in the people getting something out of it and the employers too.

CHAIR—But there has to be incentive for employers to do it.

Mrs Pratt—But it has been shown in a lot of the things I have read that they do get something out of it. But, as I say, it is just something to be explored. You have to look at everything.

CHAIR—You certainly have presented an idea which has come from left field to us, but it is getting us thinking. Peter?

Mr DUTTON—I think the submission is extensive and explains what it is that you have proposed, and I appreciate that. We will be able to further consider it.

Mrs Pratt—Perhaps I could mention that, when Keating was Prime Minister, I went to a function where I talked to a businessman—I do not know who he was, but he was sitting on the park bench waiting for the Prime Minister. I put this to him and he said, ‘Oh shivers, I’ve never thought about anything like that.’ This was a long time ago.

CHAIR—You have been on this for quite a while?

Mrs Pratt—I have always been interested, but it just seems that you get older and everything is the same and nothing is getting done, so I thought, ‘Well, it’s a good opportunity; open your mouth and get it in there.’

CHAIR—You say people would be a lot happier and a lot more satisfied to work 3½ days. Do you think human nature is such that eventually we will get to a point where that just becomes

standard fare? We used to work six or seven days a week and 10 or 12 hours a day if you go back 100 years before we introduced the eight-hour day. Did that make us happy and productive people?

Mrs Pratt—When we came to Australia in 1951, we found people were fairly happy. There was not much overtime and there was virtually no weekend work and you had a lot more life than you have now. Most people now do not get any life. My husband was a policeman for 30 years and we had one weekend off every five weeks.

CHAIR—Did we really have a life then or did we just think we did?

Mrs Pratt—I just think we had more time.

CHAIR—We try and cram a lot of things in today.

Mrs Pratt—We did not have any money; we never had any money because there was just no money anyway, but we had a lot more time to just live. Now everybody is rushing around and nobody has time to breathe and they are working weekends and working late and they are coming home stuffed.

Mr DUTTON—What would you do with people who had financial commitments, for argument's sake—

Mrs Pratt—Which we have all got.

Mr DUTTON—and needed to work five or six days? They might have a big family, for argument's sake, and all of a sudden, when they turn up on Monday, they are told, 'Well, your position has been cut in half back to 3½ days and you are going to job share with someone else.'

Mrs Pratt—That is why I am saying you have to have education and you have to see what people want. You have to work it to let the people work it out that this could be a good thing, that 'we can afford to lose a bit because we gain so much; we can give more too.'

Mr DUTTON—Isn't there the opportunity in a lot of industries now for people to just work one or two or three days or 3½ days?

Mrs Pratt—I do not think there is; I really do not think there is.

Mr DUTTON—All the evidence is, though, that a multitude of positions now in Australia are contract or part time, and one of the criticisms that some people level at the government is that there are not enough full-time positions, as such. That is sort of the opposite to what you are arguing. A lot of the positions you see advertised are for part-time positions and some people say they want more work than that. At least in some way, for those who want it at the moment and who could live on 3½ days of work a week and have that extra long weekend, isn't it already there?

Mrs Pratt—No, I do not think it is; I really do not. And I really do not think those opportunities are there—not with all the people that we know. It just seems to be that you are

bashing your head on a brick wall. There are all of these jobs in the paper—but they are on paper.

CHAIR—My last question is basically similar to Mr Dutton's about moving to 3½ days a week. Isn't there a likelihood that people who would then have a 3½ day a week job would then take on another 3½ day a week job?

Mrs Pratt—Yes, that is possible.

CHAIR—So they will take two jobs?

Mrs Pratt—Yes. So you are not getting any benefit.

CHAIR—So, firstly, they do not get the benefit in terms of extra time with their family because of this drive for lifestyle that comes from income rather than from time and, secondly, we do not get any benefit from jobs growth because you have one person now doing two jobs.

Mrs Pratt—Yes, I realise that. There is an opportunity, though; possibly a lot of women would go back to work, but there are no jobs for women. Hundreds of women would go back for two or 3½ days because it leaves them all that time to catch up. Probably the ladies here would know—they rush home and do the washing and the housework and they go back to work. If they have the kids one end of the week and the husband has them the other, they might be able to do their child caring that way.

CHAIR—I do not disagree with the concept of job sharing. I think your proposal goes beyond that. Your proposal is about job sharing and still being on the same wage as a normal working week; that is just another step that you are taking the idea. Thank you for coming in. What is the name of your place? I was intrigued by its name.

Mrs Pratt—Victor Harbour.

CHAIR—I thought I read it as—

Mrs Pratt—Humpback Road.

CHAIR—Humpback Road—that is the one.

Mrs Pratt—They are named after all the whales.

CHAIR—So you have come all the way from Victor Harbour. Thank you very much; it is a fair drive. We appreciate the time you have taken not only to put this together but also to drive all the way up from Victor Harbour—a good part of the world.

Mrs Pratt—It's something to do, isn't it!

CHAIR—If we have any other questions, we will get back in touch with you.

Mrs Pratt—If you decide to start looking at things, there are lots of pensioners who do not mind helping to do research and stuff like that.

CHAIR—I am sure. We do thank you.

Resolved (on motion by **Mr Dutton**):

That this committee authorises for public release the transcript of the evidence received today.

Committee adjourned at 2.43 p.m.