



Australian Federation of Disability Organisations

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Mr J Carter
Secretary
Senate Employment,
Workplace Relations and
Education Committee
Via email to: eet.sen@aph.gov.au

Dear Mr Carter

**Re: Employment and Workplace Relations Legislation Amendment
(Welfare to Work and Vocational Rehabilitation Services) Bill 2006**

The Australian Federation of Disability Organisations (AFDO) is the peak national body representing organisations of people with disability. Our mission is to champion the rights of people with disability in Australia.

We thank the Senate Employment, Workplace Relations and Education Committee for the opportunity to input into the inquiry into the above named Bill.

The attached submission addresses the provisions of the Bill related to:

- 1) Contestability of vocational rehabilitation services
- 2) Changes to the Pensioner Education Supplement
- 3) Changes to Financial Case Management

Should you require further information about this submission, please contact the AFDO National Policy Officer, Collette O'Neill, on 03 9662 3324.

Yours sincerely

Samantha Jenkinson
Chairperson



**Australian Federation of Disability Organisations
submission to the Inquiry into the Employment
and Workplace Relations Legislation Amendment
(Welfare to Work and Vocational Rehabilitation
Services) Bill 2006**

1) Contestability of Vocational Rehabilitation Services

In the 2006-2007 Federal Budget, the Government announced it was opening up the Commonwealth Rehabilitation Service (CRS) to competition with private providers. This Bill makes the changes to the *Disability Services Act* necessary to achieve this.

The Australian Federation of Disability Organisations (AFDO) has three concerns about this aspect of the Bill:

- The right to seek review of the content of rehabilitation program
- Ensuring that all Australians have access to rehabilitation services
- Maintaining a high standard of rehabilitation services

Right of Review

People who need rehabilitation services will not always agree with the assessment of their needs made by a rehabilitation service provider. It is important that people are able to have these assessments, and the programs developed on the basis of them, reviewed. This is especially vital in cases involving people who are required to participate in the program as a condition of receiving an income support payment.

As CRS is a government authority, people currently have a defined avenue for review of their decisions that includes internal review of decisions and appeal to the Administrative Appeals Tribunal.

It is not clear how a job seeker or employee can appeal a decision about the content of a rehabilitation program that is made by a private provider of rehabilitation services.

It is our experience that the complaints system that is in place for other privatised service systems, including job capacity assessments and employment service provision, affords inadequate protection for users of these services.

We seek a transparent and responsive complaints system. In the case of people required to undergo rehabilitation as a condition of receiving income support, the appropriateness of a proposed rehabilitation program should be a reviewable decision.

Equitable Access to Rehabilitation Services

CRS is required to provide services to all Australians, irrespective of where they live. This universality of access must be maintained when services are made contestable. Australians living in rural and remote Australia should have equitable access to services.

In addition, services that are offered must be truly accessible to people with disability. The recent opening up of the assessment of work capacity to private providers unfortunately saw situations where services were established in inaccessible buildings, which people with disability could not use independently. We have the opportunity to learn from this mistake in the lead up to the opening up of rehabilitation services.

AFDO recommends:

- that comprehensive accessibility guidelines for rehabilitation service providers be developed;
- that the tender include these guidelines and require potential providers to demonstrate how they will meet them; and,
- that the Government regularly audit rehabilitation service providers against the guidelines.

Maintaining High Service Standards

It is important that we maintain a high standard of rehabilitation services. All providers, whether public or private, should be required to meet the *Commonwealth Disability Service Standards*. This will not only maintain current service standards, but will ensure that all providers are competing on a level playing field.

The Bill proposes that the Secretary be able to enter into arrangements with rehabilitation service providers who do not hold a current certificate of compliance. AFDO understands that this is to allow new service providers to obtain contracts as at July 2007, recognising that it will be difficult for providers to obtain accreditation by that time. There is however an expectation that all providers will have obtained accreditation within twelve months. Given this, we recommend that this amendment have a sunset clause.

2) Pensioner Education Supplement

Under the Federal Government's *Welfare to Work* package, people who were granted the Disability Support Pension (DSP) between 11 May 2005 and 30 June 2006 formed a transitional group. This group were granted the DSP under the old assessment rules, but are to have their eligibility reviewed against the new rules at their next review.

People who are on the DSP who undertake education or training are entitled to receive the Pensioner Education Supplement (PES). As part of *Welfare to Work*, the Government committed that people who were part of the transitional group

and who had commenced study could retain the PES until they completed their studies if they were found to no longer be eligible for the DSP and moved to an alternative payment.

This commitment was made in recognition of the important role of education as a stepping stone to employment for people with disability.

The Bill proposes an amendment that would see a person only retain the PES if they were reviewed off the DSP at the first review of their pension eligibility after 1 July 2006.

This amendment would result in people who continued to be eligible for the DSP at their first review, but who became ineligible at a subsequent review, not only moving to a lower payment but also losing their PES.

AFDO does not support this amendment. People in the transitional group of DSP recipients who commence a course of study while on the DSP should remain eligible for PES until they have completed the course, as long as they are eligible for an income support payment.

3) Financial Case Management

The Bill proposes an amendment whereby a debt can be raised against a person who has received Financial Case Management and is subsequently found not to have been eligible for this support.

AFDO supports an amendment that ensures that a person does not get paid twice for the same period. For example, a person has their payment suspended and receives Financial Case Management. The person successfully appeals the application of a penalty that lead to the suspension. As a consequence, the suspension is revoked and their payment is reinstated and back paid. It is reasonable that in this situation the amount that has been paid through Financial Case Management should be deducted from the back payment.

AFDO is strongly opposed however to debts being raised against people who are receiving Financial Case Management, but whom Centrelink subsequently decides were not eligible to receive this support.

The Committee would be aware that the decision by Centrelink to refer a person to Financial Case Management is discretionary and is neither transparent nor reviewable. If Centrelink decides that a person does not meet the criteria for Financial Case Management determined by the Department of Employment and Workplace Relations, the person has no avenue or right of appeal.

By the same token, should Centrelink subsequently decide that a person was not eligible for Financial Case Management the individual would have no avenue or right to have this decision reviewed.

To raise a debt against an individual in these circumstances is unjust.

If a debt can be raised against a person, fairness demands that the person have the right to contest this and to defend themselves. As this cannot occur under the Financial Case Management system, we recommend that the amendment be changed as per ACOSS' recommendation that the raising of overpayments be restricted to cases where:

- the primary income support payment (such as Newstart Allowance) is restored part way through the 8 week penalty period, or
- the client had undeclared income at least at the level of their normal income support entitlement.