

The Senate Standing Committee on
Education, Employment & Workplace Relations
Parliament House
Canberra
A.C.T. 2600

Re: Inquiry into the Social Security Legislation Amendment
(Employment Services Reform) Bill 2008

Please find attached my submission to the Senate Standing Committee
with regard to the above inquiry.

Yours sincerely
David Richardson

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26 October 2008

Submission to the Inquiry into the Social Security
Legislation Amendment (Employment Services Reform)

Bill 2008

- David Richardson

1. As I understand from the brief outline given in "The Australian" 8 October 2008, p.2, the aim is to establish a framework for a compliance system that will make job seekers more accountable for their efforts to find and keep a job. Further, that this new framework will apply to a wide range of people at present in receipt of various welfare payments, e.g., Newstart.
2. With regard to the present compliance regime, to quote Mike Steketee ("The Australian, 16 October 2008, p.12): "... the tests applied to Newstart are among the most stringent in the world, including arranging for 10 job interviews a fortnight and reporting on the results to Centrelink." Further, there is the Jobnetwork that those on Newstart must register with and also comply with. I note that neither Centrelink nor the Jobnetwork were being examined by the Committee. The unemployed are "soft targets" compared to what is known as the "unemployment industry."
3. With regard to the Jobnetwork, it could be asked what, if anything does this organisation achieve? I was once told by a Centrelink employee that if I had a complaint to phone the Department of Employment & Workplace Relations complaint line. His closing comment was: "the more complaints about the Jobnetwork the better." I think that says something.
4. It is predicted that with the present economic downturn that unemployment in Australia could rise from the present 420,000 Newstart recipients to over 1,000,000 in perhaps 2 years (or 9%). Increasing the onus on the unemployed to be more accountable will achieve very little in this scenario. As to keeping a job, this is more in the

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lap of the employer, not the employee. Further, I am sure the Committee is aware that there are already in place mechanisms in place to ensure that a recipient of Newstart "complies" with whatever is required of them. Failure means simply benefit suspended or terminated until compliance is met. See Steketee previously cited.

5. There have been press reports that there has been a recommendation to the Employment Participation Minister that those over 55 years of age be treated the same as others receiving Newstart, i.e., forced to look for full-time employment. Whilst this might be seen as a level playing field, the recommendation is in my view ill-conceived and overlooks the reality that employers do not favour employing those who are in effect close to pension age. However, the voluntary work is greatly valued by those organisations who would not exist otherwise without volunteers (whether in the mutual obligation category or not). As with others on Newstart, there is a compliance regime in place that unless adhered to will result in Centrelink action to suspend or terminate payment of Newstart. Further, an organisation can decide not to employ a volunteer or retain their services.

6. As a suggestion to the Committee, instead of the draconian measures that I suspect may be being contemplated, there needs to be better assessment of the unemployed, and I believe the Jobnetwork is not well skilled in this field. If training, or lack of, is the problem, then in conjunction with industry, then training is provided in return for Newstart, and more effort put into placing people in the employment that they have been trained for. This may mean relocation within Australia, and in this case financial assistance provided. A condition may be that an unemployed person WILL relocate, else punitive measures be enacted, i.e., suspension or termination of Newstart.