



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE

### **Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021**

(Public)

FRIDAY, 11 JUNE 2021

CANBERRA

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**SENATE**

**EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE**

**Friday, 11 June 2021**

**Members in attendance:** Senators Davey, McGrath [by audio link], Pratt [by video link], Siewert [by video link].

**Terms of Reference for the Inquiry:**

To inquire into and report on:

Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021.

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**GILL, Ms Annette, Principal Policy Adviser, National Employment Services Association [by video link]**

**SINCLAIR, Ms Sally, Chief Executive Officer, National Employment Services Association**

**Committee met at 09:33**

**CHAIR (Senator McGrath):** I declare open this hearing of the Senate Education and Employment Legislation Committee's inquiry into the Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021. This is a public hearing and a Hansard transcript of proceedings is being made. The hearing is being broadcast via the Parliament House website.

Before the committee starts taking evidence, I remind all witnesses giving evidence to the committee that they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated as a contempt. It is also a contempt to give false or misleading evidence to a committee. The committee generally prefers evidence to be given in public, but under the Senate resolutions witnesses have the right to request to be heard in private session. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer having regards to the ground on which it is claimed. If the committee determines to insist on an answer, a witness may request the answer be given in camera. Such a request may, of course, also be made at any other time.

I welcome representatives from the National Employment Services Association. I understand information on parliamentary privilege and the protection of witnesses has been provided to you.

**Ms Sinclair:** Good morning. NESA welcomes efforts to modernise and streamline our social security law. We know that social security arrangements have a profound impact on Australia's most vulnerable citizens. The Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021 is a lengthy and very complex document, and the time frame given to review, cross-reference and analyse impacts of the proposed amendments, which, in their entirety are reported to reduce social security legislation by an estimated 130 pages, is for us an insufficient period of time. Importantly, the time frame has not permitted us, as a stakeholder, to gather valuable insights and contributions through consultation with relevant networks and community members.

Given those considerable restraints arising from the limited time frame, our response will focus on only three of the ten schedules, which raise immediate concern. This should not be taken as an acceptance of the remaining seven schedules or be considered an exhaustive response to the bill. We point out that, in regard to such important legislation, individual amendments sometimes appearing relatively innocuous on first consideration may prove substantial on further analysis and/or when there is adequate opportunity to consider the totality of amendments in context. Thank you.

**Senator PRATT:** Thank you, Ms Sinclair. You mentioned key concerns in the schedules that you had had an opportunity to examine. Could take us very briefly through those.

**Ms Sinclair:** Our response is in relation to three of the ten schedules, as I said: 'Schedule 1—Streamlined participation requirements', schedule 2, amending the social security law to provide the legislative authority for spending for employment programs, and 'Schedule 8—Start day for jobseeker payment and youth allowance'.

**Senator PRATT:** I'm going to start at the end, in terms of highlighting your concerns there. I'm just looking at your submission. I understand that government has argued they would like to see people accessing the online service once they have signed up to their job plan and that that would deliver data to their payments [inaudible] in line with your service providers and your members, because they sign up when they start their plan. Nevertheless, it appears to be something that you still have an issue with. Can you take us through the principles of why you have those concerns?

**Ms Sinclair:** We're opposing the amendments in their current form under schedule 8 as we think they have the potential to result in inequity and may not actually include adequate provisions to avoid or minimise unintended impacts on access to income support by vulnerable, disadvantaged citizens. We've explained the elements of the process as it relates to the current face-to-face services and, therefore, where our concerns are with what's been proposed for participants in the online employment service. Currently, jobseekers engaged in face-to-face service have the right to be informed of and accept a period of up to 48-hours think time to consider their job plan before accepting it, without impact to their start date. Under the proposed arrangements, jobseekers in online services would experience a change in their payment start date if they took time to consider the appropriateness of their job plan before accepting it. We think this is a provision that potentially creates inequity.

We're also concerned that attaching the start date to the acceptance of the job plan will place pressure on jobseekers to accept a job plan that is not suitable to their circumstances in order to receive payment. To illustrate this, in our submission we have referred to the report of the Online Job Seeker Classification Instrument Trial conducted by the Department of Education, Skills and Employment. That report indicates that 51 of all trial participants completed the online JSCI and 80 per cent did so because they thought it was a compulsory part of the income support process. One participant was quoted as saying, 'I'm in the situation where I need financial assistance, so I just felt like I had to do it if I wanted the financial assistance which I desperately need.' We know through various inquiries and reviews of jobactive that there has been much focus on the efficacy of the job plans, and that is something the providers are certainly keen to work with the government and its department on improving. But this actually compounds the issues around standardisation and templated approaches to job plans.

**Senator PRATT:** As I understand it—and correct me if I'm wrong—the job plan leverages off the activity test. Sorry, I'm getting a little bit of feedback. This bill will not only retain most of the elements of the activity test but formalise them into a job plan where suitable and unsuitable work has changed; the job must be found to be not just not suitable, but unsuitable. Can you take us through some of the current difficulties with job plans and the suitability and unsuitability of jobs that people might be offered.

**Ms Sinclair:** It was quite hard to hear you, Senator. I will make my best attempt to answer what I think the question might have been. Perhaps I can do that by talking about the process as it relates to the completion of the job plan under face-to-face services currently, for jobactive providers, which we've outlined in our submission. It goes to the requirement of jobactive providers, under contract, to explain and ensure participants understand the purpose of the job plan; the mutual obligation requirements they need to undertake in return for income support payments; their rights and responsibilities under the job plan, including the think time; what they need to do if they have a change in circumstances; how to contact the provider if they are unable to meet requirements; the consequences of failing to meet requirements without a reasonable excuse—and it goes on with a range of things.

I think what you asked about was suitable and unsuitable employment. That is all part and parcel of the contractual obligations of the providers to ensure that people are not being placed into employment. Indeed, there are contractual specific areas that providers would not, and could not, place people into. The question then is: what characterises suitable and unsuitable employment and how is that applied to people who may be intersecting with the online employment service? In that circumstance, you don't actually have a provider who is the intermediary intervening and checking whether that is suitable or unsuitable. I hope I've answered the question.

**Senator PRATT:** Thank you. The bill, in putting job plans together, puts the emphasis not on the work being suitable but that, in order to refuse work, it must be unsuitable for the prospective employee. I'm concerned not only about the [inaudible] but also employers. If someone feels compelled to take a job when they might be unqualified for it, but they know that jobs they are qualified for only come up so often, and they fulfil their requirements for job applications or however it might be, and they accept a job that they are very likely to leave very quickly once a more suitable job comes along—how is suitability currently managed? In what context might a job be suitable or unsuitable? The bill says that if the job is unsuitable you don't have to take it. But it has to be unsuitable rather than suitable. So the onus changes. I'm interested in that not only from the jobseeker's point of view but also from the employer's point of view.

**Ms Sinclair:** I think what that may do is place more pressure on jobseekers to accept any job—perhaps as distinct from being matched to a job that best suits their skills and expertise. Currently the way in which the Social Security legislation is applied is that people are indeed expected to accept employment as part of complying with their mutual obligation requirements. Of course, providers endeavour to achieve a good outcome for people, notwithstanding that requirement—that is, putting them into work that is at least going to put them on the right kind of pathway for employment. But a reading of the changes to the legislation would be that that is perhaps less relevant and may be less of a consideration as it relates to someone taking a job—any job.

**Senator PRATT:** Is that in the interests of the employee or in the interests of the employer? I think you've highlighted that it might not be in the interests the employee. It might be that they can't hold out very long for something better, but the employer, having picked someone up and trained them, might find that they probably shouldn't have offered employment to that person.

**Ms Sinclair:** I think there are some inherent risks in this bill, but we haven't had the time to properly or effectively analyse them. This also might not work in the best interests of employers or what employers are actually looking for from the government funded employment services system. We know currently that employers frequently complain about what they see as effectively being spammed by job search applications and resumes

from people who are not suitable for employment by them in terms of what they are actually looking for or what their criteria are. Potentially this provision could actually compound that.

**Senator SIEWERT:** Ms Sinclair, were you or the association consulted on this bill, specifically about the changes in the bill?

**Ms Sinclair:** No, we weren't—not until the bill was referred to the committee.

**Senator SIEWERT:** That was the first time you were aware of these changes?

**Ms Sinclair:** Yes, as drafted. I can't speak to what informal conversations may have happened between key policy personnel, but certainly we had not had a formal engagement in relation to the bill and the proposed changes.

**Senator SIEWERT:** Not even with some of the specific changes?

**Ms Sinclair:** No.

**Senator SIEWERT:** I have another overarching question and then I will go into more specific detail. Do you think the results of the online polls that have been carried out have provided enough evidence for these changes?

**Ms Sinclair:** One of the things I would note is that the evaluations were conducted by the department. We think that any evaluation of this nature should ideally be conducted independently of government. However, having said that, on page 9 and 10 of our submission we have noted the factors affecting online completion, as I mentioned earlier, of the online jobseeker classification instrument. I actually think that paints a picture where there are more questions related to the bill than actually painting a picture which gives an automatic green light for the proposed bill. I don't think the evidence is strong enough from the trial, as we have outlined, to be able to confidently support the amendments.

**Senator SIEWERT:** Ms Gill, it looked like you wanted to make a comment.

**Ms Gill:** I do. I would add to that that the trials have been disrupted as a result of COVID. It also means the population that is currently in the online employment service is not what we would see as a typical profile of jobseekers that we would have experienced pre COVID and that we will eventually see post COVID or as we continue in our recovery. It is a very different cohort of people. Our concerns really relate to those who are most disadvantaged. They might be smaller in number, but this impact is no less considerable for that group. It is quite significant and needs to be considered.

**Senator SIEWERT:** From what you have just said, can you then expand on whether you think this process and going further down the online process, starting next year, is a sufficient timeline to deal with the issues that you are raising or do you think it is a bit too early?

**Ms Gill:** There are some elements of the online employment services that we get good feedback from. We know that some of the jobseekers from the trial sites who were referred online from face to face are still getting some contact and some support from providers, even though they are in online employment services. By and large, the jobseekers seem to have adjusted. But there is a safety net in there that those who are having difficulty have a point of contact and they know that they can see someone. I think it's very hard to say if it's ready to go, because it's actually not very visible. We don't know the experiences of individual jobseekers inside online employment services, other than those who come looking for help, but they're people who know that there is help out there. We have some feedback that jobseekers are lost in online employment services. They don't know how to get assistance when they need it. It appears to me that there needs to be a lot more work done before 2022. The reality is, also, that we have people in online employment services now and we don't know if we have disadvantaged people in there falling through the cracks.

**Senator SIEWERT:** That's going to sidetrack me because that's been one of my concerns all along. When I've asked the department about this, they've said, 'Well, they can opt out.' In your experience, have you seen that operating effectively, where the digital forum isn't meeting disadvantaged people's needs and they've actually misclassified themselves? How much experience have you had with that process?

**Ms Sinclair:** I might respond first, and then perhaps Annette could chip in as well. The reality is that we don't have the visibility inside the system. We don't know the answer to your question, other than to say that we know that, initially, it seemed that there wasn't particularly good visibility for people to be able to understand that they could opt out of online employment services and into face-to-face services. The department has clearly been focused on that—and we understand that has been strengthened—but we don't actually have the visibility, nor do we have a time line of the data analysis which demonstrates that improvement. Just as a holding statement I'd make that comment. Annette, would you like to make a comment in relation to that?

**Ms Gill:** Yes, I would. With the online employment services trial that was released in April, the participants for the initial trial were hand-picked. They were briefed, and they had to volunteer to go in the trial. You would think that, as a group, they would be the most well aware of their rights. Only 72 per cent of the participants reported in the evaluation that they were aware that they had the right to transfer. There's no visibility in the system. We've done some studies talking to jobseekers, and I'd have to say that the awareness rates of those who I've talked to are low. That's certainly not a representative or a significant sample. That was just trying to reach out to people who are not connected with the system at all to get some idea of whether or not this was an issue that we needed to keep prosecuting.

**Senator SIEWERT:** I want to go back to schedule 8, the job plan and the start date. In estimates last week, I raised the issue of job plans. I wasn't specifically asking questions about this legislation but about the job plans in particular. The department didn't use the term 'cookie cutter', but that was the essence of the conversation we were having in terms of individualising job plans to meet people's needs. They said that they wanted to make sure that the new process ensured that job plans were meeting individuals' needs. In the evidence you're giving us today, you're saying that the job plans will become more 'cookie cutter' because, in order to start getting their payment, jobseekers are going to have to agree. As I interpret what you're saying, there will be pressure on them to sign in order to get their payment, no matter what the job plan says, because any delay means that they're not getting JobSeeker.

**Ms Sinclair:** That's a hypothesis that we've put forward for those who have to complete the job plan in the online employment service, and we've noted obviously what all the steps are that providers currently have to comply with contractually to complete the job plans. What we're saying is that without all that explanation and that intervention there is a proposition that people could feel pressured to just agree to whatever is populated.

The other thing I would like to say is that both Ms Gill and I have been involved in the contractive employment services for some three decades now, and we know that it has always been the view of our members that they want to be able to provide personalised job plans. What tends to happen with every iteration of employment services is that invariably the legislation has specific requirements that are templated into the plans, and they are fundamental in terms of people fulfilling their mutual obligations. So, whilst it's not specific in relation to today's hearing, we would like to actually—for the bill and for the new services more broadly—be treated at intent, because, sadly, every time we have worked to try to achieve that, it has come back to pretty well standardised job plans.

**Senator SIEWERT:** I want to go to schedule 1. You raised the three—and I know you said you have only a certain amount of time so you focused on those. Looking at the line from schedule 1, could you tell me what you would like to see? How could you fix schedule 1 so you'd be happy? Let's put it that way.

**Ms Gill:** In terms of schedule 1 and some of the other provisions in this bill, I think we would be much happier if we actually saw some provisions and some protections for jobseekers embedded in the legislation. For example, to our knowledge, and what was confirmed with me last night, if a jobseeker online feels pressured to accept their job plan, they have to go through quite a process to change it. They have to contact the contact centre. They have to explain why they want to change their job plan, and that has to be approved. So, they can't just change the job plan the next day. There needs to be some understanding of what would constitute a good reason, for example, for changing a job plan so that people have a good understanding: 'If I approve this now, this is what I have to prove.' There's no understanding of the sorts of things that might satisfy an employment secretary of inability to do some of their participation requirements that relate to technology. There need to be more provisions that are specifically related to the digital environment—for example, not getting a message—to make sure that that environment is properly adhered to.

There are some other clauses in schedule 1 that we're concerned with, and there needs to be that cross-referencing in order to understand that it doesn't necessarily give power to put a lot of extra activities on JobSeeker without a due process of consultation just to ensure that they're reasonable. So, it's a matter of working through those individually.

**CHAIR:** Excellent. This concludes your appearance today before the committee. Members of the committee might have some more questions to put to you, and we'll put those to you on notice. I thank you very much for your appearance.



**CASEY, Dr Simone, Senior Policy Adviser, Australian Council of Social Service [by video link]**

**DAVIDSON, Dr Peter, Principal Adviser, Australian Council of Social Service [by video link]**

[10:04]

**CHAIR:** I now welcome representatives from the Australian Council of Social Service via videoconference. I'm doing this remotely, over the phone. I understand that information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I now invite you to make a short opening statement. At the conclusion of your remarks I will invite members of the committee to ask questions, commencing with Senator Pratt. Over to you.

**Dr Davidson:** Thanks. I hope the Hansard folk can hear me clearly. This bill is the first major redraft of the Social Security Act on activity requirements and compliance issues for a decade. This matters a lot for people on unemployment payments. Their income, their livelihoods and, for many, their mental health are at stake.

The present compliance system is harsh and unconscionable. Between September 2020 and April 2021, there were 1.3 million payment suspensions, many of them automated, for people on unemployment payments who in many cases had actually fulfilled their activity requirements. People are required to work for no pay, and the quality of care of children has become a condition for receiving income support. The compliance system has aggravated the anxiety and depression experienced by almost one-third of unemployed people during the pandemic. The parliament should ensure that the harshest elements of the system are removed, not entrenched and extended further, so people can exercise agency and choice in their pathway to employment, as the Employment Services Expert Advisory Panel envisaged, without having to constantly look over their shoulder to make sure their next payment arrives on time.

The streamlining of social security law in this area is long overdue, but, along with others, we've struggled to get to grips with the implications of the bill in the very short time available. This is a highly sensitive area, and we don't understand why the government is in such a rush to pass this major redraft of social security law so quickly. In our submission, we recommend an extension of two months for consideration of the bill and that it be referred to the Parliamentary Joint Committee on Human Rights for consideration. We had a helpful briefing from the department, and others who have concerns should also have that opportunity.

Our submission details a number of areas where passage of the bill would adversely affect people on income support and makes recommendations to prevent this. We raise the potential loss or watering-down of protections for principal carers, people with disability and mature-age workers, who currently have reduced activity requirements and have access to certain exemptions—this is in schedule 1. Given their disabilities and caring responsibilities, they shouldn't be required to search for up to 20 jobs a month, accept jobs with more than 15 hours a week or undertake mutual obligations for 25 hours a week. And, we would submit, nor should others.

We also raise the far-reaching implications of the huge experiment with online human services that is the Digital Employment Services system. Technology brings benefits but also risks, especially when it affects the incomes of the poorest and decision-making is automated. We know governments have got this very wrong in the past, including with the robodebt debacle, which is still playing out in the courts today. Since the bill facilitates digital servicing, again in schedule 1, especially in regard to job plans, this is the time to embed protections against any adverse impacts of digital servicing and automated decision-making into social security law. We understand people can opt out of digital servicing, but that's a last line of defence only. Those who don't opt out should have reasonable, legislative protections. Given the wide ranging implications of digital servicing, we recommend the government should seek advice from the Human Rights Commission, which has just completed an extensive report on exactly that issue. We also think the Parliamentary Human Rights Committee should consider the legislation in that context.

Two years ago, ACOSS discussed with the department a proposed set of digital ethics for new employment services, covering such risks as automated payment suspensions, privacy and timely access to decision-makers. To give two concrete examples of the associated risks—firstly, people's payments are suspended automatically—and this happens already—if they don't record their job searches correctly in the job search app and submit that on time. So people are a dud phone battery away from missing their next social security payment. Secondly, it's difficult for us to figure out how people can negotiate a job plan with a computer. Digital servicing could potentially open up opportunities for people to exercise choice and agency, but it's very hard to figure out how you can do that if you're not speaking with a human when you negotiate a job plan.

We call on the committee to recommend that the requirements in schedule 8 for people to enter into a plan before receiving their first income support payment be rejected, because it would put people under intense pressure to agree with whatever is put to them. Schedule 6 raises the prospect that requirements for people to

undertake work-like activities without workplace protections, like minimum wages and work, health and safety provisions, could be extended to a wider range of programs, without parliamentary scrutiny, and we understand that's an issue also raised by the ACTU. People engaged in work should have those protections. Finally, we put forward recommendations to change social security law to improve people's wellbeing and employment prospects by removing harsh and unreasonable requirements.

The list of issues we have raised is not comprehensive, given the time, but includes the need for a clear definition of 'suitable activities', akin to that in 'suitable work' in existing law, that circumscribes activity requirements extending job search actions, that are reasonable, relevant to individual circumstances and barriers to work, and demonstrably likely to improve people's employment prospects. Requirements relating to the care of children don't belong in social security law. Child protection is a state government responsibility and that's where the expertise lies. Those requirements should be removed and they relate, as senators will be aware, to the ParentsNext program.

Work for the Dole requirements that mean people have to work without minimum wages and other workplace protections, often in jobs that are similar to real work, should be removed. People shouldn't be required to undertake employment or work without the standard workplace protections—minimum wages and so on. We submit that JobSeeker related payments should be lifted to at least \$65 a day, so that people who are unemployed have the resources they need to search for employment as well as keeping a roof over their head and food on the table. Finally, we welcome the government's intention to put employment program funding on a sounder legislative footing but suggest this is best done in separate employment services legislation. Many large human services programs are funded under dedicated legislation and it's just good governance, we think, to extend that principle to employment services.

**CHAIR:** Thank you. Senator Pratt.

**Senator PRATT:** Thank you to ACOSS. You said that this is an area of legislation and law that is due for review and is in need of amendment. The department has said that they want the parliament to consider this urgently on the basis that it will give jobseekers some capacity to vary their employment plans online so that they're not subject to unreasonable requirements. Does that seem to be a sufficient onus for passing this legislation?

**Dr Davidson:** I will flick to my colleague Dr Casey in this one. But the generic answer is no.

**Senator PRATT:** No?

**Dr Casey:** I was going to say, I don't really see any need to rush these changes through. Some of the processes that they are supposedly enabling already exist under existing arrangements in online employment services, such that, if somebody has signed up to a job plan, they can reach out to the contact centre and have their job plan altered, so I don't believe there's disadvantage to current participants in employment services in not progressing this bill quickly.

**Senator PRATT:** It's not clear to me which bit of the bill enables them to alter it online in any case, but I will try and ask the department about that. Is there any part of the legislation that you think is ready to be passed that is in the interests of jobseekers?

**Dr Davidson:** I will respond quickly to that. The provisions regarding income testing seem reasonable. I do not have the schedule in front of me for that one—Dr Casey might have that—and there were two schedules that seemed—

**Dr Casey:** I we did not have any concerns about the change in wording in schedule 3, which is the one where the definition of suspensions changes from 'must' to 'may'. I think that is a discretionary wording for that part of the legislation in the TCF. Schedule 4, the income test—schedule 7 I think that is—what you were referring to, Dr Davidson.

**Senator PRATT:** Have you had a chance to analyse—

**Dr Davidson:** Sorry. Schedule 5, which requires the approval of programs of work for income support payment to be included in a legislative instrument, seems to be an improvement on the status quo, because at present the secretary simply declares a program to be a program of work. Having said that, we have concerns about schedule 6, which goes to the same set of issues.

**Senator PRATT:** In terms of your remarks, Dr Davidson, about the consequence of being cut off because you do not have adequate digital access, I assume that would also mean, of course, that you would not get a message that you are about to lose your payments because you are not in compliance. Do you have any indications of what that is currently like for people on payments, be they online or in a face-to-face service?

**Dr Davidson:** Again, I'll ask Dr Casey to respond to that one.

**Dr Casey:** Sorry, I'm not sure if I heard the question properly, but my understanding at the moment is that when someone's payment is suspended they automatically receive an SMS and also on the JobSeeker app there's a dashboard that they look at that would have a message on it saying, 'You have not met a requirement.' I think in the digital services and in face-to-face you still have the same mechanisms for notifying you of a payment suspension. At the moment we also have that two-day pause before that happens. I believe that at the start of those two days there are messages sent by SMS and on the JobSeeker app.

**Dr Davidson:** We'd recommended that one.

**Dr Casey:** Yes.

**Senator PRATT:** It seems that is working better, but not if your phone is stolen or your battery's died, as you said. Have you seen issues arise because people don't have access to adequate technology? You soon run out of credit. If you're on a low income, it can be hard to afford phone credit.

**Dr Davidson:** Exactly.

**Senator PRATT:** In that context, if you're reasonably close to your JobActive provider—it might be a few bus stops away—you could drop in to it and explain what's going on. Do you have concerns about what people are able to do to resolve that if they are simply online?

**Dr Davidson:** Yes, we do. This doesn't only relate to people in the digital stream. We have a general concern about automated suspension of payments. People's income support shouldn't be suspended without a deliberate human decision which is reviewable in a timely fashion. Social security law is supposed to be beneficial legislation. It's looking after people's sole source of income, people who are often in poverty, and those decisions should not be automated. That's happening already, and it's one of our greatest concerns about the present system, and there's no discretion.

**Senator PRATT:** If someone's in the digital system, they've lost their phone and they're not connected to a JobSeeker provider, do you know in the current online system if they're able to go in to Centrelink and get that rectified?

**Dr Davidson:** Centrelink would probably refer them to the call centre, so that's the solution for them in that case. They would contact the call centre, but of course, if they don't have their phone, that in itself is a problem for them.

**Senator PRATT:** I'm assuming the call centre would connect to the phones on the wall in Centrelink, where people are often talking to the different specialist teams because the person in the local Centrelink office doesn't have their details.

**Dr Davidson:** That's correct, but the underlying problem here is the whole system's on a trip-wire, and it's very easy to trigger a payment suspension. Then the clock is ticking as to whether you get your next payment, which might be due in a couple of days time. There might be a weekend in between, for example, and your rent might be due. This whole process needs to be slowed down. There have been over one million payment suspensions since last September, and we know they have adverse effects on people. Even if the payment is restored before it falls due, this puts people under enormous stress. The targeted compliance framework which sets up those trip-wires must be changed. There should be a deliberate human decision to suspend a payment and timely access to review.

**Senator PRATT:** Would it be worth passing this bill if we were able to secure, for example, five days for someone to sort their compliance out rather than two? Or are the consequences still too great?

**Dr Davidson:** The enabling provisions for digital servicing, or at least digital negotiation of digital job plans, is in schedule 1. We don't think that should be passed in the absence of a set of legislated digital protections that go not only to payment suspensions but to access to decision-makers, privacy—people's location not being tracked, for example—and automated payment suspensions. There's a whole bundle of issues there which governments are grappling with in other places, but in this place, where we are about to experiment with a very large-scale digitalisation of an important human services program, those legislative protections are absent. We need them.

**Senator PRATT:** Yes, but we are already using the system for some 200,000 people without those protections. Is there anything we can do to secure something?

**Dr Davidson:** I think the idea of delaying payment suspensions is a good one. I would also recommend amendments to include at least a set of higher-level principles for digital or online servicing and decision-making in the law, in this bill, so that some of those details can be addressed later. Without that, digitisation of payments

can be extended further without the opportunity for the parliament to come back and say, 'Hold on, we didn't consider this or that implication.'

**Senator PRATT:** Thank you. I think it is probably time for Senator Siewert.

**Senator SIEWERT:** I want to go on from where Senator Pratt left off on issues of high-level principles around digital rights. You have done some work in that space, or you've made some comment on that space, but also the Human Rights Commission has done work in that space. In terms of what you are looking at in terms of principles for digital employment systems, you have outlined those. In terms of the need for these principles, are you basically recommending that we shouldn't proceed with this until we've established those high-level principles, not only for employment services but extending further across social security law? Is that one of your key recommendations?

**Dr Davidson:** I think at the least those principles should apply to the activity requirements and compliance systems that this bill goes to. It wouldn't be complicated. We'd be happy to take on notice a request to put detailed suggestions on this. You'd have a set of high-level principles embodied in the legislation, inserted into this bill, that says, 'With regard to activity requirements and compliance with activity requirements, the following principles would apply.' Without having to go into a great deal of detail, at least it would be there in legislation, and the arguments around what all of that means in practice could be had at a later time.

**Senator SIEWERT:** Would you see those high-level principles—and I'd certainly appreciate any further guidance from you in terms of what you think the principles should look like—being implemented more through delegated legislation? Is that where you're going with in terms of what that means in practice?

**Dr Davidson:** We'd have it in the primary legislation.

**Senator SIEWERT:** Sorry, you misunderstood what I meant. You'd do the principles in the legislation, but you then talked about what it means in practice.

**Dr Davidson:** You'd have legislative instruments that go into the detail, yes, exactly, and this has been done in this space in the past.

**Senator SIEWERT:** Yes. If there is anything further you want to submit or provide, I'd certainly welcome that. I want to go back to the discussion you had previously in terms of the bits of the legislation—schedule 3, for example—that you think could be passed. What would be your preferred approach: passing some of it, but not the bits that are problematic, or holding off, fixing the bits where there are problems and doing it as a whole, rather than chopping out bits, doing them and then coming back again? You recommended an extension, I think, because this is being rushed.

**Dr Davidson:** Firstly, as we've submitted, we don't understand the rush with this. To give the Senate two months to consider this with a fine tooth comb would certainly be helpful. This is the biggest rewrite of activity requirements and compliance in at least a decade—140 pages of law and many, many pages of existing law deleted. That would be my first point. Secondly, there are schedules, as we've indicated, that we believe could be passed. There's at least one that we think should be rejected, and that's schedule 8. The really complicated one is schedule 1, which is the big rewrite and the enabling of further digitisation, if you like, of at least job plans. That one does need a lot more careful consideration. It may be sensible to pass some of those other schedules in order to make room for that detailed consideration. Similarly, schedule 6 raises serious and complex concerns for us. Those are the really tricky ones, I think. Dr Casey may have views, too, on that—

**Senator SIEWERT:** It sounds like you would be open to passing some of the schedules that don't have problems but taking out those other schedules. I don't know if you were online when NESA was giving evidence, but they also have concerns with schedule 2. What is your opinion on schedule 2 in terms of the arrangements and grants relating to assisting persons to obtain paid work? Is that one you think needs some further work, or would you be happy to see that pass?

**Dr Davidson:** Yes, I didn't mention schedule 2—sorry. We think it needs further work. We welcome the fact that the government is contemplating including funding for employment services in dedicated legislation. Ideally that wouldn't be the Social Security Act; it would be a dedicated employment services act. But it's also the case that having it legislated at all outside of appropriation bills and regulations is probably a step forward. That would be another one that just requires further thought and consultation.

**Senator SIEWERT:** I want to ask you a broader question. How much feedback have you and your member organisations had from individuals about their engagement with the current digital employment system, the trials and also the elevated digital system that occurred during the height of the pandemic, with the lockdowns around the country? What was the general feedback—if you did have feedback—on the effectiveness and the usefulness and how it operated?

**Dr Davidson:** It's a so-called curate's egg, really. Many people find it easier to engage with the system online rather than having to front up at appointments with providers who often aren't much help to them at all. But we also hear a lot of concerns and complaints about automated payment suspensions, which apply across the board, not only in digital, and people being challenged by poor internet coverage, especially in regional areas—phones dying, being unable to afford to remain engaged; it's pretty hard on \$44 a day. So yes, it's a mixed story. And, to be clear, we don't oppose carte blanche, a shift towards online servicing for people who are able to take advantage of it and aren't disadvantaged in the labour market. But in the context of a compliance system that is harsh and unreasonable, there are dangers.

**Senator SIEWERT:** Regarding the discretionary powers of the secretary—for example, determining activity requirements and periods for exemptions and specifying the content of job plans—are you satisfied with the legislation as it stands? Or do you have concerns? If so, how do you think they could be dealt with?

**Dr Davidson:** I'll pass to Dr Casey on that one.

**Dr Casey:** Senator, when you talk about the legislation as it currently exists, do you mean the current act? Certainly we don't think there are enough protections in the current act regarding the maximum levels of activity that different categories of program participants and jobseekers should have to undertake. There are some protections in the existing act. They're very minor. But one of those current protections is actually being repealed—the changes in schedule 1. That's a provision that a job plan can't contain a requirement for people to seek more than 15 hours of employment per week.

So, that's one important protection that is in the current act and in fact probably one of the only really specific protections that's being repealed. Our view is that there is far too much discretion for the secretary to assign activity requirements in job plans through guidelines. For example, the annual activity requirement at the moment of six months a year, 25 hours of work for the dole per week, does not have a legislative base; it is just declared by the secretary—obviously with the advice of the department on what activities should be. That's why we're saying that there needs to be a review mechanism for establishing what requirements are reasonable for going into job plans and that it be on the basis that they actually do provide for better employment outcomes, and existing requirements don't always do that. At the moment there are some protections in the act. There are not enough protections, we believe, for jobseekers and participants under current arrangements.

**Senator SIEWERT:** Thank you.

**Senator PRATT:** When the secretary has that power and does that with the advice of the department, might that also include policy direction from the minister?

**Dr Casey:** Yes, definitely it would be policy direction from the minister, directly informing some of the requirements that the secretary establishes through guidelines. Sorry—I did miss a little bit of the question, but I think I got it.

**Dr Davidson:** In relation to digital job plans, I think we need to be conscious that the technology is changing, developing as we speak. At present, people could be presented with a menu of options and genuinely have a choice between A, B, C, D and F, especially under the points based activity-requirements arrangements, and that's a step forward. But at some stage an algorithm will probably be developed that puts to people a so-called tailored plan for their circumstances and says, take it or leave it—or lose your money. This is why the protections in the law are really important. We can't predict where the technology will go in future.

**CHAIR:** We've come to the conclusion of your testimony before us today. Thank you very much. I'm sure senators will have some questions to put to you on notice regarding any additional information they require.

**Proceedings suspended from 10:43 to 10:55**

**COONAN, Mr Jaiden, Research and Policy, Antipoverty Centre [by video link]**

**O'CONNELL, Ms Kristin, Research and Policy, Antipoverty Centre [by video link]**

**CHAIR:** Welcome. I understand that information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I now invite one of you to make a short—I emphasise 'short'—opening statement. At the conclusion of your remarks I will invite members of the committee to ask questions, commencing with Senator Pratt.

**Mr Coonan:** I'd like to start by acknowledging that I am addressing you from the lands of the Wurundjeri people of the Kulin nation, and that these lands were never ceded. I pay respects to elders past, present and emerging. I also acknowledge the peoples on whose land you stand today.

Even a cursory reading of the submissions for this inquiry would give committee members a clear understanding that much more work needs to be done to gain the confidence of people subjected to participation requirements. Every submission says that the response time is inadequate and inappropriate. That is a damning assessment. We are pleading for more time. Calls to make employment services less punitive and more helpful have been made for a long time now, and government after government has kicked the can down the road, tightening the screws on us but never responding to community needs.

The government has now decided to finally act but has responded to pressure from civil society by only paying lip service to our demands. The bill does not make employment services fair, nor does it make them equitable. It is a tool in the government's post-COVID shock doctrine. It is designed to create the perception that the system is being overhauled while continuing the same practices of existing draconian programs to transfer huge sums to unethical private providers and to deter people who need and are entitled to support from accessing the so-called safety net. This is a blatant ideological push from people who believe in individualising the social problems they create. Again, the government flaunt the fact that you only care about what is best for your political ends, not what is best for the millions of us who have little control over our different economic and social circumstances. Instead of using this to build people up, you're using it to cut us down.

The new points based system is designed to look flexible but is confusing and continues the failed harmful system of mutual obligations. There are still many of the features that prevent people getting a sustainable job as they are stuck on the hamster wheel of government poverty performance indicators and under the boot of private employment operators. When the government says people are dependent on welfare, it is using coded dole-bludger rhetoric which has been manufactured to keep a group of people on hand to kick when politicians need a football and to justify starving those of us who rely on income support to live. It is reprehensible that our so-called leaders are incapable of showing compassion, vision and creativity to work with people in the system to design something that cares for and supports us. The way you are ramming this bill through without proper scrutiny is not at all shocking. It is just more evidence of the fact that you do not see our humanity or feel it is politically useful to treat us with dignity.

I am going to share some statistics briefly. The latest government data shows that just six per cent of people in stream C found a permanent job, and those are not necessarily full-time jobs that pay enough to live on. As Anglicare highlighted in their submission, a recent survey they conducted found that 79 per cent of people believe the activities they are forced to do are pointless. That's backed up by research from the University of Newcastle and James Cook University, which has found that unemployed people subjected to mutual obligations take longer to become re-employed and spend less time in employment compared to those without mutual obligations.

To discuss the budget saving proposed in this legislation, it's just yet another move from the political establishment to increase poverty and entrench inequality. It is depressing that, after years and years of evidence provided by many organisations and individuals, the knee-jerk response is to find savings in social security when the need is more urgent than ever. We have seen this in the Gillard government's acceptance of Howard's decision to cut support to parents. We have seen this in the constant refusals to raise social security payments above the poverty line. To the major political parties and the cruel minority on the crossbench who support their agenda, increasing poverty seems to be a positive. It's upsetting to be here again, but what else can we do? We have to show up and tell you, time and time again, what we see and what we know, and try to make you listen to those largely overlooked and unheard, in a desperate hope that something will change for the better. I will pass now to my colleague, Kristin, who would also like to make a brief statement before we answer questions.

**Ms O'Connell:** Thank you, senators, for having us today. I live and work on the unceded lands of the Gadigal people. I pay respect to Gadigal elders, past and present, and to elders across this continent.

As stated in our submission, we categorically reject this bill and we call upon the committee to do the right thing. Before making sweeping changes to this crucial legislation that governs millions of people's lives, you must

give us and yourselves adequate time to conduct a full inquiry. And, of course, we again ask the government to uphold our rights to meet our basic needs by lifting social security payments above the Henderson poverty line. The information we have about the government's plan for employment services suggests that, if these rules were already in place, there would be about 880,000 people in enhanced services today, basically subjected to the same harmful requirements and the same harmful job agencies, who will continue to take billions of dollars of public money to brutalise people. NESA either fails to understand this, is crying wolf or has more information than we do. The extraordinary size of such a case load exposes just how pointless it is to categorise people by impersonal employability attributes that aren't determined by their actual individual needs. People must be given the support they want, not forced into activities they don't need and that waste precious time and energy. Increased reliance on digital services and changes to backdating will also discriminate against and disadvantage many.

The bill makes much of existing protections for unemployed people, but these are a total failure. People are being coerced into taking unsuitable work due to perverse financial incentives for providers, and those remain. Now we have this new 'DobSeeker' line to bludgeon people even more. We welcome the ability for people in digital services to take complaints to the AAT or a court, but the bill does not go anywhere near far enough to offer protection, and it again divides people by failing to offer the same pathway to those in enhanced services. We need an independent ombudsman or similar to prevent unemployment cops policing themselves.

Recently, we have seen the government make a range of choices. They chose to lift millions of people who were relying on income support out of poverty. Six months later, they chose to throw them back into poverty. They chose to give people freedom from these mutual obligations, giving us space to look for a sustainable job, but they chose to bring back failing and costly programs that hurt people. They are literally planning to have a level of unemployment that will keep hundreds of thousands of people trapped in this brutal system, and they choose to demonise us to justify their decisions. The average time for people on JobSeeker who have been receiving a payment is now more than four years. At least one in five already has a paid job. One in four is over 55 and faces severe age discrimination. One in three has partial capacity to work. There are more than 250,000 disabled people on the JobSeeker payment because, as I know from personal experience, getting access to the DSP is near impossible due to bureaucratic rules that are designed to keep us out. These are choices. The committee would not be surprised to hear that we feel as much disdain for this process and proposal as the government feels for us. Take your responsibility seriously and work with us to fix this broken system.

**CHAIR:** Senator Pratt, you have the call.

**Senator PRATT:** Thank you, Chair. Thank you for your evidence. May I ask, please, Ms O'Connell, about the evidence you've given on the 880,000 case load versus those in other services. Can you unpack for me your concerns around that, but also information and feedback you've picked up from people participating in online services?

**Ms O'Connell:** The 880,000 relates to the latest figures on the number of people who've been on payments for more than one year. Off the top of my head—sorry; I can't remember the exact stat that I looked at—I'm pretty sure that's people on JobSeeker; I don't think it includes people on youth allowance (other), but it might. Based on the information we have, as I said in my statement, we can only gather that those people would be in enhanced services. Presumably there are other reasons people are directed to enhanced services as well. So at this point that would be a low-ball figure. We don't hear much at all from people in online employment services, and I think that that is really illustrative of the fact that people feel more isolated and have less understanding of what's going on and what their rights are. We have heard from the people who have been in touch with us that it's, obviously, confusing and also that it doesn't really feel any more tailored than what's already happening. There are standard activities, and, if you take time to try to understand what's going on, it probably feels like a huge waste of time. We certainly haven't heard extreme stories, like we do about job agencies, because there's not that exposure. That is one small thing that is a relief for people who are in online employment services.

**Senator PRATT:** It's been very hard for anyone giving evidence to know the usability [inaudible] of the app and how you jump through the hoops inside it to submit the right number of job applications et cetera and to push the right buttons to make sure that it's easy to provide the feedback on what you've been doing in order to meet the system's requirements. Do you have any feedback particularly about that? If not, should we be asking about it?

**Ms O'Connell:** Thank you. I might also get Jai to jump in on this one, as I know he has to use it. I'm on the disability support pension. I'm over 35, so I no longer have mutual obligations. Again, with all of these digital services, many people and many of those who are older—I believe ACOSS pointed this out, or maybe it was you, actually—don't have access to the right technology, they lose access or they simply can't afford to maintain technology that would allow them to participate in these systems. We've heard things from the department about what they're supposedly doing to help those people, but if your first port of call is supposed to be digital then you

are going to be disadvantaged by a lack of access to that. Jai, you might want to add something on usability of the app and meeting requirements.

**Mr Coonan:** I'm a person with a university education, so I find, obviously, access to the jobactive site and its usability quite easy. Obviously I have my experience researching the jobactive program, so I know quite a lot about it. However, a lot of people who are in similar circumstances to me—through friends or extended friends—barely access it, they don't spend time on it, and they see it rather as a platform in which they are forced to participate in. So many of the aspects to the jobactive page that you have to go into to log your jobs each month go unused because people see the system as something that they're forced to participate in that takes up their time and prevents them from doing things that they would rather be doing. So, from what I can foresee occurring for people who may be able find use of the points based activation system that's coming through with the new employment service program, it will be much more of the same as to what is currently occurring in that people will just do it to get by. For those who do have certain barriers based on their personal circumstances—whether it's access to technology, understanding of technology, disabilities and so forth—it will be quite troublesome for a lot of people, and they're going to be put back with a provider, which has been an issue for as long as it's been around.

**Senator PRATT:** I assume in that context that we need to ask the department if they've got data for people using the app—whether people are using the job search, the job [inaudible] and things inside it—how much time they're able to spend doing that versus how much time they are simply logged in for a compliance purpose. We might be able to be given intel on that. I understand when people have failed some mutual obligation requirement, they get a text message. Their phone might have been stolen. What happens when people don't get the text message that was needed to rectify something? How is that rectifying process so that people can get their payments restarted again? We've all heard feedback about the large number of compliance issues where people have had payments suspended. It could be that the provider is at fault. I imagine in some cases it might just be that someone hasn't used their app properly or hasn't logged in at the right time. Do you have any feedback about those particular issues?

**Ms O'Connell:** We see a lot of screenshots from people with these messages, but, as you've pointed out, not everyone gets them. One problem both with this notification system and across the board with communication from job agencies that we hear repeatedly is that people are refused access to contact their caseworker. It might be that they're not allowed to have a phone number for their caseworker, they're not allowed to have an email address or, even if they're trying to contact the job agency through general channels, that they will only be given an email address or only a phone number. So not only may you be in an information vacuum because you didn't receive the information you needed; if you're trying to proactively contact the job agencies to let them know that there's a problem or to ask them what's going on—why you haven't got your payment—that's being made extremely difficult. There are lots of barriers being put in people's way. Of course, like we've seen with the data before COVID, about a quarter of payment suspensions have had nothing to do with noncompliance. That just shows, I think, the scale of error, probably partly because there are some job agencies that don't take their responsibilities seriously but maybe because the digital interfaces the department provided them are not very good and are difficult to use. Again, these problems, as you've noted, are massive. One point I want to make is that all of these communications in every direction—both from the person on payments to their job agency and to the department, and from both the department and job agencies to the person on a payment—all need to be done by both email and text message. People need to have access to multiple forms of communications or these kinds of problems can cause horrible outcomes of payments being lost.

**Mr Coonan:** I'll add to that from personal experience. I was sent a text message one time saying that I was at risk of losing my payment if I did not make contact. The number that I was given to contact was a hotline. Obviously I was forced to sit on hold. When I came through I had to tell the person on the other end why I was calling, and then I was redirected into the specific agency in which they oversaw my case. I didn't speak to my agent directly; I spoke to a couple of different people, trying to explain the situation—that I hadn't signed my job plan because I hadn't been sent it and that I'd asked for an extension. It was this circular thing until we got to the point where it was like: 'No worries. This wasn't your fault. Don't worry; your payment's not going to be cut off. Make sure it's done by this date.' Had I not received that message in time—in the two-day period which is now in place—it would have been concerning and shocking. But, again, I have the resources. I don't suffer from anxiety, which a lot of people who are on payments actually do. So when they see these messages their instant natural reaction is to panic about something horrible occurring. The purposes of mutual obligations and so forth, obviously, are pointless, but they cause such an untold emotional and mental strain. Even the Productivity Commission report on mental health had, as one of its recommendations, to look at forms of social exclusion as



impacting mental health. I believe that mutual obligations are just that—they impact people's ability to be included within society, because they're demonised by them.

**Ms O'Connell:** I want to add something on anxiety.

**Senator PRATT:** How long did you spend on the phone?

**Mr Coonan:** From memory, it would have been up to half an hour in total, on a Friday morning.

**Senator PRATT:** And you spoke to a large number of people to get the issue resolved.

**Mr Coonan:** Yes.

**Senator PRATT:** In my experience you can [inaudible] full circle in some [inaudible] and it's not necessarily resolved while you're on the phone. Have you ever received outbound calls from the digital service team, if you're in the digital service?

**Mr Coonan:** No, I'm not in the digital service, because I'm in the Melbourne metro area.

**Senator PRATT:** So you have a face-to-face service provider, but, like other jobseekers, you [inaudible]. We [inaudible] relate to people whose mutual obligations are being facilitated via the app. Correct?

**Mr Coonan:** I missed a bit there because it cut out, so I'm not sure if I've understood you correctly. I'm obviously in the jobactive system. I'm in stream A, so I don't have constant contact. There's been a long period without contact, which is coming to an end in two weeks. I will see my provider for the first time in about a month or so. I am required to log on each month to record my job searches.

**Senator PRATT:** Once it changes to legislation [inaudible]. It must be suitable under the current system. I'm interested in the onus that it will put on jobseekers [inaudible] and in fact perhaps present difficulties for employers. For someone like yourself, you might be a few weeks away from a great job. You have to put a lot of effort into the right job applications for the kind of thing that you know you're fit to do, but, because you have to meet your 20 applications a month, you put in for other, less skilled work. If you're offered a job in the less skilled work, you have to take it because [inaudible]. The other job is just around the corner, and you leave that job quickly because you accept a better job offer. That churn in the system, of people accepting unsuitable work and moving on to something else—have you seen much of that in your network? What do you think it might mean for employers [inaudible] on people for whom the job is not unsuitable; it's just not completely suitable?

**Mr Coonan:** The introduction of the 'DobSeeker' hotline has exposed something, which is that people are just applying for anything and everything. There was the example used by the government of a veterinary practice receiving job applications. What that shows is not that people aren't applying for jobs that they are unable to do; it's the fact that they have almost definitely already applied for those, but they're not getting those jobs. Each month you're forced to apply for jobs that just aren't there. You can't apply for the same job twice, because you could be penalised by your job agency, so you will just apply for anything. If you live in a constricted labour market, like a regional area, and if you have no skills or training to diversify, of course you're not going to be skilled to be a veterinarian or whatever, but you're applying for it because that's where a job's available and you're told that you have to apply for jobs. When it comes to people accepting unsafe employment or just bad employment in general, what other choice do you have? You've got the choice to live in poverty or you've got the choice to work in an unsafe program that may be able to transition you into something else. For example, I occasionally do work for a labour hire company planting trees—it's not great, the hours are early, and I have to travel to the margins of the city—because that's the only employment that I can find for me right now. So it's rather that you're just being pushed into accepting anything regardless of your skill set or time or capacity to do that work, so as not to lose your social security payment altogether.

**CHAIR:** We will just have to shift across to Senator Siewert, please.

**Senator SIEWERT:** Good morning. Was anybody in the centre or in the Unemployed Workers Union consulted over this legislation?

**Ms O'Connell:** That's very funny! No. We were not.

**Senator SIEWERT:** I didn't mean to be.

**Ms O'Connell:** At no point has the Unemployed Workers Union or the Antipoverty Centre been contacted, and my involvement in the union has now been well over a year. I think Jai can clarify the date, but we were kicked off the consultation group when the government decided to change it, and my understanding is that there are now only organisations that receive government funding on that group, which makes it very difficult to be highly critical, obviously, of what's going on.

**Senator SIEWERT:** As far as you are aware, no-one with lived experience of the system has been consulted on this legislation?

**Mr Coonan:** For the legislation, no. As mentioned, I was a member of the reference group. However, we were removed from the reference group, probably at the end of the year—I would say November or December. But, in terms of the proposed legislation that's before us, no. No-one with lived experience, from my knowledge, has been consulted at all by the department.

**Senator SIEWERT:** Thank you. We have been talking about the job plans and the process quite a bit this morning. In your experience, how long does it take to develop a job plan that actually is more tailored to meet people's needs?

**Mr Coonan:** I would say, personally, depending on the person, it would take a long time. As pointed out earlier this morning, the rigidity of the current Social Security Act really makes it quite impossible to tailor a job plan to allow someone to be delivered a good service. Rather, it's quite straightforward that you're just given a piece of paper, whether it's on your laptop, and you read through it and you sign it off. It's after you do your JobSeeker snapshot and whatnot that there may be changes to it. But, again, if you don't know these or it's not explained to you, which is largely the case, then you don't have the ability to alter or specify the job plan, because they're all the same, at the end of the day.

**Ms O'Connell:** We've had a story this week from someone. Some of the tailoring is actually really negative. One thing we heard this week is from a person who's been pushed or referred by their provider, which is APM, to use a service, which we've had a very brief look into, which looks extremely suspicious. It was recently established and is providing so-called health services to job agencies to activate their case load. This person is resisting putting that in their job plan but is being essentially told that they have to do. That's a version of tailoring that shows how negative these things can be if they're not actually led by the jobseeker themselves.

**Senator SIEWERT:** Did you say health services?

**Ms O'Connell:** Correct.

**Senator SIEWERT:** In that they are being required to go to a health service—

**Ms O'Connell:** Yes. This person is in disability employment services on the JobSeeker payment. They get their own mental health treatment—they have their own doctor—and they have been getting that treatment for a long time. That doctor provides them with evidence that gives them exemptions from mutual obligations or lowers their mutual obligation requirements. Their job agency is now saying that they must go to a doctor—supposedly a doctor; I have looked at the website, and not everyone involved in that organisation is a doctor, or not a relevantly qualified one—to get treatment.

**Senator PRATT:** Which company?

**Ms O'Connell:** Just give me two seconds and I will pull that up for you.

**Senator PRATT:** I am just interested to know if there are financial links between the two companies or if, in referring to that company [inaudible] also enables a drawdown on behalf of that client from government [inaudible]

**Ms O'Connell:** I would add that, when we looked at the people who are listed on the website as being involved in this organisation—it's called Back2Work—it is a subsidiary of a very large group called The Better Health Generation. The people listed on the website include a number of people in senior management who have past experience in employment services.

**Senator SIEWERT:** Could you give us as much information as possible on that and send it to the secretariat?

**Ms O'Connell:** Yes, I will ask the person whether they're willing to provide direct evidence, but we can provide as much information as they've given us and ask them for more.

**Senator SIEWERT:** Is this the first time you have come across this particular issue?

**Ms O'Connell:** I had actually heard the name of the organisation before, and I think it had basically just been floating around—people were mentioning it—but I'd never been given any specific information. This person essentially is frustrated and reached out to me for support this week. I will go back to them after we finish here.

**Senator SIEWERT:** That would be appreciated. Can I go back to the job plan. We have been talking about them being very rigid. Now they are putting this sort of requirement in. In your experience—you talk to a lot of jobseekers—how often have people actually been able to change their job plan and make it tailored?

**Mr Coonan:** Generally, if people are having any trouble, the first response is to make contact and try and tailor it. However, most of the time when you offer that advice, in my experience, some people have never come

back to tell me about their experience. In some limited situations, the agencies or the agents are responsive to that, because obviously they're forced to be. Part of it might be that a lot of people are scared to go and ask for that tailoring. But, at the same time, these agents also have their own KPIs and managers breathing down their neck in order to get these outcome payments and whatnot. So the rigidity is there; it's real. But, in terms of it being more flexible, there are two parts: the individual being scared and also the agency's ability to bring that into being.

**Senator SIEWERT:** Okay, to be able to do that in the confines of the rules?

**Mr Coonan:** Yes.

**Senator SIEWERT:** There are restrictions on both sides. That is what I understand you to be saying.

**Mr Coonan:** Yes.

**Senator SIEWERT:** Can I go to the TCF, the targeted compliance framework. In answer to a question from Senator Pratt, you said that you have not heard that much about people in the online system. I am going to chase this up with the department. In estimates last week we got the TCF table that showed that, where people had been suspended—and it looked at the third demerit point, assessment points—a lot of that was because their job plan was either inaccurate, with errors in it, or didn't meet their needs. Have you had any indication, in your limited interaction online, of how many people online are finding that that's the case, with their job plan being in error or inaccurate—that is, it doesn't meet their needs—for those being suspended? Do you have any experience there? It's quite a large number when you look at people being suspended.

**Ms O'Connell:** One thing I would say on that is we did have a number of people contact us around October, when obligations and penalties were re-introduced. I think potentially what is happening there is that job plans were either agreed to or developed while there were no penalties in place, and people have agreed to them without understanding, or necessarily thinking about, the fact that they would later be penalised. I haven't seen or been able to find a trend of when people in online employment services have been experiencing penalties and whether those have gone down over time, but I think something important to look into is whether people, when they are not under the threat of losing their payments, may not understand the implications of their job plan being unsuitable and are now bearing the cost of that because they haven't been given adequate information. One thing in our submission is to relentlessly inform people of their rights, because one reason I think people don't negotiate their job plan is that job agencies aren't telling them they have the right to do that.

**Senator SIEWERT:** One of the other points is what the department says to us when we ask about some of these issues, which is that sometimes the job plans are inaccurate because people haven't disclosed. The job plans are done very early, as you know, and now we've got this process. What's your experience with people disclosing barriers and then job plans being developed? What's your view on whether people, through this online process and more people going through it, are more or less likely to disclose potential barriers? Of course, that has huge implications for their job plan and how they cope through the service.

**Ms O'Connell:** It's typical of the department to blame individuals for its own failures and the failures of legislation. It's appalling to hear that. People, as we just noted, are not being given the opportunity to tailor their job plan. Of course they know about how brutal the system is, particularly the number of people who are forced to stay in it or be cycled through it over long periods of time who are doing anything they can to protect themselves from the types of activities that don't help them but do hurt them. We don't see why anyone would have a good incentive to disclose their needs until they reach breaking point, where they no longer can cope with the requirements they have and need a full exemption.

**Mr Coonan:** I'd like to add a couple of things to the question before and this one. To understand it, there's not a lot of education that goes into the jobactive system. The basic rights may be given to you. Whether you read them or not is another thing. I imagine some people would read them. But there is an inherent distrust of a job agency because there is just no trust in them. People who have cycled through the system before know that they're not there to help them, and they go there essentially to perform, to get them off their backs so they've got more time for themselves.

So on that uptick, as Kristin mentioned earlier, there are obviously a lot of people who've come into the jobactive system, because of the COVID lockdowns, who've had zero exposure to it before and who've known no-one who's been on it before. Therefore, they're not familiar with the terms of their job plan or how to operate within the system, whether that be in person with an agent or on the jobactive app that's available through myGov site. So, first of all, it's an education thing, then there's the inherent distrust and then it comes down to certain aspect of the individual, whether that's mental health or socioeconomics or access to technology. There are quite a number of factors, and this change to the online for the new employment services model, is just going to replicate

these same issues. However, there's less personal contact between the unemployed person and the ability to educate themselves on their rights and how the system operates and to get access to the support that they need.

**CHAIR:** Sorry, but, looking at the time, we need to conclude your evidence here today. I know Senator Siewert will have further questions for you. She can put them on notice.

**BUTLER, Mr Conor, Research Officer, AMES Australia [by video link]**

**SCARTH, Ms Catherine, Chief Executive Officer, AMES Australia [by video link]**

[11:34]

**CHAIR:** Welcome. I understand information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to ask questions.

**Ms Scarth:** Thank you to the committee for the opportunity to appear this morning. I want to start by acknowledging the traditional custodians of the land which we're speaking from, the Bunurong Boon Wurrung and the Wathaurung people of the Eastern Kulin nation, and pay our respects to elders past, present and emerging.

AMES Australia is a settlement, education and employment service provider supporting diverse migrant and refugee communities to achieve faster, better settlement by connecting them to a range of Commonwealth and state funded and philanthropic supported services. We also partner with professional community and corporate organisations to ensure that refugees and migrants are connected to the networks and services that will best meet their goals and aspirations. AMES has a 70-year-long history of working with new arrivals to Australia, through both permanent and temporary migration pathways, and our work is focused on maximising the economic and social benefits of migration to Australia. We believe that a diverse and socially cohesive society underpins an innovative and successful economy.

AMES Australia is a jobactive provider and our consortium has been delivering employment services in Victoria and New South Wales since 2009. In 21 January, AMES's jobactive caseload was about 12,500, including 58 per cent from CALD backgrounds and 18 per cent specifically of refugees. In the context of the impacts of COVID-19 on jobs, particularly in Victoria, AMES achieved over 1,026 outcomes, of these 267 were refugees.

For the purpose of this inquiry, we would like to highlight a number of key points. Our position on supporting new arrivals is that they represent diverse cohorts and that social services policy should build on their strengths. Some of the changes we identified in the legislation speak to a broader trend of pushing jobseekers into any available job as soon as possible. While we understand the imperative to minimise the time people spend on welfare, in the context of recently arrived migrants they contribute best when they are able to fully utilise their valuable existing skills. This can take time and a concerted effort, but there are clearly rewards for our long-term economic productivity.

We stress the need for proper assessment of any changes to social services legislation. The legislation appears to streamline and simplify, from a government perspective, while maintaining the status quo of administrative practices. However, it is less clear whether the changes will actually benefit jobseekers. This must be a central principle when amending social services legislation. Reforming this legislation could be an opportunity to review the full spectrum of inequalities and difficulties experienced by disadvantaged Australians.

Finally, we strongly believe the system should proactively support and engage people who are experiencing difficult circumstances, which many, many Australian jobseekers are. Any changes to the processes for appealing or applying for exemptions around claims, payments and mutual obligations cannot be onerous to understand and access or time-consuming to utilise. We have all heard of the difficulties experienced by Australians, particularly migrants, those with disabilities and many others, in engaging social services over the phone. We note that there is an assumption that this bill should not affect jobseekers in practice as it simply recognises how jobseekers are already treated in the system. It's important to critically interrogate this assumption and to ensure overall that government is proactively supporting jobseekers with personal support if needed.

**Senator PRATT:** Thank you for that excellent opening statement. Looking at suitable work—I'm interested in some more detail from you on that, because the legislation does change the onus that someone must accept suitable work verses someone who can only register unsuitable work. I'm interested in that, not only from the point of view of the prospective employee, but also from the point of view of the employer who might pick someone for a role and invest in training them, but they end up leaving because the employee, in the long-term, may not be a good match. That might be because of language, not utilising their skills or perhaps a long-term environment which has forced them to accept employment where language is a barrier, for example, whereas they could have found other employment where it wasn't and would have been able to grow through into different roles because of that. That's just as an example.

**Ms Scarth:** In our view suitable work obviously needs to cover a number of things. We certainly work to align people's skills as best as we possibly can prior to arrival. Our belief is that if you can get that matching

process right early on in terms of both skills and aspirations then you're far more likely to have people in ongoing sustainable work. For us, suitability is also about being a good match, obviously, so that people will stay in employment. Certainly over the years we've focused more on getting that front end piece right. We can match people's skills and aspirations, so that they're in jobs for longer, rather than the kind of churn that I think we hear a lot about, which is getting someone a job quickly. As providers we are penalised for the length of time it takes us to get someone a job. There is a built-in incentive to get people into work very quickly, but that's not always the best outcome for them or us long-term. It is about making sure that we can match people's skills. Definitely, where people have a barrier in terms of language skills, we spend time working with them to hopefully improve those skills so they can either utilise the skills that they had prior to arrival, or, for that matter, achieve a job and maintain a job. For us it's critical that people just don't find a job, but that they're able to maintain that job.

**Senator PRATT:** Thank you. In that context, what kind of jobs are hardest to fill? Clearly there's feedback from some employers that they find people, but they don't show up; they find people, but they are unsuited—they come for a while or they're not on time. Why is that kind of thing happening? Is it because the jobs are unsuitable or undesirable? I think in this bill is some kind of desire to get people to pick up or be forced to do undesirable jobs. Of course, we do need to fill those jobs and have people doing those productive roles. What's the role [inaudible], and how do you go about finding people who do want to go fruit picking or do other kinds of jobs that might, in the context, be more difficult to fill?

**Ms Scarth:** Our experience is that we can fill the jobs. Many of the refugees and migrants we work with are very happy to do those jobs. Obviously, everybody's experience is different in terms of why they might not turn up for work or why they apply for jobs that are way above their skill level. For us, for the client group we're working with, a lot of those barriers are about language, obviously, but also just the context of the labour market here and what's required and what certain jobs are about. We do a lot of work just trying to explain what a bicycle mechanic might do here, compared to a bicycle mechanic in Afghanistan, for instance. There are a lot of barriers, if you like, that are just about understanding the context, the workplace and the work environment, which is Australia.

In terms of the fruit picking and some of those jobs that in our view might be undesirable, many, many migrants and refugees are very keen to do them. There have been lots of successful relocations—for instance, to regional Victoria—of refugees who are now involved in some of the fruit picking. They're very happy, and they're encouraging friends and family to make the move to also do those jobs. I think it's about investing, and making sure that the system can invest, enough time in the front end to match people better. Sure, there will always be a certain percentage of people who are reluctant to do those difficult jobs or who will find it difficult to find a job that matches their skills and aspirations, but I think that's in the minority, as long as we front-end the process to invest more time early on in matching people as best we can do the job that they're suited for.

I think the other barrier to note is that a lot of people have been very disconnected from the labour market for a long period of time. It's difficult to understand how, suddenly, you can go from—we had a case recently of a woman who'd been caring for her sick mother for 10 years. The mother passed away, and the woman approached us about wanting to start her career again, having had 10 years entirely focused on caring for her mother. Through a number of conversations with our job counsellor, we determined that aged care would be a really good field for her. But, when she approached different training providers, they kind of said, 'We are not training anybody at the moment, because of COVID.' So we referred her internally, to our own education team, and she's now undertaking a certificate III in aged care.

I think sometimes there's just not time to invest in the conversations where people have had, in particular, very long periods of unemployment or are very unfamiliar with the Australian labour market. That's not one conversation. That's not a simple matter of: 'This is what you have to do in Australia.' There aren't just language barriers but huge cultural differences in how people go about finding work and what the jobs look like. Yet they're in this very truncated system, where they might need to take the first job—any job. That's not to say that any work experience is a bad thing—it's a good thing—but I think often what we don't have is an eye to that kind of longer career pathway planning. It's just, 'Get them into a job, and, if that job fails, we'll start again,' rather than understanding how we get people into long-term, sustainable employment, which benefits all of us, obviously.

**Senator PRATT:** In that context, what kind of job might the woman you were speaking about, who is now in aged-care training, have ended up in? She could have been sent off to—I don't know—work behind the counter at a roadhouse. What are the problems with the onus in the bill as it stands?

**Ms Scarth:** In that case, she could have ended up in a whole host of different short-term, potentially casualised jobs without having a career. Equally, given her prior 10 years, she might not find a job to settle in easily or quickly, so potentially she would be churning through. It's hard to know on one level.

**Senator PRATT:** Do you see that happening already in the system? What is the relationship between casualised work and some of these issues with there being an onus to take any job?

**Ms Scarth:** That's a good question. For us, to some extent, the onus to take casual work is not necessarily there, because providers are still incentivised to get people off Centrelink for a certain amount of time in order to be able to claim an outcome, so it's not that that's a built-in incentive. I think the difficulty is churning through lots of casualised or short-term jobs or jobs that don't fit people, so what you're seeing is people coming back in through the system, rather than spending a little bit more time upfront to place people more effectively. That's not always going to work, particularly for those of us working with refugees who might have spent 20 years in a refugee camp. Just understanding what differences there are and the cultural context and all those things isn't always easy straight off. So, to some extent, casual work or volunteer work—because we often propose, if people are struggling to get work, that they get volunteer work so they can get a sense of what the Australian workplace is like and whether that's something that—

**Senator PRATT:** Thank you. That's terrific. Before I hand over to Senator Siewert, what are the elements of a good job plan? The departmental secretary has a lot of oversight and a lot of power in this without a lot of transparency in their decisions, so I wanted to ask you for comment on not getting paid until you've signed up to a suitable job plan, either online or through a service provider like yours; the process of engagement when people need to comply because they have breached something and how you get in touch with them; and how you approach preventing people from getting cut off from their payments, versus how well you think the system overall is doing that.

**Ms Scarth:** I might say a couple of things, and then, Conor, you probably have more specifics as well. Obviously, building trust can sometimes be quite difficult given the dual role of employment providers: compliance with mutual obligation as well as trying to find jobs. But the critical thing is understanding what people have done previously—what their experience has been—and obviously what their aspirations are, and their level of understanding of the job market and how to go about finding a job. So the job plan needs to really be able to address the barriers that people have as well as building on their strengths and aspirations. Conor?

**Mr C Butler:** I agree with Cath about the jobs plan. In relation to the tying of benefits payments to the signature of a jobs plan, in principle AMES probably wouldn't support that measure, but it is the way things currently work. As we understand this legislation, it will extend that to apply to digital jobseekers. While that might create some sense of equity between the two cohorts that will soon be created, our feeling is that it is not really equitable to extend an inequitable provision to a cohort like that. That's probably what we have to say at the moment. We haven't had a great deal of time to review the technical details of the legislation, and that's something else that we would probably recommend: that there is a bit more time for both providers and the jobseekers themselves and their representative bodies to be able to actually review this legislation and how these new provisions will actually affect them.

**Ms Scarth:** I think the other things in terms of the job plan and it being tied to payment is—again, particularly with people who have recently arrived and for whom this is a very new and complex system and approach—that sometimes people are reluctant to disclose everything that is happening to them. This is particularly so in the cultures that we work with. People are very keen to put their best foot forward, not realising that actually they might need more support. Our team spend a significant amount of time getting jobseekers reassessed when they are inappropriately put into stream A, for instance, where they really need more support than that. The idea that you can spend enough time getting a job plan right before someone is getting their payment is of concern, I suppose, in the sense that that becomes part of what they need to do once they have their income stabilised to some extent. As I said, it's particularly concerning for refugees, for whom this is a significant change.

**Senator PRATT:** There would be a nexus in that between unsuitable work and a job plan that hasn't had enough thought put into it, would there not?

**Ms Scarth:** That's right. Working with a refugee, for instance, who really isn't sure and might just respond with 'yes' to whatever the consultant is saying—we would be particularly concerned in those agencies that do not necessarily have a strong understanding of some of the cultural nuances of that. They could take that as, 'Yes, the person is agreeing to what I am proposing.' Or the person may well hold back significant other information about what they were doing before. The long-term outcome is not one that will benefit anybody.

**Senator SIEWERT:** Senator Pratt covered one of the areas I wanted to cover: the job plan issue. I was going to ask about people feeling pressured into accepting a job plan, because that's when they get payment. That could then potentially lead to a suspension, because they can't meet their job plan. Is that a real concern with the people that you work with and your clients?

**Ms Scarth:** Yes, definitely. That's a concern now, in terms of being able to do that face to face. Obviously we're particularly concerned if that goes online for our constituency, I suppose, for whom language and potentially digital skills—just understanding how and what is required—will add significant barriers and concern in terms of there being a longer time without income support.

**Senator SIEWERT:** You already talked about people not wanting to disclose, and that's an area I wanted to cover because we've seen people aren't disclosing. It seems to me that your clients or potential clients of the kind you articulated are more likely to be hesitant to disclose. For example, they end up in digital services not thinking they need the enhanced services, and then they get more and more suspensions because of the issues you articulated. Is that a scenario you are concerned about?

**Ms Scarth:** Yes, definitely.

**Senator SIEWERT:** Mr Butler, earlier you touched on issues around time to consider this legislation; were you consulted on these changes or any potential changes to the current system?

**Mr C Butler:** We contributed to the report investigating a New Employment Services Model back in 2018 and we've subsequently submitted various responses to different inquiries, but this is the forum we've been responding to this legislation in.

**Senator SIEWERT:** You said earlier that you haven't had time to go through the detail of the legislation. Should there be more time taken to properly consider the legislation or do you think bits of the legislation are okay and could go through? What's your view in terms of time of passage of the legislation per se and also the various potential schedules?

**Mr C Butler:** As a provider we wouldn't tend to go into the finite detail of new pieces of legislation but we would also appreciate some time to understand how those legislation changes will likely play out, particularly from the perspectives of the jobseekers and migrants we tend to work with. The other thing we really want to emphasise is that you rarely get the opportunity to amend legislation such as this in a way that could positively impact those clients. Whether or not we have any issues with the legislation we'd appreciate that time so that we can consult with communities and figure out a way to benefit them through the legislation rather than just recognising existing administrative practice.

**Senator SIEWERT:** I want to go back to the issue you were talking about earlier about churn and the discussion you were having with Senator Pratt about finding more suitable work rather than just churning people through. In the current process, how many people with your case load are doing the churning—taking any job, not lasting long in that position and coming back through the service? What percentage would you say are currently churning?

**Ms Scarth:** To give you an accurate percentage I would need to get back to you, but my sense from some of the work we've been doing more recently, particularly with our refugee clients, is that it would be quite small because we invest in ensuring that that's not what we do. One of the markers for me to be able to see that that's happening is the conversion rate for us from placement through the various outcome steps. We have quite a high proportion who go through to the 26-week outcome mark.

Obviously, we need to do far more in-depth analysis, but certainly it's a good indication that people are getting in to the job that they want to do, and I've seen that change over the last five years for our organisation where we have had a much bigger focus on, 'Let's get people into the right job, not just any job'.

**Senator SIEWERT:** If I understand what you were saying earlier, under these changes the churn rate may go up if people are [inaudible] online digital platform [inaudible]

**Ms Scarth:** Yes. It's a risk. I suppose, backing up the point earlier about needing more time, that might be what happening already; it might be an added risk under digital. To some extent we need time to assess if that's the case, and legislation change could be used to ensure that that is not the case rather than supporting what's already current practice.

**Senator SIEWERT:** Thank you. I realise that we've gone over time.

**CHAIR:** I thank the witnesses.



**AZIZE, Ms Maiy, Deputy Director, Anglicare Australia [by video link]**

**CHAMBERS, Ms Kasy, Executive Director, Anglicare Australia [by video link]**

[12:07]

**CHAIR:** I now welcome via videoconference representatives from Anglicare Australia. I understand information on parliamentary privilege and the protection of witnesses and evidence has been provided. I now invite you to make a short opening statement, at the conclusion of your remarks I will invite members of the committee to ask questions.

**Ms Chambers:** Thank you for the opportunity to appear and for the opportunity to make a statement. We'd like to make the point—and I'm sure you have heard it from others this morning—that this consultation is being rushed. There is nowhere near enough time to understand what these changes will mean for people or to check the unintended consequences in the short time we've had. Even in that short time, we've already formed serious concerns about the protection for some jobseekers, and there could be many more issues that are not yet understood.

This bill is, as you know, the first major update to laws on compliance and obligations in decades. The New Employment Services Model was first flagged in 2018, so there's simply no reason for such a rushed process. We echo ACOSS's call for an extension of at least four weeks to hear from jobseekers, employers, community groups and experts. There also needs to be time then for the committee to properly incorporate their feedback.

Secondly, the bill could remove important protections. Schedule 1 of the bill appears to remove protections for vulnerable people and leaves the length of exemptions to activity requirements up to the secretary. For example, there are no longer clear activity extensions for people experiencing domestic violence, bereavement or homelessness. The bill also seems to widen the secretary's powers to dictate the content of job plans in guidelines and regulations. The bill itself offers little guidance on what should and shouldn't be in these job plans. This means the requirements could be expanded at the discretion of the department and the government, with little oversight or protection.

Thirdly, the bill continues to apply harsh penalties to jobseekers and few, in any, to providers. On almost every measure, we see widespread compliance with the system amongst jobseekers. The new employer reporting line is a good example. The government's own figures released last week show that just 240 people or 0.02 per cent of jobseekers, have faced compliance as a result of this new bureaucracy. Many of the breaches imposed on jobseekers by the providers are later found to be wrong. At the same time, several investigations and reviews have exposed poor service, inefficient practices, harassment and allegations of rorting among providers. The compliance burden is clearly skewed in the wrong direction. The fact that it's skewed at all is incorrect. The system is missing independent oversight of providers whose breaches have real impacts on the lives of jobseekers.

Finally, and most importantly, the bill does not properly respond to the Employment Services Expert Advisory Panel. In their report, *I want to work*, the expert panel laid out a vision of a system that respects people and allows them to set their own goals, to choose what is in their job plan and to control what they do to find work. They imagined a system where providers help people, not punish them, and where people have the freedom to change their provider if their approach is not working. They wanted a less wasteful system, where only people with real barriers to employment would have to work with a provider and that is a stark contrast to what happens now, where the most employable people find their own jobs while providers are paid to get in the way. It would radically change employment services, rewarding the best providers who genuinely know how to help their clients overcome barriers to work. For-profits who want to keep offering services would have the right incentives to change their approach. That report calls for a system that is less punitive and which builds trust.

The government's explanatory statement says this bill is a response to the expert panel. But, aside from cherry-picked recommendations, there's little sign of that vision in this bill. It will simply streamline many aspects of the current system under a new act, with more discretion, fewer protections and less transparency. We would like this bill to be checked for measures that contradict the panel's finding. More than that, we would like to work with the government to implement their recommendations as part of a real consultation. It's not too late to work on that vision.

I conclude my remarks by quoting from the expert panel: 'Listening to how jobseekers want help is crucial.' And the panel has listened:

They need a system which reflects how they work today. A system which doesn't waste their time. A system which is easy to use. They need a system which works — for them.

'It's time to do better.' Thank you.

**CHAIR:** Senator Pratt, you have the call.

**Senator PRATT:** Thank you Ms Chambers. As I understand it, your submission and your opening statement have highlighted the problematic nature of the secretary having more powers and [inaudible] the removal of [inaudible] part of the act and the deletion of another that replaces it with that. [inaudible] I heard from that [inaudible] protections in what's new and what's old. Can you give us a little bit more detail about those issues, please?

**Ms Chambers:** Sorry, Senator, it's probably only me, but I'm catching every second word. What I think you're asking me about is the desirable protections and particular movement to more personal discretion for the officers or the secretary of the department?

**Senator PRATT:** That is right.

**Ms Chambers:** Thank you. The issue that we have with any one person having more discretion is that it is harder for people to understand, it is harder for people to comply and it is harder for providers to actually understand and to mind read into that. In a recent report that we have published, called *Asking those who know*, we spoke to over 600 people who had experienced being on benefits and experienced a mutual obligation regime. They told us overwhelmingly that they actually want to do something for their benefits; about 85 per cent of people told us they really did want to do that. They wanted some form of obligation upon them for these benefits. They wanted things that would help them into work. But the same proportion told us that the current system doesn't work at all. These people know what is needed. With all the respect that genuinely is due to the secretary of the department, that secretary is unlikely to have experienced the kind of barriers, the kind of runaround, the kind of day-to-day experiences that someone who is on payments has. We would say that we should be listening to those who know, not to those who are in a position to implement the scheme but don't actually understand how it works on the ground.

**Senator PRATT:** Thank you. Can you tell us about the survey you've undertaken, where you've already affirmed that jobseekers don't believe their obligations are tailored to their needs?

**Ms Chambers:** Yes, certainly. We undertook this is a survey because we wanted to understand what it was like for people, and we asked them questions in two particular areas. The first one was how they managed and what kind of money they had available to them. That brought us some very interesting and very disturbing data, but that's not what we're concerned with today. Then we asked them about the penalties and the compliance regime that they had interacted with. As I say, we surveyed over 600 people in this survey. We had a good breakdown of geographical placement. We had a reasonable breakdown of whether people were on Newstart, as it was, or on JobSeeker. We also undertook this with the COVID supplement, but we asked people about this historically as well as then. When we came to the areas of penalties and compliance what we found was that, of the participants who spoke to us, 58 per cent of them had incurred a debt. When we looked at those who had had a debt—and we have to remember that this is from people's own reporting—47 per cent found that Centrelink was at fault, 20 per cent weren't sure and 33 per cent acknowledged that it had been their issue. But that's 47 per cent who thought that Centrelink was at fault. Again, a bureaucracy often makes mistakes. A bureaucracy is by its very nature not an agile system, and people's lives are complex and agile. But, as we've seen through other Senate inquiries and other processes, when somebody does incur a debt that can have really dire consequences for people's lives.

When we came to asking them about the system and whether they thought Centrelink had helped them or not, there was an interesting breakdown for people who had recently come onto Centrelink benefits—that is, the people who had come on during the pandemic. They had obviously had more money available to them because of the coronavirus supplement and also because Centrelink had done the right thing during that time by making its system easier to interact with and put more people on. We did note that there was a difference and an improvement for people who had recently come on, but certainly most people felt that they hadn't been supported by the government. They felt that they had been very willing to do Centrelink activities that were fair. If we look at that question, well over 80 per cent said that they had been willing to do Centrelink activities that were fair and a similar percentage had been willing to do activities that would have helped them find work. But the vast majority of those people also felt that the activities they were undertaking were a hamster wheel: they weren't related to work; they weren't related to work they were likely to be able to get; and they weren't related to employment that was available in their location. In some instances they were prevented from undertaking actual jobseeking activities, like going for interviews or doing training that they wanted to undertake, because they needed to fulfil these other obligations.

**Senator PRATT:** Are you aware of the kinds of activities that the jobseekers were referring to as not being useful?

**Ms Chambers:** Yes. There was the requirement to apply for a set number of jobs, particularly when those jobs were either not available in quantity—again, particularly during the pandemic—or not available in their geographic area, or the jobs that were advertised weren't within their ability, their current skill set. There was the requirement to attend interviews at a time of Centrelink's calling. Many of our respondents were volunteering. It was much higher number than we would have necessarily expected. So, we had a large number of people who were volunteering or who were undertaking caring responsibilities, and we had instances where interviews and requirements to attend Centrelink offices had been set at times that interfered with those types of activities.

**Senator PRATT:** I'm assuming you're not talking about job interviews; you're talking about Centrelink and jobactive providers.

**Ms Chambers:** Sorry, yes. They were called into Centrelink at times when they actually did have volunteering activities—those kinds of areas. There was a sense, too, which we could see in the data, that the longer somebody had been on those benefits and required to fulfil those mutual obligations the more they felt they weren't helpful. We have actually got Maiy Azize with us today, who was the author of that report, and so she may be able to answer things there. But she has just pointed out to me that Work for the Dole is the other large one where people were doing activities that weren't linked to any job that they would be able to fulfil in the future, because it wasn't available in their area or it simply wasn't a meaningful one; it wasn't related to any job plan that they had.

**Senator PRATT:** [inaudible] the tasks that [inaudible] you are able to [inaudible]. Yes, I'd be interested in further [inaudible] on that—[inaudible] me a copy of it.

**Ms Azize:** I'm sorry, Senator, I didn't quite catch that. I think you were asking me to elaborate a bit. Is that right?

**Senator PRATT:** Yes, Ms Azize, and I'd be interested in any mental health impacts that it picked up.

**Ms Azize:** Sure. I think Kasy said that, in the survey, people expressed a lot of concern and anxiety about their interactions with their jobactive providers and particularly with appointments that are made at the last minute, without notice, or sometimes they got messages telling them that they'd missed appointments that hadn't actually been scheduled with them, and so that created a great deal of anxiety. There's actually a bit of an echo; I'm finding it a tad distracting. As Kasy mentioned, Work for the Dole was a big one. Almost a third of the participants in our survey had participated in Work for the Dole. Work for the Dole had been suspended during the time of the survey, although, interestingly, a surprising number of people, from October onwards, were doing Work for the Dole even though it wasn't compulsory. We have heard anecdotal feedback that providers were less than forthcoming about the fact that that wasn't still a compulsory activity. But, certainly, people didn't feel that participating in Work for the Dole was making them more employable.

To elaborate on a few of the things that Kasy mentioned, very few people agreed that Centrelink activities were tailored to their situation; it was less than 20 per cent. And the people who were most likely to agree with that statement were people who had come onto Centrelink in 2020, which is to say they actually didn't have any experience of the targeted compliance framework; they hadn't been assigned to an employment services provider and so had quite a bit more freedom in the system than other people had. Only 11 per cent agreed with the statement 'my Centrelink activities are helping me to find paid work'. Seventy-five per cent of people agreed with the statement that they would be willing to engage with activities that helped to lead to paid work.

I should say—this is not related to the survey—that the expert panel which Kasy referred to in her opening statement dedicated quite a bit of time in their report to the subject of making it easier for people to change their employment services provider and also to make changes to their job plan. I was listening earlier this morning to some of the witnesses talking about why more people don't do that and don't understand their ability to do that, but it's definitely part of the panel's vision to make that easier. And I think we can see from our survey that people have a pretty strong sense of the types of things that could make them more employable, whether that's volunteering or applying for the right number of jobs that actually meet their needs, rather than just having to arbitrarily apply for jobs that might not be suited to them just to make up numbers.

**Senator PRATT:** I'm happy to hand over to Senator Siewert, but I'm very interested in anything else you've got on what obligations and activities are seen as fair and do work. You've touched on that already, in terms of things that would help in making plans more meaningful. I'm happy for you to take that on notice as well, if you like.

**Ms Chambers:** I'm happy to take that. I think you were asking about the more meaningful areas. We asked people about several areas, including spending more time with the family, volunteering for causes that they cared about, undertaking activities to improve their community, studying or building new skills and caring for sick or

elderly relatives. As to most of those areas, people told us that Centrelink activities got in the way of doing those and actually prevented them from doing things—even studying, or building new skills for employment that they could see a line of sight to. They were telling us that the Centrelink activities actually interfered with them doing that.

**Senator PRATT:** What about spending time with people who might offer you a job? Often it's who you know, and you've got to spend that time investing in relationships. It may well be your [inaudible] gives you a job or [inaudible], and they might not be the best people on your job providers list.

**Ms Chambers:** We didn't specifically ask that, but we did, for example, ask whether your Centrelink commitments interfered with doing activities that would make your community better, so I think we would interpret that as being around people who are involved in their community. Fifty-three per cent of respondents told us that their Centrelink activities did interfere with their ability to engage in those kinds of activities. It's similar with volunteering: we often see that volunteering is a really good route to employment, and, if not, it's still a route to very real contribution and participation, which I think we shouldn't underestimate. Fifty-nine per cent of respondents told us that their Centrelink activities got in the way of their volunteering for causes that they cared about.

**Senator SIEWERT:** Can I jump in? In terms of the importance of engaging in community, Senator Pratt touched on the issue of actually engaging with people and that that might lead to employment. But also, when people are longer-term unemployed, some of them report losing contact with community and feeling isolated. From what you've just said, I'm hearing that, if you're not engaging with the community and you're being prevented from volunteering and engaging with the community, that could increase your sense of isolation and even become a further barrier to finding work.

**Ms Chambers:** This wasn't the point of this particular survey, but Anglicare Australia enjoys the services of thousands and thousands of volunteers, and I have to say that many of our services would not even run without volunteers, particularly emergency relief, or would be much diminished. Those are services where people typically volunteer in their local community. We're not talking about international volunteering here. We're talking about the kind of volunteering where someone does two or three episodes or more a week, whether it's in the local op-shop or at the local aged-care service or whatever. Those are activities that prepare them for work or keep them prepared for work, in terms of being located in the workforce and giving them literacy in current workplace issues like work health and safety, child safety—all the kinds of things that we know because we're part of the workforce which we wouldn't know if we'd had five years completely out of the workforce. It does also obviously give them contact with training opportunities and people who are actually in employment and are operating in that employment world.

**Senator SIEWERT:** Can I go back to the expert panel's report and the point you made, that it doesn't pick up their recommendations. I presume you think therefore this is a lost opportunity for broader reforms to employment services that are also problematic. That's what I take from those comments. What are the things from the expert panel that you think could or should have been included in this particular piece of legislation?

**Ms Chambers:** Yes, we think it's a huge missed opportunity. There have been many reports on the employment services system over the years. That was a particularly good one. It had pretty much intersectorial support from the government, from the sector and from people who are in the system. So I think there's a huge missed opportunity.

There's also a huge missed opportunity—I go back to the first point in my opening remarks—in terms of how rushed this is being. It's hard to respect your time as senators and our time, even, when we think about we're going to try to respond to this in such a short time. There were things in the report where we would really see that there's a sense that there was a reform and not just an evolution of the services. It seemed in that report that there was actually an appetite for looking at some of those issues that the current employment services system has grown over the years what we might call perverse incentives for providers. So there's a sense of a real missed opportunity in not looking more firmly at that report.

In addition to the very short consultation period, I think the budget measurement to enable this reform that we're currently talking about hasn't been explored and interrogated and investigated, and it hasn't been very visible either. So we are disappointed with the fact that (a) this is a very short consultation and (b) it's gone nowhere near the report, *I want to work*.

What would we like to see in there? I'm going to hand to Maiy when I've had my go, because Maiy has had a more recent look at the report than I have. But one of the things that really stand out is that issue around how much easier it is to get a job, sustain that job, stay in that job, stay in that industry and move on to other jobs in

that career if there's been a line of sight to get there in the first instance. So a line of sight to that job from where that person is, what their skills are currently and what you can scaffold onto those skills.

I think another item that this is going to miss out on is that there is very little sight of vulnerable clients. We know through other issues that we have spoken about at length in these committees—things like robodebt and the amount of payments—that these are very vulnerable clients, not because of anything they've done and not because of any demography or anything, but because they've been on low incomes and because they've been on low incomes for long periods of time with lack of control over those incomes.

The other item that I would hit on is that the new system, or the system that seems to be in this bill, doesn't seem to have a huge acknowledgement of the kind of flexibility that we're needing to see in the job market. We still seem to be looking at an assumption that people will move into a nine-to-five job and then stay in that, regardless of what kind of things are going on in the rest of the community. Employment services seem to be falling out of sync with that. I don't know if you had anything else to add, Maiy?

**Ms Azize:** I think one of the biggest changes we'd like to see from the panel was their call that only people with actual barriers to employment actually need an employment services provider. I think it aligns with all of the evidence that we've seen about how employment services work. I know, Senator Siewert, you've been involved in scrutiny of the jobactive system. At present, the most employable people find their own jobs and jobactive providers just get paid. The panel envisaged a different system where people who are employable and know what they need to do to find work are left to their own devices. They can access support if they need it, and they have an online path way to engage with employment services to the extent they want to. People who actually need dedicated support are the ones who get an employment services provider, and I think that will really change the way employment services are delivered, because you'd see more providers can really bring that focus to overcoming the obstacles to getting into work.

I was really interested in hearing the evidence from AMES right before us. That's obviously a provider that does work with a specialised cohort, and you can see that they have a real understanding of the cohort of people that they work with. I was really interested in the evidence that they have that actually the current system kind of gets in the way of the work they do by incentivising placing people in the most obvious job when they have their own goals. The panel certainly envisaged a type of client driven model where people could set their own goals, determine what they need to do to get there and use a provider to help them.

**Senator SIEWERT:** That takes us to the bill itself. We have the move to a more digital, online approach. One of the issues that we're exploring this morning and that I'm certainly concerned about given some of the evidence we're seeing is the number of people who never engage, for various reasons [inaudible] don't address their barriers. Have you looked at how the system interacts with the vulnerable clients—the sort of jobseekers that you were just talking about, Ms Azize—in terms of needing that support but not acknowledging it first and how the system will interact with them when their job plans are obviously not meeting their needs? The data from the targeted compliance framework is showing that there are a lot of job plan that aren't meeting people's needs and are either wrong or have had people not disclose, so the job plans aren't meeting their needs. You don't actually get to that point at the moment until you get to the third demerit point, where they do a review. Is an issue that you're concerned about that it'll get bigger with this approach?

**Ms Azize:** I would go back the expert panel and what they said about needing a system that builds trust. Part of building trust is ending the unnecessary penalties. I think that's a symptom of a system that doesn't have a lot of trust. I'd only be speculating here—Kasy, I don't know if you want to jump in—but I wonder if people aren't disclosing that they have more needs because they don't want more contact with their provider.

**Ms Chambers:** I wouldn't mind jumping in there. In some of the research that we did a little while ago on automated systems and how more vulnerable people interact with automated systems—and these were Centrelink systems—we found that there were many people who either didn't have the current skills, capacity or equipment to interact online or had very complex situations that really were not conducive to discussing and actually having people understand the nuances online. And so we did see people—not misleading but giving information that couldn't be properly nuanced online—that ended up in the wrong benefit. But we also heard from people who really found that their vulnerabilities around mental health or just feeling very isolated were really compounded when they were asked to engage with Centrelink online.

In fact, the point of that study was to see how much extra of that work was being pushed onto the charitable sector like Anglicare. We did end up with quite insightful numbers. Basically, when people were asked to do it that way and engage automatically over the net, they're coming to their housing provider, an ER provider or a relationship counselling provider to help them with those issues. Then that person is doing it rather than someone

who is expert in welfare services or welfare benefits and employment services. So it's probably an area where we can see that it doesn't lend itself to complex human situations.

**CHAIR:** Final question.

**Senator SIEWERT:** What sort of amendment or changes would you recommend for this legislation to deal with these issues that we've just been talking about—to ensure that people don't fall through the cracks before they're helped?

**Ms Chambers:** We'd certainly like to understand better—which we can't from the current legislation—what the process will be to determine which clients go to the online systems and which clients come into a more human system. I'm sounding like a broken record, but we'd certainly like to see the bill take account of the expert panel. We'd love to see the committee do a comparison between the two. I think you'll find that there are areas of vulnerability that fall out.

We also have our own research. There was a report we did some years ago called *Beyond supply and demand: addressing the complexities of workforce exclusion in Australia*, which finds that there was the issue that, the more work you put in up-front with more vulnerable clients or people with more barriers to work, the less you will ever see those people again in employment services. It's conditions around what actually presents as barriers to work that will actually assist people into that workforce.

**Senator SIEWERT:** I do remember the report. Thank you for reminding me.

**CHAIR:** That concludes your appearance before the committee today. You are free and released to go. I'm sure some senators will have questions on notice for you.

**Proceedings suspended from 12:41 to 13:42**

**BUTLER, Mr Richard, Policy Adviser, Jobs Australia [by video link]**

**CHAIR:** I now welcome, via videoconference, a representative from Jobs Australia. I understand that information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to ask questions, commencing with Senator Siewert.

**Mr R Butler:** Firstly, thanks for the opportunity to discuss this today. I personally feel a little exposed, I suppose, in taking the committee's time without having had a great deal of time to consider the implications of the brief. I was briefed on this on Wednesday, in the late afternoon.

In principle, we believe that all jobseekers should be treated the same regardless of the type of access they have to government services, whether those channels of access be personal, face to face, or through digital or other technologies. We also believe that the legislation should be simple, unambiguous, and easy to understand. In that sense, I had a response to the bill that I thought was favourable. We also expect that the government response to people will be dependable, prompt and transparent and that people participating in programs have the capacity to self-determine their work readiness and contribute to Australian society in a manner which is inclusive and non-discriminatory.

We believe that workplace legislation provides identical protection to those employed and those engaged in work-like activity within the place of employment and that the participant's development towards and into the employment that they choose can be self-supported in a manner which maintains their dignity, their emotional health and wellbeing and their capacity to remain engaged. That formed the platform for our observations about the amendments to the bill, some of which are direct references to the bill and some of which, as I am sure you will note, are slightly separate but within the periphery cast by the bill. Thank you.

**Senator SIEWERT:** Thank you for your comments. It's unclear to me if you are supporting this bill or elements of it and which bits you're supporting and which bits you're not.

**Mr R Butler:** Thank you, Senator. I'm sorry for not being clearer. It's about 15 or 18 years since I last spoke to an inquiry, so I might have been a little indirect. We believe that the simplification of the bill is an important action. I noted in some of the notes for the material that we read that there are layers of complexity that need to be simplified, and we support the simplification at a policy level. What we don't understand, given the time provided to us, is the consequences of some of those changes. So it's a tentative endorsement of the simplification, but, as a result of those, we're not quite sure what would be changed and what would not be, and the implications for the jobseekers themselves.

**Senator SIEWERT:** Okay. My take on what you said earlier was that you hadn't really had a lot of time to fully consider the bill. I heard what you said about the simplification process and that you don't understand the consequences. What is your opinion of the time that's been available to consider it and the fact that it may be going through parliament in the very near future?

**Mr R Butler:** Yes. I would be disappointed if that were to happen, and I realise that we may not be able to influence it. We'd like eight weeks to fully unpack and understand the consequences. Some of the consequences around digital access include the jobseeker's success in engaging with the government using the digital services platform, which is a piece of technology that may fail, may be stolen, may be corrupted or somehow may be affected. They have to self-fund on \$44 a day. I think there's been enough discussion about that for me not to go into it in depth, but they then may have areas placed between them and the government at a time when they are most vulnerable. We note that there is an opportunity for people to flip from the digital self-servicing platform through to dealing with what I think they call a real human. How can that happen if their phone is not available to them or if there's some other reason that stops that? These are the things that we need to understand before we would fly a green flag and say all is well. In 48 hours—I travelled all yesterday, which is unfortunate—there just hasn't been enough time for us to fully appreciate what are the implications to the participant.

**Senator SIEWERT:** I take it, then, that you'd suggest that it not go through in the next two weeks of sitting. Is that what you've just said?

**Mr R Butler:** Yes. That is absolutely clear. We need more time if we're to have influence.

**Senator SIEWERT:** Thank you. Have you had time to look at the specific schedules?

**Mr R Butler:** Yes.

**Senator SIEWERT:** Which are the ones that you find most problematic?

**Mr R Butler:** I'm going to need to refer to some notes. Are you okay with that?

**Senator SIEWERT:** That's fine.

**Mr R Butler:** Schedule 3, schedule 4—we were concerned; well, I'll keep going—

**Senator SIEWERT:** Why don't you list the schedules and then I'll go back to each of them, if that's okay.

**Mr R Butler:** Okay. With schedule 1, we're concerned around the content of job plans, concerned that there should be a side-by-side comparison between the existing and the proposed law to ensure that the protections for people are not weakened by the streamlining process. We don't see how the operational layer, if you like, is reflected safely in the proposed legislation.

**Senator SIEWERT:** So, that's schedule 1. In terms of schedules 2 and 3—which you said you've got some concerns with—

**Mr R Butler:** Yes.

**Senator SIEWERT:** What are the concerns there?

**Mr R Butler:** I think this call is obvious. I'm not responding to this well. I've had a pretty awful couple of days, and my notes are not in order. I feel embarrassed that if I was to proceed in this manner I would be wasting your time. I think in a sense, without trying to duck out of this in an inappropriate way, it reflects the very short period of time we've had in which to do it. I tried to prepare sufficient notes on this last evening, and I think that I'm not able to make sense of those notes at the moment. I'm embarrassed about this, but I can't continue to try to cover the bases.

**Senator SIEWERT:** I understand your concerns, and I'm wondering whether, then, you could take on notice a couple of questions and then get back to us. How does that sound?

**Mr R Butler:** I would greatly appreciate that, if you wouldn't mind. I understand the manner in which you would like me to continue, but I'm a bit all over the place at the moment. I apologise for that.

**Senator SIEWERT:** I hear what you're saying. What I'm interested in finding out is what the areas that you have concerns with are. If you've got any suggestions for how they could be addressed, that would be very helpful. What are the key issues that you've got?

**Mr R Butler:** I think the way in which the digital services platform created confidence was in the quick response to those people who lost their jobs as a result of COVID and were then able to be reabsorbed back into the workplace. I would be cautious about using that as a model for its future successes, in particular for jobseekers who were marginalised and longer-term unemployed before the trial and those who are still in that position now. If there was a proposal to have people working on the digital services platform as their point of entry post COVID, when a lot of the available opportunity in the jobs market had been soaked up, the concern would then be about their isolation from human services; the manner in which the system helps to determine their development to work readiness and employment; the implications for them, at an operational level or a fulfilment level, around self-electing or self-approving a job plan and then being somehow contractually held within that; and the offer that, if they do not perform well or they do not find digital service comfortable, they could speak to a human or be diverted to an employment services provider. The concern I've got about that is that, while it reads well, we don't understand the implications. What is it like to be a person in a remote region whose phone fails and who can't spend, on their small amount of funding, 90 minutes waiting for a phone call to transfer them to an ESP so they can deal with a real person? What is the position of those people like, and, therefore, what are the consequences of this?

Another point that really concerned me was the fact that people in need can't get payment until a job plan is signed. What's that delay like? That might be three weeks. It may be that there's a reason beyond their control—not being able to use a piece of mobile technology, for example—that they can't approve it. Then what is their dilemma? Their finances are depleted, they can't proceed forward and they need help. As a result, the very system that's designed to support them may be the thing that compromises them significantly. I think those things must be understood with greater detail before we can say this is a really good thing.

**Senator SIEWERT:** The specific issue about payment is schedule 8. You've obviously got concerns with that, from what you've just been saying.

**Mr R Butler:** Yes.

**Senator SIEWERT:** Thank you, Chair. I see Senator Pratt is here now, so I should hand over.

**CHAIR:** Senator Pratt, you have the call.

**Senator PRATT:** I was here. I was listening in, but my sound dropped out just for the last couple of minutes. I did note that you said it was difficult to make a clear assessment of the bill because of the time that we've had to assess it. You apologised for being somewhat embarrassed about not being ready. I don't think the onus is on Jobs Australia in that context. You said at that point that you could not tell whether some things would or would not be



taken care of in the legislation. What would those things be? I note that some of them haven't been picked up in the principles and recommendations that were made by the Employment Services Expert Advisory Panel.

**Mr R Butler:** I'm concerned about Jobs Australia and its members. The way Jobs Australia works is to go back to its members and discuss matters with them to seek opinion and advice. Within the last 36 hours or so I've attempted to do that. We don't know about a service level agreement that might exist should someone need to go from a digital platform to an employment services provision platform. We don't understand what might happen should the infrastructure provided by telcos fail or if the device isn't compatible. How reasonable is it to expect an unemployed person to provide a piece of technology that protects their privacy, that protects the government's privacy and that is of a standard that enables them to transact appropriately? I don't understand that and nor do our members—and we should, because they will be the people we're trying to help.

How reasonable is it under the changes that someone's delayed from getting their income? How reasonable is it if there's a standardising of protections so that somebody who is participating in a work-like activity is also going to be provided with the same protections should they have an injury or somehow be affected while participating in something that the government requires them to do alongside other workers who might be employed? I've just fulfilled a submission on parents' needs and the human rights of the child. Are there consequences or implications within the changes that might need to be considered from a human rights perspective? I can't answer those questions, but I think they should be answered or at least recognised and explored before there's a very quick push through of what appears at face value to be good, commonsense legislation but for which we don't understand the consequences.

**Senator PRATT:** In the context of circumstances outside a person's control that might have caused them to breach their obligations, it seems to me that there are some circumstances there but I don't know about the onus changing from suitable work to unsuitable work. Have you had a chance to consider the change in onus that's in the legislation? If you haven't had a chance to consider that I'd be interested in what your feedback might be. It seems to me the test will no longer be whether the work is suitable but whether it's unsuitable. The government has seen reason to differentiate between the two and I'm concerned that it means that a job that enables sustainable participation in the labour market is not at the forefront of what this legislation is trying to do.

In the context of circumstances under someone else's control, it refers to circumstances making it unreasonable to comply with requirements in their pathway. I can't see anything expressly in there that talks about a lack of access to appropriate technology. Could you comment on both of those issues?

**Mr R Butler:** I would describe these programs as having a heavy reliance on compliance. At times, because I am fortunate and not unemployed, I don't understand fully the extent of the compliance requirements and the impacts on jobseekers for them to meet a compliance regime whilst attempting to navigate themselves forward, on a very low daily allowance, in order to find work, with the volume of applications that they are required to submit. I am unable to connect emotionally with a situation that would be as fraught as that is, with the fear that—albeit that there are some other stages to go through—there are consequences to not being compliant. In particular, when that compliance is navigated through an iPhone, or a smartphone of some other kind, should that device break, be dropped or be somehow corrupted with software—I don't know the circumstances. But it seems that there is an operational layer underneath the policy that must be considered for the policy to be mature and for the bill to be mature. So I see a potential for there to be a significant disconnect between the intent of the bill and its ability for people to work within it and achieve what the bill would like them to achieve.

**Senator PRATT:** Yes. Currently, in the discretion around whether someone must comply with a job plan, I can't see, for example, anything around homelessness or around access to appropriate technology to enable them to comply, both as issues together and as issues separately. Would that be of concern to you?

**Mr R Butler:** Yes. A few years ago I was down in the Gippsland region, working for a short period of time with young people who were addicted to ice. They were couch surfing. They had no capacity to connect unless they walked somewhere, as a result of not having the money to access the internet or wi-fi. Those who did have phones had phones that were almost a decade old: flip phones and that kind of technology. They were voice and text only. There was no way they could have accessed services of a more complex nature; their connections would have failed them. The point of access to the government, using a digital services platform, depends on an investment of hundreds of dollars, or an onerous contract, in order that they can continue to navigate and be paid.

**Senator PRATT:** The bill makes it explicit that someone who has an addiction must comply with the requirements in the job plan, and that might include applying not just for suitable jobs but also for jobs that are not unsuitable. Clearly, people might need support for their addiction as part of their jobs plan, but it's not clear to me whether the jobs plan itself is able to make adjustments for addiction, either.

**Mr R Butler:** Our members would advise us that the JSCI, the jobseeker capability index, and the ESA that's produced in Centrelink would or should take those into account. My experience with those two devices in paper is that the success of them depends on the maturity of the person who's creating the input when they're dealing with people face to face. I have no idea and can't recommend to this committee what it would be like to self-fulfil, and it seems to me that it requires in that instance someone to be high-functioning enough to recognise that they're in difficulty and to be able to express that difficulty as a function in a piece of software that then might tell them what their options are and where they should be going, when in fact it's contradictory. If they are of a nature that is aware and functioning enough then perhaps they're going to be able to navigate the system in a manner that is more successful than those that we've described.

**Senator PRATT:** Mr Butler, what would you have us ask the department because they're up next?

**Mr R Butler:** I'd be looking for assurances within the transaction between a vulnerable person on \$40 a day, their device and the government, and then if they either elect to be handed to a human service or an employment service provider, what does the nature of that transaction look like? How does it become an enabler, rather than a barrier and, as a result of the technology, the person is left stranded?

**Senator PRATT:** Thank you.

**Mr R Butler:** That's not well defined in the bill, which I understand was the brief that you asked me to come for. But when I read it I think, 'Okay, what does this mean to a person in Gippsland or in Hay or in Goondiwindi, and how do they then manage themselves to a place where they can consolidate and be ready to find work?' It looks to me like there's an assumption that everybody's okay enough to do this, and they're not.

**Senator PRATT:** Thank you. I was wondering if you might take on notice anything that you want to add in terms of protections that are lost versus those that are added? In terms of that certainty for your members, if they could look in particular at the areas of the bill where that certainty is left to the discretion of the secretary of the department and those decisions have not yet been made.

**Mr R Butler:** I understand. How would I manage a response?

**Senator PRATT:** In the past, when you've had a chance to have input into reform, how has that worked and has that appeared in a legislative sense? It seems to me that the kinds of consultations that have taken place historically or through the review, through the expert panel, have not appeared in this case, and that leaves the sector unable to go on the journey as to what this legislation actually means. Could you comment on that, please?

**Mr R Butler:** The usual process that we would be given is one with greater time. With that, then, we would receive a briefing and have sufficient time to go back to our members, who in fact have the intelligence and the experience that in this case I would need to represent. We would also have time to consult other experts, industrial, legal or human rights people that we might have as part of our folio of opinion providers. In this case, I was given the courtesy of a comprehensive brief from the department at about two o'clock or three o'clock on Wednesday afternoon and I attempted to then get to our members to pull that into something that provided some meaningful content to you today. You have seen what that's like. In a sense, we would need eight weeks. That would enable us to make a contribution that is representative of experience, that answers some of the questions that I can't address properly today and that provides a consolidated position to the government and to this committee on where we think there are flaws and where there may be areas for resolution. But the time that we have had and the absolute importance to address these matters has been denied us on this occasion.

**CHAIR:** Thank you for coming along today. If there are further questions, they will be put on notice for you.

**LOWES, Mr Kraig, Assistant Secretary, Employment Programs and Activation Division, Department of Education, Skills and Employment**

**O'REGAN, Ms Carmel, Assistant Secretary, Labour Market Policy Branch, Department of Education, Skills and Employment**

**RYAN, Ms Melissa, First Assistant Secretary, New Employment Services Model Division, Department of Education, Skills and Employment**

**SHANNON, Ms Robyn, First Assistant Secretary, Quality, Integrity and Evidence Division, Department of Education, Skills and Employment**

[14:20]

**CHAIR:** I now welcome representatives from the Department of Education, Skills and Employment. I understand that information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I remind senators that the Senate has resolved that an officer of a department of the commonwealth or a state should not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister. This resolution applies only to questions asking for opinions of matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis the claim.

I invite you to make a short opening statement and at the conclusion of your remarks members will ask questions.

**Ms Ryan:** Thank you for the opportunity to respond to this inquiry. Given the relatively technical nature of this bill, I will briefly address some of the issues raised to date. It's worth clarifying that the bill provides critical support for the new employment services model commencing in July 2022, but it is by no means the entirety of the Australian government's response to the *I want to work* report. Nor does the bill lock in specific policy settings. A wealth of information about the policy settings for the new model is publicly available, and the department has been testing key elements since 2018. We will continue to engage with users and stakeholders and settle micro policy ahead of implementation in July 2022. To make the model successful, we need the flexibility to respond to feedback from stakeholders and to learnings during implementation. For this reason, the policy detail cannot be set out in legislation.

The bill supports better use of digital technology, allowing jobseekers greater control and flexibility, but it does not enable automated decision-making. The bill ensures that jobseekers will always be given the option of negotiating a job plan with a person. A range of safeguards will also be in place to ensure that jobseekers' circumstances are taken into account and they are receiving the right support.

The bill will make much-needed changes that would reduce the administrative burden for the hundreds of thousands of jobseekers currently in online employment services who are job ready and who can and should be allowed to manage their own requirements online. The bill also supports a number of beneficial changes to operational practice—for example, allowing faster implementation of new programs in response to natural disasters or large-scale retrenchments.

Except for schedule 8, the bill does not make changes to current policy. Existing rules and protections have been maintained within consolidated provisions. The intention is to improve the clarity of the rules and support existing policy. Schedule 8 aligns payment commencement for jobseekers referred to digital services with those who are provider managed, commencing from 1 July 2022. There will be no change for provider managed participants. The bill does not give the employment department secretary and the employment department significant additional discretion. Existing provisions have been replicated in relation to job plan requirements and protections. Similarly, the bill does not give additional discretion to providers. The bill also does not broaden the application of existing provisions, which specify that jobseekers who undertake work experience activities as part of meeting their requirements are not to be treated as employees under industrial relations legislation. Jobseekers will continue to be treated as they currently are when meeting requirements. My colleagues and I would be happy to answer any questions the committee may have. Thank you.

**CHAIR:** Thank you. I will hand over to Senator Pratt.

**Senator PRATT:** Thank you very much, Chair. May I ask how many jobseekers would be impacted by the proposal and what is the number of days a jobseeker might be impacted in losing payments under the bill? We discussed this at estimates somewhat. You must have done some modelling.

**Ms O'Regan:** I am happy to take that question, Senator. I assume you are referring to schedule 8, which is the implementation of the budget measure. The estimated number of jobseekers whose payment may be affected, or we have assumed will be affected for the purposes of costing the saving, is 144,000 every year from when the measure takes effect from July 2022 and over the forward estimates. However, if the measure has its desired behavioural effect, that number could be much lower. In fact, the government is seeking the behavioural change rather than the saving as a result of this measure. The intent of the measure is for jobseekers to connect quickly, and in the case of online jobseekers, who are the most job-ready, the behaviour that we want to see is them engaging with online digital services, because this will be from July 2022 when the new model begins. We want them to connect with that digital service and to agree to their job plan. If they then wish to vary that job plan, under the new model, they will be able to do that themselves very easily. What we also require for that to happen, though, is for schedule 1 to pass, which is the schedule that enables jobseekers to self-manage their requirements online without the involvement of a human delegate, as has to occur now under the current legislation. I think you had a second part to your question about the number of days?

**Senator PRATT:** . What is the number of days on average for those 144,000 people?

**Ms O'Regan:** I would have to take on notice the exact breakdown, but we have assumed, for the purposes of costing the measure, that there will be a behavioural change; a reduction of two days on average after the measure. We have assumed a behavioural change, and as I said, we would hope for a bigger behavioural change. That is an average. There would be no counterfactual for us to compare to, but some jobseekers will engage much more quickly than two days than they otherwise would in the absence of the measure. Of those 144,000 people, I can take on notice if we have got an exact breakdown of the number of days. Some of the people who, under current arrangements, might take a couple of days to engage may, under the measure, have no impact. There would be no impact on their payment because, we hope, they will engage on the same day. They will agree to their job plan on the day that they are referred.

**Senator PRATT:** What are the existing statistics around the number of days taken in jobactive to sign off on a job plan versus the number of days online currently? In that context, are you assuming that it will be two days shorter for both forms or just for online?

**Ms O'Regan:** The only jobseekers affected by this measure are those who will commence in digital from July 2022. We know that, in January this year, the average time taken to agree to the job plan for those in online employment services was eight days. Again, that is an average. Some of those jobseekers engage very quickly; same day or a day or two after. But there is a long tail. Some jobseekers take much longer than that average of eight days to agree the job plan. So it's that long tail that we're seeking to shorten, if that makes sense. I don't have at my fingertips the provider numbers—

**Senator PRATT:** So it's eight days and you expect that it will be perhaps six days—that's what your costing is based on?

**Ms O'Regan:** Not quite. The average time currently is eight days. Because it's an average, and it's an average of the set of jobseekers that have some delay—does that include or not include the ones who connect immediately?

**Unidentified speaker:** It includes them.

**Ms O'Regan:** So that average includes those who connect immediately. If you imagine—is that parabolic distribution? You've got a lot of people who connect quickly and then a long tail. The average of eight days includes all of those jobseekers. For the purposes of costing the saving, because it would be an income support saving we've had to look at the jobseekers who would have some sort of delay, who would agree their job plan later than the same day. You can see that's a different set of jobseekers; it's a smaller set. I think 10.4 is the number of days that we expect, and that's after the assumed behavioural change—the two-day reduction that I mentioned.

**Senator PRATT:** So you imagine, in the costing, that it will now take an average of six days, not eight?

**Ms O'Regan:** No, if we were to include those—I don't think we've got that figure here. That would be including those who connect immediately. Do we know that?

**Unidentified speaker:** It's complicated.

**Senator PRATT:** I don't quite understand the significance of the two days. Can you explain what the two days actually means in the context of the EM?

**Ms O'Regan:** It is a bit complicated. It might be better if I take the detail on notice, because it is hard to explain. I can tell you that, after that assumed behavioural change of, on average, two days reduction, what we end up with, for the set of jobseekers who have some sort of delay because they have taken longer than they could have to agree their job plan, is an average time taken of 10.4 days. We hope people will connect more quickly. I should mention as well that the legislation says that any jobseeker who does not connect quickly for a reason beyond their control will not be negatively impacted by this budget measure, so their income support will be backdated to the date of referral rather than the date they agree the job plan.

**Senator PRATT:** So you initially said eight days was the average—

**Ms O'Regan:** That's current.

**Senator PRATT:** and now you're saying it's 10.4.

**Ms O'Regan:** The eight days is current arrangements as at January this year, for the online jobseekers.

**Senator PRATT:** That's the average for online services?

**Ms O'Regan:** Yes, under current arrangements. And the provider connected jobseekers—

**Senator PRATT:** What is the projected average under the new arrangement?

**Ms O'Regan:** That's the 10.4. We've had to make a range of assumptions to come up with the 10.4 and the 144,000 jobseekers that I mentioned and the cost of \$191.6 million over the forwards in income support savings.

**Senator PRATT:** Why do you expect it to be longer rather than shorter if you've got the compulsion to get a job plan underway dangling over people's heads?

**Ms O'Regan:** The average of eight and the 10.4 are not comparable.

**Senator PRATT:** Why?

**Ms O'Regan:** We can take it on notice and come back to you with—

**Senator PRATT:** No. I'd like an explanation now.

**Ms O'Regan:** Sure. I can give that to you. The average of eight includes those who connect immediately, on the same day. If you have a large number of people whose value is zero or 1, that's going to drag the average down, hence the figure of eight. In order to estimate the cost saving, we had to drop those people off, because there's no income support saving to be had from those people. So then we're looking at a smaller group of people who do have some number of days delay in income support start date, and the 10.4 is an average of those people.

**Senator PRATT:** Could you give me a comparable average, excluding those people who connect immediately, in the existing system, please.

**Ms O'Regan:** I'm trying to establish whether we have something we could give you now. We're not sure it would be easy to derive that figure, because at the moment there is no income support delay for the people who connect. Currently, when online jobseekers agree their job plan their income support gets backdated to their date of claim. We could take on notice to see if there's any information available that we could provide to help elucidate that issue, but we certainly don't have it here now, I'm afraid.

**Senator PRATT:** Well, it's pretty key to what we're deliberating on. You said it would reduce by two, so why isn't it six days?

**Ms Shannon:** I'm not sure that I can go to the details of the assumptions for the costings, but, to take a step back and put it into context, if we look at the evaluation of jobseekers in the online employment services trial, we know that quite a large proportion of them—some 62 per cent—commence on the day they are referred. So, a very large proportion of jobseekers will commence in service on the day they are referred to online services. On that day they take the steps to complete their job plan. We know that—

**Senator PRATT:** That they've completed their job plan?

**Ms Shannon:** that's 10 per cent higher than jobseekers who are referred to a provider. We do know that jobseekers who are referred to online services, or to the digital service in this case, connect more quickly. As Ms O'Regan was trying to elaborate, the proportion of jobseekers who aren't connected are the group of jobseekers that we're worried about. We want to make sure that we can try and encourage them to connect to services more promptly, and we're aligning the rules for them to be the same way that they operate for jobseekers who are connected to a provider. At a high level, that's what we're trying to achieve.

**Senator PRATT:** You said that 144,000 people would lose some payments, whereas currently they get their payments as soon as they're in the system. So what's the overall cohort of people? I'm assuming the 144,000 is the 38 per cent versus the 62 per cent that does everything on time?

**Ms Shannon:** Just to be very clear, I was talking about a trial population and making a broader point, not the specifics of the numbers that Ms O'Regan was giving you, so please don't apply the 62 per cent, because they're two different populations.

**Ms O'Regan:** Yes, that's right.

**Senator PRATT:** So, of the 144,000, how many will sign up and complete their job plan on the spot, or are they all people outside that—

**Ms O'Regan:** They're all people who are not signing their job plan on the day of referral; they're people who have taken longer to agree their job plan, remembering, of course, that if they can't agree a job plan for a reason beyond their control, they are not in that group. The government hopes that that number is actually smaller. The intention is, particularly for this job-ready group, that they agree their job plan and start their active job search, because we know that active job searching speeds their re-entry into employment.

**Senator PRATT:** Okay. If, on average, it's 10.4 days for those 144,000 people to have done all the things that make them eligible for a payment, by how much are those 144,000 people on average worse off?

**Ms O'Regan:** On an individual basis, the average amount of foregone income support in 2022-23 is estimated to be \$457 for jobseekers receiving JobSeeker payment and \$346 for jobseekers receiving youth allowance (other). Remembering that if they agreed earlier then there will be no loss of income support. That's the average amount based on those assumptions I outlined.

**Senator PRATT:** Is that the average over those 10 days?

**Ms O'Regan:** The 10.4 days is part of the assumption, yes.

**Senator SIEWERT:** Could you repeat that last figure, that assumption, for youth allowance. I didn't get it.

**Ms O'Regan:** It's \$346 for jobseekers receiving youth allowance (other).

**Senator SIEWERT:** Thank you.

**Senator PRATT:** How many of those 144,000 people are on youth allowance?

**Ms O'Regan:** We don't have that with us, I'm afraid. We'd have to take that on notice.

**Senator PRATT:** Can you take me through all of the assumptions.

**Ms O'Regan:** I'm not sure there are any additional to those I've outlined. We're getting to a level of detail that I don't have at the front of my brain. My colleague's just reminded me of the, on average, two-day behavioural impact based on what occurred in 2018 with the implementation of the budget measure. RapidConnect is a very longstanding approach of policy that the government has had to incentivise jobseekers to connect quick quickly to employment services. In the 2017 budget, the government announced a change to the way RapidConnect operates and applied what we call the 'work first' measure, whereby when jobseekers meet with their employment services provider at that time rather than getting back paid to the date of claim they get back paid to the date of the appointment. I should mention there are a range of exemptions to RapidConnect. There's a long list, which I can take you through if you would like. It's for things like people who are referred for further assessment, referred to DES or referred to CDP or who have language and literacy issues. There are a whole lot of exemptions.

Those who remain, who don't have an exemption, are subject to RapidConnect. The budget measure that was implemented in 2018 changed the way RapidConnect operates for those subject to RapidConnect whereby income support was back-dated to the date of the appointment. We have evidence from the implementation of that measure that showed there was a behavioural change that reduced time taken to connect with a provider, on average, by two days. So that's a key assumption in the costing. We then applied that two-day average reduction to the data from January that I mentioned. Online jobseekers take, on average, eight days to connect. So we looked at the distribution of the time taken to connect. That was another key input into the costings, and we applied that to the productions for the digital caseload over the forwards.

**Senator PRATT:** Can you take me through a couple of the principles in calculating the figures of \$457 and \$346. To come up with those figures, we need to know how many are in each cohort.

**Ms O'Regan:** By 'cohort' do you mean which payment type?

**Senator PRATT:** Yes, that's correct.

**Ms O'Regan:** So youth allowance versus JobSeeker?

**Senator PRATT:** Your [inaudible] is based on those previous things that have pulled in that commencement time using those punitive measures. In that context, you expect it will be 10.4 days, otherwise it would have been 12.4 days under the existing system for people who have not completed at commencement their job plan. That's how the assumption is based.

**Ms O'Regan:** I think it's fair to say broadly that's correct. There are some technicalities there, but broadly, that's correct.

**Senator PRATT:** So take me through, please [inaudible] is calculated.

**Ms O'Regan:** Sorry, you cut out there, but you're talking about the average income support impacts?

**Senator PRATT:** Yes.

**Ms O'Regan:** DSS was involved in this calculation. If possible, we'd like to take it on notice and provide you with—

**Ms Shannon:** Do we have to take it on notice?

**Ms O'Regan:** Yes. I want to make sure that we give you the accurate information, so I think it would be better if we confer with DSS to make sure. We provided some figures to DSS, they applied some average income-support figures to it and gave it back to us for the costing. So we'll take that on notice please, Senator.

**Senator PRATT:** We'd like that information today please, because we're fairly keen to [inaudible] this legislation.

**Ms O'Regan:** We can certainly see what we can do quickly.

**Ms Shannon:** We'll do our best.

**Ms O'Regan:** Yes.

**Senator PRATT:** It would be terrific if we could get that by the conclusion of the hearing. Otherwise, I might need you to come back and ask you to address those issues again.

**Ms O'Regan:** Understood.

**Senator SIEWERT:** I want to confirm something. We've been discussing this issue with Senator Pratt around the measure and how often or when people engage with their job plan. My understanding of this section of the act is that people who are engaging with their job service provider engage via an interview, and they have a period of time before they are required to accept their job plan. I don't see how this measure is analogous with that measure. What you say to people is that they have to engage, that they're not going to get their payment until they sign off on their job plan. How is it analogous with the situation if you're engaging in a different manner with a provider?

**Ms O'Regan:** You're referring there to think time, and you're right that jobseekers connected with a provider do have two days think time to consider their job plan. The point I would make here is that we're talking about a change that takes effect in July 2022 with the commencement of the new model. Under the new model, JobReady jobseekers will be digital services. If this legislation passes, we hope that they will be able to have a lot more choice and control in how they meet their requirements. For example, they could agree a job plan and then immediately vary it, but they can't do that unless schedule 1 passes—the provisions that enable jobseekers to self-manage without the intervention of a human delegate in the job plan process.

**Senator SIEWERT:** My point is about schedule 8, and people not getting paid if they're on a digital platform. You're saying that it's bringing it up to parity with the current provision. That's not the case. People just attend an interview. They don't [inaudible] on their job plan straightaway. I know that there's been pressure in the past, through various legislative attempts, to change that, but that has not been successful. It's not analogous with the current situation.

**Ms O'Regan:** For some jobseekers it will be a lot easier to go online and agree to a job plan in digital services than it will be to go and meet with a provider.

**Senator SIEWERT:** That's a separate discussion, which I'll come to in a minute. I don't think it's fair for you to say it's bringing them to parity with what currently exists for other people looking for work and engaging with a provider. I hear what you're saying about potentially making it quicker. I have concerns around that. But it's not the same, is it?

**Ms O'Regan:** I would think that, for many people, it would be easier. Would it be helpful if we talked about the safeguards that ensure that individuals who end up in digital services are those with the most agency and ability to self-manage?

**Senator SIEWERT:** I want to come to that, but I want to go to this point that people cannot get a payment until they've signed up for their job plan. We've heard in evidence today that that doesn't give people enough time

to think about it. If they want to engage in a job plan that doesn't [inaudible] they will want to think about it, the same way as people engage with their provider and want to think about it. Essentially, this then pressures them into agreeing to a job plan in order to [inaudible] and that is going to put a lot of pressure on them to agree to something that may not be appropriate.

**Ms O'Regan:** It might be worth talking about, under the new model, how job plans will work. Under the points based activation system—imagine a job plan that is presented to the jobseeker that says, 'I will meet 60 points this month', and then the jobseeker selecting from a menu of options how they will meet those points. In effect, it's hard to see how the think time would even apply, because this is a job plan that the jobseeker themselves has created.

**Senator SIEWERT:** Yes, but they still need time to do that. What you're saying is: you have to make a rash decision on what the computer generates for you to choose from. You have to make a rash decision on that and you don't have time to think about it, because when you get paid depends on it. Do you not see how that's pressuring jobseekers?

**Ms O'Regan:** I hear what you're saying. But given that, if schedule 1 passes, the jobseeker can immediately change it, that changes the characterisation of what you're describing as a rash decision. They would have to agree to a job plan, yes, but they could change it the next day, and the next day. So it's not really locking them in.

**Senator SIEWERT:** If they keep changing it, what does the system do? If somebody is finding it's not working for them, or they rethink it, and they change it three times in a row, does the system see that as suspicious activity?

**Ms Shannon:** I suspect that would be a prompt in our system to identify that perhaps the jobseeker is having difficulty, and that would be something that could well trigger an outbound contact from the digital services contact centre to assist them, to determine if they are indeed in the right service or whether they should be referred to a provider.

**Senator SIEWERT:** Does that mean that that person will keep getting paid?

**Ms Ryan:** Yes, they will, because they still have a job plan that they've agreed to. They'll continue to get paid. If they change their job plan, though, with the system builds we're doing—if we identify that a jobseeker is experiencing some challenges, currently in our system we have our digital services contact centre that will make those outbound calls to those jobseekers to say: 'Hey, how are you going with your job plan? How are you going with your job search? Are you finding this service suitable for you?' If they indicate that they're struggling, they are automatically able to be opted out to a provider and connected with them. Alternatively the jobseeker may just need some technical advice or support from the contact centre which then can help them to better understand their requirements. Then they go: 'Okay, actually, I'm managing fine now. That was really useful, but I know I can call you if I've got some follow-up questions.' They can remain in the digital service and manage their own job search requirements and pathway to employment.

**Senator SIEWERT:** If someone is struggling with their job plan and makes the call out to the contact, how long will it take for somebody to respond in order to help them through the digital process to do their job plan?

**Ms Ryan:** In terms of the current arrangements, as I think we've said in evidence before at senate estimates, the average speed of answer at the moment for our call centre is 17 seconds. It's pretty fast. Somebody can call us or, alternatively, they can submit an email. I haven't got the turnaround time for email responses, but it's pretty timely as well.

**Senator SIEWERT:** Would it be a guaranteed same-day response?

**Ms Ryan:** Yes, absolutely. We have sufficient staff there to be able to respond to those calls. We know by the nature of the calls that they take some time to go through. The average duration of jobseeker undertakings with a contact centre is just over nine minutes. It's not just a transactional call. It goes through making sure that they clearly understand their requirements, checking in on the different stages on their motivation, their resilience, what kind of jobs they might be looking for, trying to help them with the online tools that are available. It is quite a fulsome service for those jobseekers to be able to reach out and talk to those contact centre consultants.

**Senator SIEWERT:** Is there data now for the current trial sites? The data you're referring to comes from those two digital trial sites, is that correct?

**Ms Ryan:** The call wait times that I was just referring to covers both of the two trial regions. Also last year, with COVID, we expanded the OES to become the online employment services system. In response to that we significantly expanded the digital services contact centre. It went from about 20 consultants in the two trials, to over 250 staff, as of today, working in the two contact centres that are located in Adelaide and Brisbane to support



that broader online employment services jobseeker case load, plus the two employment regions that are participating in the New Employment Services Trial.

**Ms Shannon:** As at the end of March, in terms of the two, the online employment service and the volunteer online employment service have approximately 284,000 people, and the New Employment Services Trial has approximately 51,000 people. The call wait times that Ms Ryan was talking about relate to assisting that volume of people at the moment.

**Senator SIEWERT:** My understanding about how the system is going to work is that you'll do a questionnaire and then that will determine whether you go on to the online process. Is that correct? Or is it just automatic if you're stream A?

**Ms Ryan:** No. I can step you through it. When a individual claims income support, they will claim that through Services Australia. At the time their claim is being assessed for eligibility for payment, they will also then get an email, or a link, to invite them to complete a jobseeker snapshot, which is our jobseeker classification instrument. As you may—

**Senator SIEWERT:** Is that the one that you're currently using?

**Ms Ryan:** Yes, it is. We're making some enhancements to that, but it's a longstanding instrument as you know. Depending on the nature of how that individual has answered those questions, they may then be invited to complete a digital assessment. That then determines whether or not they will be suitable for online employment servicing. What happens then is that they will be streamed into the online employment services system or—depending, as I said, on their responses—they could then be streamed to a provider for servicing. They will have that, and then they'll get emails or SMSs to invite them then to complete their job plan and all the other things they need to do to continue to receive income support.

**Senator SIEWERT:** What's the time line, then? You apply. You get your snapshot. Is that the same day?

**Ms Ryan:** Yes, it can be literally the same day. Depending on the circumstances, sometimes a jobseeker may also be asked to have a participation interview with Services Australia and be asked some further questions, depending on the nature of that individual, to pick up any vulnerabilities they may have. Sometimes, obviously, when they're completing the Job Seeker Classification Instrument it does identify that a person may have some other barriers, such that they may need to then be referred back to have an ESA, or they may have some other issues that would suggest that they may have a partial capacity to work or they may need to have an exemption applied, and that will send them back to Services Australia to work through those exemptions.

That said, we can still have people in our online employment services system who may have a partial capacity to work but can actually self-manage and would be suitable for digital servicing. So we don't arbitrarily exclude those individuals from our digital case load. Using these longstanding instruments that we've got, we are making refinements to some of the assessment tools. We're still testing those, and we'll continue to make refinements in the lead-up to the new model in July next year. It's a fairly seamless process. Ms Shannon has some evaluation: we've been evaluating the efficacy of the JSCI online to see whether or not people are willing to disclose issues, and if the outcomes and the way they respond through an online tool marry with a conversation that they may have previously had with a Services Australia staff member over the phone or face to face.

**Ms Shannon:** Yes.

**Senator SIEWERT:** I'm interested in the statistics there, but I want to ask about this: I know that the ordinary waiting period isn't operating at the moment, but will this then be done in that waiting period?

**Ms O'Regan:** I can answer that one. The ordinary waiting period would run concurrently. If you're talking about schedule 8, yes, the ordinary waiting period would run concurrently.

**Senator SIEWERT:** Yes.

**Ms O'Regan:** For jobseekers who are subject to that ordinary waiting period, if they engage with online employment services and do their job plan within that waiting period then there's no impact on their income support at all, with or without this change.

**Senator SIEWERT:** So they do all that assessment during that period?

**Ms O'Regan:** Yes, they can.

**Ms Shannon:** We expect they would.

**Ms Ryan:** We expect them to do so, yes. We have seen, with a lot of the jobseekers when they have applied for income support, that they obviously are highly motivated. They want to do the right thing and they do engage very quickly, in terms of completing all of these tasks that they've been invited to undertake. But, equally, what

we've been observing is that, if there's a bit of a delay and some jobseekers maybe haven't completed some of those activities, we will proactively nudge those jobseekers through SMS, emails or whatever their preferred channel is, and the contact centre has also been doing an outbound call to reach out to some of those jobseekers. I'm not saying that every time we call they'll pick up the phone, but it's a way of just reaching out to them as well to say, 'Hey, we see you haven't completed your jobseeker snapshot yet, so here's some information, and you can call us back: here's the number to call us on to get that support,' so that they don't get left behind.

**Senator SIEWERT:** You were going to give me some stats on the level of engagement.

**Ms Shannon:** As I think Ms Ryan mentioned, we trialled the online JSCI, or jobseeker snapshot, from July 2018 through to March 2020. The department has actually published the evaluation of the trial on our website, so I'd refer you to a lot of the detail there.

**Senator SIEWERT:** Yes.

**Ms Shannon:** I think the key finding really is that, for jobseekers who were comfortable to complete the snapshot online, when we got researchers to repeat the questions with them in an interview—so more like the traditional method of doing the JSCI—we found that people who'd completed it online were more likely to replicate their score—to get the same score as people who had done it through the traditional method. That meant that they were more consistently streamed, so they were more likely to be allocated to the same stream, A, B or C, and that gave us quite a bit of confidence that for people completing it on line, if you like, we could replicate it. It was consistent with what we would otherwise expect. We think that that gives us quite a level of confidence to continue to do that. Of course, there are some people who didn't feel comfortable to complete it online, so it also gave us some really rich evidence of what those people looked like and what their barriers were. They certainly are the sorts of barriers that you'd expect for people from non-English speaking backgrounds, for people with perhaps with lower levels of education, so that's really influencing the way that we continue to design these assessment tools and the way that we make sure that people go through the right channel, for want of a better way of describing it, so that people who actually need the help of a person and to talk through something with a person are more likely to be streamed in that way.

**Senator SIEWERT:** Thank you. I will look at that in more detail. Last week, we were talking about the capability interview figures and particularly, when I looked at them in a bit more detail, I saw that a number of people are getting demerit points. When you do the three-demerit point assessment, the data was showing that there's still a large number of people where their job plan was inaccurate, there are barriers that haven't been addressed or their job plan isn't appropriate. Have you done any analysis of how many of those are from the online system? Is it possible to do that and have you done it?

**Mr Lowes:** Just in terms of the numbers, what you're referring to are capability interviews.

**Senator SIEWERT:** Yes.

**Mr Lowes:** In the online environment, in online employment services, the DSCC, so the Digital Services Contact Centre, undertake those capability interviews. In terms of data that I have on hand and can provide you, between 28 September 2020 and 30 April 2021 the DSCC has undertaken 1,726 capability interviews, and 71 per cent of those reviews were found capable with 29 per cent not capable and the jobseeker returning to the green zone, so back to no demerits.

**Ms Shannon:** If I could add to Mr Lowes's answer, through our evaluation of the New Employment Services Trial we've been looking at some of the compliance data and so, because you flagged an interest in this at estimates last week, I asked the team to do a bit of an analysis. If we look at the first six months of the year, from January to June this year, and just to take a step back, in the analysis for the NEST what we've done is we've picked comparison regions across the country that are similar—have people with similar characteristics and similar labour market characteristics—to the two NEST trial regions so we can make comparisons with some confidence. We have excluded Victoria from our comparisons because, sadly, Victoria's had so many mutual obligation contingencies that it's not a good comparator, if you like, for the experience in the two NEST regions. When we look at it, the data over that six-month period suggests that New Employment Services Trial participants were 23 per cent less likely to not meet their requirements than jobseekers in the comparison regions. The sorts of requirements we're talking about might be not meeting their job search requirement or a failure to attend an appointment. So 23 per cent were less likely to not meet their requirements and they're also nine per cent less likely to receive a demerit.

We are unpacking what the reasons for that might be. We do think that the design of the enhanced service has a part to play, and the feedback we're getting from our qualitative research suggests that providers, staff and participants feel it is a more genuinely individualised service. We also think that the introduction of the points

based activation system is a contributor to this. It is fairly early days in the operation of the points based activation system, but the fact that jobseekers are getting more agency to choose the activities suggests that it is a contributor to the fact that they're more likely to meet their requirements, which is what we had hoped we would find when we trialled the PBAS. We obviously need to get the data to substantiate that.

The interesting thing is that in the NEST providers are administering the points based activation system with some jobseekers but not all jobseekers in the trial. So we have a natural experiment within the trial, and we find that jobseekers in the trial with the points based activation system have the lowest likelihood of not meeting their requirements. The next group are jobseekers in the trial, and they're followed by jobseekers who are connected with providers and are participating and meeting their requirements in the traditional manner. This is important evidence informing the way that we are continuing to design the micro policy, and we'll continue to iterate and design the micro policy in the lead-up to the rollout of the model. Some of the hard barriers for us are getting the evidence in time to shape the IT design, so we're working as fast as we can to do that.

**Senator SIEWERT:** Going to the issue around the automated process, you said that it doesn't enable automated decision-making. It sounds to me like it does. What's the process that tells us it's not an automated decision-making process on job plans?

**Ms O'Regan:** The reason we say there's no automated decision-making in the bill is that the idea is that job plans are either self-managed by the jobseeker or made with a provider. The enabling of best use of technology is for self-managing by a jobseeker. They're obviously a human being, and it's about their own choice and control over their job plan content. We've built a safeguard into the legislation to say that jobseekers will always have the option to make a job plan with a human delegate. The bill does not enable automated decision-making, and in discussions with the Australian Human Rights Commission they were very interested in this aspect. They were invited to appear at the hearing and make a submission and I believe they've decided not to do so.

**Senator PRATT:** You said very strongly that the motivation behind the bill is to get people engaged as quickly as possible, but the savings measure is not part of that motivation. Why, therefore, do you have a one-week waiting period? Someone could have signed up for their job plan before they learned what their waiting period is.

**Ms O'Regan:** The one-week waiting period is a matter for DSS. That's income support policy that you're referring to. We're not making any changes to that aspect of the legislation because that's not within our portfolio responsibilities.

**Senator PRATT:** Can someone complete their job plan within that one-week waiting period?

**Ms O'Regan:** Yes, absolutely, and the sooner the better. That's the idea of the measure.

**Senator PRATT:** So how many of the people in the system have actually completed it during that one week waiting period?

**Ms O'Regan:** As to the online jobseekers, I mentioned that average of eight days, so that would imply quite a large number doing it within the seven days. I don't have the exact day-by-day breakdown here. We could probably take that on notice.

**Senator PRATT:** Okay. And if the motivation in what this department is doing is not to [inaudible], why not pay people right from when they've served their waiting period or as soon as they've done their job plan? Why not pay people as soon as [inaudible] system, so that [inaudible] rather than only paying them once they've done their plan? [inaudible] being that, like other mutual obligations, the department has the capacity to suspend someone's payment for noncompletion of a mutual obligation.

**Ms O'Regan:** It wouldn't be possible to suspend someone's income support payment because they have not yet received their income support payment. This is for people who are commencing payment, moving into online employment services. So we can't use withholding of income support as a means of engagement because they haven't yet received income support.

**Senator PRATT:** So why not keep the status? We went round in circles yesterday on this. Why not at least allow people to commence payment, as they do in the current [inaudible] once they've joined the online system. Currently, they don't have to complete a job plan before they get payment, do they?

**Ms O'Regan:** Yes, they do. So it's the backdating that changes. The trigger to allow their payment to flow is not changing. That trigger is currently the agreement of the job plan, and that is not changing under this measure. What's changing is the backdating. Currently we have the inconsistency that, for online employment services jobseekers, they get backpaid to their date of claim once they sign their job plan, whereas those who are

connected with a provider, who are more likely to have barriers to employment, only get backpaid to the date of their appointment with the provider rather than their date of claim. Sorry—did I say that correctly?

**Ms Shannon:** Yes.

**Ms Ryan:** Yes.

**Ms O'Regan:** Excellent! So the trigger is not changing. It's the backdating arrangements that are changing.

**Senator PRATT:** So why not [inaudible] paying them?

**Ms Shannon:** I think, as Ms O'Regan said earlier, the policy is trying to give effect to a behavioural change, because there is a proportion of people who are not promptly commencing in service, and, when they're not promptly commencing in service, they're not accessing the range of assistance that they could be getting, and there's a body of evidence, across the OECD and in the extensive back-catalogue of the department's evaluations, that really focuses on the importance of activating people promptly, in the early period of their unemployment.

**Senator PRATT:** [inaudible]

**Ms Ryan:** Senator, we can't quite hear you.

**Ms O'Regan:** Sorry, Chair—we've got a technical issue.

**CHAIR:** So we've lost Senator Pratt?

**Ms Ryan:** We can see her but we can't hear her.

**CHAIR:** I'll just message her. Senator Siewert, are you still there?

**Senator SIEWERT:** I certainly am.

**CHAIR:** Why don't you put a question to the witnesses while we sort out Senator Pratt's technical issues.

**Senator SIEWERT:** Okay. I'll go back to what we were talking about before, because I think I may have misunderstood. Sorry—I'm still hung-up on what the requirements are now for the online jobseekers. If I have understood correctly what you have just said, jobseekers online currently only start getting paid when they finish their job plan. Is that what you're saying?

**Ms O'Regan:** That's right.

**Senator SIEWERT:** How is that done under the legislation? Because that is actually different to if you are not online.

**Ms Shannon:** Don't they get back paid though?

**Ms O'Regan:** Yes, the back payment—

**Ms Shannon:** So they do their job plan—

**Ms O'Regan:** And then they get back paid to the date of claim.

**Senator SIEWERT:** Okay.

**Ms Ryan:** That's a change.

**Senator SIEWERT:** So there is a substantial change.

**Ms Ryan:** Yes.

**Ms O'Regan:** It is the back payment.

**Senator SIEWERT:** And it is different to where people are actually with a provider [inaudible]

**Ms Shannon:** So it is at the attendance at the interview, and providers are contractually obliged to schedule an interview within two days, so it's probably a similar impact because—

**Ms O'Regan:** Yes. So it is intended to be an analogue for the—so I mentioned before that there is a trigger and there's the back payment. So, for the provider-connected jobseekers, it is the appointment with the provider that is both the trigger and the date of back payment.

**Senator SIEWERT:** Yes.

**Ms O'Regan:** For those who are subject to Rapid Connect—remembering the raft of exemptions that exist.

**Senator SIEWERT:** Yes.

**Ms O'Regan:** For the online jobseekers, the trigger is currently the agreement of the job plan, and jobseekers are getting back paid to their date of claim. That is the current arrangement. Under the measure, the trigger will still be the agreement of the job plan, but the back payment will be to the date of the job plan being agreed. I know it takes a bit of explaining.

**Senator SIEWERT:** Thank you. I just wanted to confirm issues around if somebody dropped out. So they're assessed to go online. Somebody is saying, 'No, actually, I want to go to a provider'.

**Ms Ryan:** Yes.

**Senator SIEWERT:** Face-to-face support.

**Ms Ryan:** Yes.

**Senator SIEWERT:** So they can straightaway or at any time during the process [inaudible] is my understanding. Is that correct?

**Ms Ryan:** That is absolutely correct. That is both now and into the future when we roll out the new model. If a jobseeker has been identified as appropriate for digital services but for whatever reason that jobseeker wants to be serviced by a provider, they can be opted out, or moved to a provider, at any point and that jobseeker can do that through their online dashboard that they have now, or they can call the digital services contact centre, who will then facilitate the transfer to the employment services provider.

**Senator SIEWERT:** Thank you. You touched on very briefly—and it looks like Senator Pratt is back—about somebody with a partial capacity to work and care. This doesn't change their 15-hour requirement, does it?

**Ms O'Regan:** No. The 15-hour requirement, the mutual obligations—

**Senator SIEWERT:** [inaudible]

**Ms O'Regan:** Sorry. Yes. Participation requirements are not normally based around hours per se, but the legislation has a range of safeguards that ensure that certain individual circumstances must be taken into account in the setting of participation requirements. So being a principal carer parent, having a partial capacity to work, health conditions—there is a range of things that must be taken into account. Those safeguards are not changing. We've made a lot of consolidations and tried to simplify and streamline the social security law in these respects but we have preserved all of the protections.

**Senator SIEWERT:** Thank you.

**CHAIR:** Senator Pratt.

**Senator PRATT:** NESAs submitted that people should be given time to think about their job plan before they sign off on it, and that that shouldn't impact on their start date. I understand that people online can vary it. So I have a few questions there. How do you acquit whether someone has met their obligations in their job plan if they're changing it all the time? I'm not sure how that system computes. Surely, therefore, people will just put in an arbitrary job plan if they haven't really had time to reflect on that. I'm assuming there is a default job plan in the system that says, 'This is your point, and it will be this many'—and the general default is a particular number of job applications?

**Ms Ryan:** I can explain the points based system. What we've been trialling, and what government has announced it will roll out for July next year, are the points in those two employment regions. Jobseekers have 100 points, but what we've taken into account—and we started to touch on this yesterday—is that we've also made adjustments to those jobseekers in their labour market. So they automatically get a reduction on their points to reflect the labour market that they're residing in. They also may have some other reductions that take into account their personal circumstances. Then they get to see the remaining points target that they need to meet each month in order to meet their mutual obligation requirements, and they can do a mixture. In the trials we're seeing a mixture of getting points by job search, attending a job interview, completing a career profile, attending particular training and the like.

**Senator PRATT:** I understand that from yesterday's briefing, but it doesn't quite go to the question that I asked about the variation of a job plan in terms of how often you might vary that and how you are held accountable. It seems to me that you could still be held accountable for an inappropriate job plan because, I'm assuming, you'd still be in breach of the one you just changed if you didn't meet the obligations in the previous version of it, whereas you might be able to renegotiate that with a face-to-face provider.

**Ms Ryan:** Just to clarify, if somebody in our digital or online employment services system has a job plan and they have to do some particular job search, with the changes that were announced in September last year jobseekers can do a mixture of job searching and undertaking study or training, and they can have that updated in their job plan. But should it be found that a jobseeker for whatever reason hasn't been able to meet all of those requirements and they get a notice to say that their payment is potentially going to be suspended, they can call the digital services contact centre and talk to them about their circumstances. Through the course of that discussion the digital services contact centre can adjust their requirements and amend their job plan to reflect their circumstances.

**Senator PRATT:** How many outgoing calls have you made from the services centre currently? How many jobseekers have adjusted their plan? In my mind, it would lead to delays and is not as free and easy as you've made it out to be.

**Ms Ryan:** It's a combination of inbound calls by the individual jobseeker, who could call the contact centre, and outbound calls made by the contact centre. Since September last year, when the contact centre was expanded to help service the online employment services case load, they've made just over 68,000 calls, which equates to just over 9,700 outbound calls a month. Not everyone answers those calls, because people are busy—they're working and the like—so we've introduced a new arrangement where we will send SMSs to jobseekers ahead of the time that we make an outbound call in order to improve our success rate in connecting with those jobseekers. I'm just going to see if I have the data here for how many jobseekers have had their job plans adjusted when we've made those calls.

**Ms O'Regan:** While you're doing that I might mention, in case it helps, that the points would generally be a monthly target—

**Ms Ryan:** Yes.

**Ms O'Regan:** and that's how it's working in the NEST. If, at the start of the month, the jobseeker intends to have a particular mix of activities to meet their points they can readily change that day to day. Applying for a job attracts points, attending an interview attracts points—there are all these different activities.

**Ms Shannon:** But they would still need to meet their monthly points target.

**Ms O'Regan:** That's right.

**Senator PRATT:** But you could also be in breach of what you've put in your plan during that time as well, by the end of the month?

**Ms O'Regan:** Well, yes. Can that happen, Ms Shannon? I'm talking about—

**Senator PRATT:** How many outbound calls have been made about noncompliance and about imminent suspension? I assume you send out a text message that says there's something in the system that means they haven't complied—

**Ms O'Regan:** Yes.

**Senator PRATT:** and then you wait for an inbound call. How many inbound calls have you had about payment suspensions, and how many have resulted in reinstatements?

**Ms Ryan:** Since the expansion of the contact centre in September last year, the contact centre, as of 31 March, has received over 185,000 calls—that is, inbound calls. I'm just going to see if I have the other answer, in terms of how many were related to payment suspensions. I'm not sure if I've got that at hand, but I could take it on notice.

**Senator PRATT:** Senator Siewert may have asked this when my sound dropped out for a little while. Do you by chance have an update from the Department of Social Services about that modelling question, the payments question, yet?

**Ms O'Regan:** I understand it's imminent. We don't have it yet but it's close.

**Senator PRATT:** Great. I know we're due to finish in about 10 minutes.

**Ms Shannon:** I'm not sure, Senator, whether you heard the evidence I gave Senator Siewert a little earlier. I know you're looking for the absolute numbers, but the jobseekers in the New Employment Services Trial, in digital services and in enhanced services, are less likely not to meet a requirement and are nine per cent less likely to receive a demerit under the targeted compliance framework. I think that's important context when we look at the data.

**Senator PRATT:** Is there anything in services that you're doing at the moment, other than wanting people to be able to adjust their own job plans without a human, that is legally uncertain for you in the context of online services?

**Ms O'Regan:** Are you talking about the urgency with which these amendments are being progressed? One of the reasons for the urgency is that we do have hundreds of thousands of jobseekers in the online service, and those jobseekers could and should be managing their job search requirements—self-managing their journey back to employment. There are a range of—

**Senator PRATT:** Are there any other reasons, other than the need for urgency, in terms of a mismatch between what the department is trying to do and your current practice?

**Ms O'Regan:** Well, yes, in other schedules are the ones that come to mind. There are a number of beneficial changes in the other schedules that—

**Senator PRATT:** Yes? Can you take me through what they are?

**Ms O'Regan:** For example, schedule 2 makes clear the legislative authority for employment programs. Currently we have a somewhat cumbersome process whereby, if there's a need for a new program—let's just say there's a large-scale redundancy or there's a cyclone or some other natural disaster—we have to go through a process of making a regulation in the financial supplementary powers regulations, which are the responsibility of the Minister for Finance. There are a series of steps that have to be followed in order to make that regulation, to ensure there's legislative authority for the expenditure on that program. What schedule 2 does is to make clear that expenditure in categories of employment programs has that legislative authority. In the unlikely event that there is a program that's not covered by those general categories, then there's an instrument-making power, which would sit within this portfolio rather than the finance portfolio, and would allow speedier implementation of such programs. So that's one. We also have—

**Senator PRATT:** I understand that. I can see that in the bill. My question was more specifically about things that you feel you might not currently be compliant on, particularly in the context of the rapid changes that happened during COVID and the online services, or anything else that has happened in the period of COVID?

**Ms O'Regan:** I wouldn't say there's anything we're non-compliant on. It's more a case of clarifying the intent and making sure that the legislation better supports existing practice. Another example, if you would like one—

**Senator PRATT:** You have said that you need to clarify so that it is more in line with existing practice.

**Ms O'Regan:** Or better support.

**Senator PRATT:** Is there any analysis that shows you're outside your legislative mandate in some of the things that you're seeking to clarify now?

**Ms Shannon:** Senator, that's not what Ms O'Regan said. I think she's given you a number of examples of where we're trying to modernise and reflect—

**Senator PRATT:** No. It is what I asked; it's not what you have said. I know you haven't said that. I'm asking the question as to whether there is any evidence that that is the case.

**Ms O'Regan:** In terms of schedule 1 and the changes we've been discussing around a human delegate being required to be involved in job plan decisions, we're having to devote quite a lot of human resources in the digital services contact centre, and jobseekers are having to go through an administrative process in order to change their job plans. If we were able to change the legislation, then those things would not be required. So it's not a case of not being compliant; it's a case of an improvement in the legislation to enable a more streamlined process. With schedule 2, we are absolutely compliant—

**Senator PRATT:** What about 'suitable'—'unsuitable work' changes, for instance?

**Ms O'Regan:** Thanks for raising that. That's actually not changing.

**Senator PRATT:** [inaudible]

**Ms O'Regan:** There are parts of the legislation—for example, for a work refusal failure, it has to be 'suitable work' that has been refused. Elsewhere in the legislation we talk about 'unsuitable work', and the courts have interpreted 'suitable work' to mean 'work that is not unsuitable'. So there's a double-negative there. The only change we're making is to bring the legislation into line with the court's interpretation of the term 'suitable work' and make the legislation internally consistent. Have I got that right? Excellent. So there's no actually conceptual change. And I have the answer to your question. Would you like me to give you that now, Senator?

**Senator PRATT:** Yes, thank you.

**Ms O'Regan:** So, based on the information we provided—DESE's numbers, which I can read out to you if you like. So these are the numbers of affected jobseekers: in 2022-23, 153,846 jobseekers; in 2023-24, 141,552 jobseekers; in 2024-25, 136,775 jobseekers. They were averaged to derive the 144,000 figure that I gave you earlier. Assuming that all of those people take 10.4 days on average to agree a plan, DSS costed the measure on 89 per cent of the population being on JobSeeker payment, and 11 per cent being on youth allowance (other) and applied an average rate to each cohort. The average rate of payment is derived from the average amount of income support paid, based on the proportion of the population in particular cohorts—for example, whether they're partnered, single, principal carers or 60-plus and on income support for nine months. Does that help? You'd be a very speedy typist if you caught all of that!

**Senator PRATT:** I just have one last question to seek whether that gave the answers. Are you able to repeat that, please, because I wasn't a quick typist!

**Ms O'Regan:** Sure. And I should thank DSS for their speedy response to our request. Do you want me to start at the beginning?

**Senator PRATT:** Yes, thank you.

**Ms O'Regan:** Do you want me to take you through the DESE numbers for the jobseekers by financial year?

**Senator PRATT:** Yes.

**Ms O'Regan:** In 2022-23, the number of jobseekers was 153,846; in 2023-24, the number was 141,552; in 2024-25, the number was 136,775. Assuming those people take 10.4 days on average to agree to a plan, DSS costed the measure on 89 per cent of the population being on jobseeker payment and 11 per cent being on youth allowance/other and applied an average rate to each cohort.

**Senator PRATT:** What was that average rate?

**Ms O'Regan:** I haven't got those figures there because it's a different average rate for each cohort, so there are different payment amounts depending on the circumstances of the jobseeker. Those who are partnered get a different rate to those who are single, those who are principal carers and those who are 60-plus and on income support for nine months. They all have different rates.

**Senator PRATT:** Do you have an average rate [inaudible] here?

**Ms O'Regan:** No, I don't. We can ask DSS for that number if you like.

**Senator PRATT:** Can you get the [inaudible] cohorts and how many people are in each cohort on notice, please? And list the cohorts.

**Ms O'Regan:** Yes. Okay, will do. Thanks in advance to DSS.

**Senator PRATT:** May I also ask for the proportion of outbound calls made at the request of the jobseeker online, rather than proactive calls from identifying jobseekers' anomalies in circumstance?

**Ms Ryan:** Sorry, could you repeat that again? It was breaking up. The proportion of outbound calls?

**Senator PRATT:** Made at the request of the jobseeker and doing that online, rather than proactive calls from identifying jobseekers' anomalies. So those that were initiated by the jobseeker's request, and they've made that request online, versus the number of outbound calls made from the department having a look at someone's case and then making a call.

**Ms Ryan:** I can take that on notice and provide that, yes, where I can.

**Senator PRATT:** Thank you.

**CHAIR:** I understand further questions will be put on notice to the department. I'd like to thank you all for coming in this afternoon; you are released and free to go. This concludes today's proceedings, and I'd like to thank all the witnesses who've given evidence today and the very good people in Broadcasting, Hansard and the secretariat for all their assistance while we are doing this all remotely. Thank you very much, and everybody have a nice afternoon.

**Committee adjourned at 15:43**