

The appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive

September 2018

The Australian Unemployed Workers' Union



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This submission is fully available to the public record.

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<http://unemployedworkersunion.com/>
<https://www.facebook.com/unemployedworkersunion/>

Introduction and Outline

The Australian Unemployed Workers' Union (AUWU) is the only national organisation for unemployed workers, by unemployed workers. The AUWU currently has over 12,000 members across every state, and has no political affiliations. The AUWU is run entirely by volunteers and is funded from donations.

The AUWU has extensive experience assisting unemployed workers within the jobactive system. In November 2015, the AUWU launched its national advocacy service providing free advice to unemployed workers about their rights at employment services and Centrelink. These services included:

- 5-day per week helpline providing free on-the-spot advice to unemployed workers about their rights at employment services.
- Email advocacy service
- A regularly updated Unemployed Workers' Rights booklet, available for free in hardcopy and online.

This submission is based on the extensive data the AUWU has collected through its advocacy services, in addition to a comprehensive survey on the experiences of unemployed workers within jobactive (see appendices for more information). The submission is also informed by the focus groups the AUWU conducted in partnership with Monash University and Per Capita. Overall, seven focus groups were held in Toowoomba, Sydney, Melbourne, Geelong, Glenorchy, Adelaide and Perth, with between four and eleven participants in each group. Details of dates, locations and demographic makeup of focus groups can be found in Appendix I. The findings of this research with Per Capita and Monash University forms the basis of the *Working It Out* report released in September 2018 and will be submitted to this inquiry as part of a joint release with Per Capita.

So why a separate AUWU submission? The purposes of this submission are twofold – firstly, to present the inquiry with the authentic voices of unemployed Australians; and secondly, to present the inquiry with the extensive qualitative and quantitative data the AUWU has collected on the experiences of unemployed workers within the jobactive system.

The data the AUWU has collected is incontrovertible – the government’s current marketised, work-first, outcome-based approach to employment services does not help unemployed workers into paid work.¹ On the contrary, the current approach to employment services is characterised by its punitive approach toward unemployed workers, which has the effect, unsurprisingly, of pushing them further away from paid work. The level of abuse inflicted on unemployed workers by the Department’s jobactive system is a national disgrace, a public health disaster, and must be addressed as a matter of urgency. The introduction of the punitive Demerit Point compliance System (also known as the Targeted Compliance Framework) and increased Mutual Obligation Requirements has further inflame this situation.

Preliminary Remarks

The AUWU welcomes the opportunity to make a submission to this important and long overdue inquiry. Before addressing the terms of reference of this inquiry, the AUWU wishes to point out in the strongest possible terms its deep concern regarding government’s ongoing refusal to meaningfully consult with and include unemployed workers and their representatives in the creation and implementation of unemployment policy in Australia.

Not content with merely shutting out the unemployed from the policy process, last year the then minister of employment Michaelia Cash went so far as to publicly criticise the AUWU, stating, “Australian taxpayers and indeed those looking for work would be offended by a ‘union’ whose sole purpose appears to be keeping members out of gainful employment and encouraging them to shirk their responsibilities”.

If Minister Cash had looked at AUWU material, she would have seen that we were educating people about their rights at job agencies – work her department should be doing. Minister Cash’s public attack revealed the government’s intent on shutting out the unemployed from policy process for years to come. Unemployment policy is surely the only area of government policy in which not only are the policy ‘targets’ not given a seat at the table, but they are also publicly disparaged for attempting to have their say in the public arena. This shameful exclusion has led to successive governments pursuing policies that are out of touch with the reality of unemployment.

¹ A breakdown of the data of the AUWU’s hotline is available in the appendices.

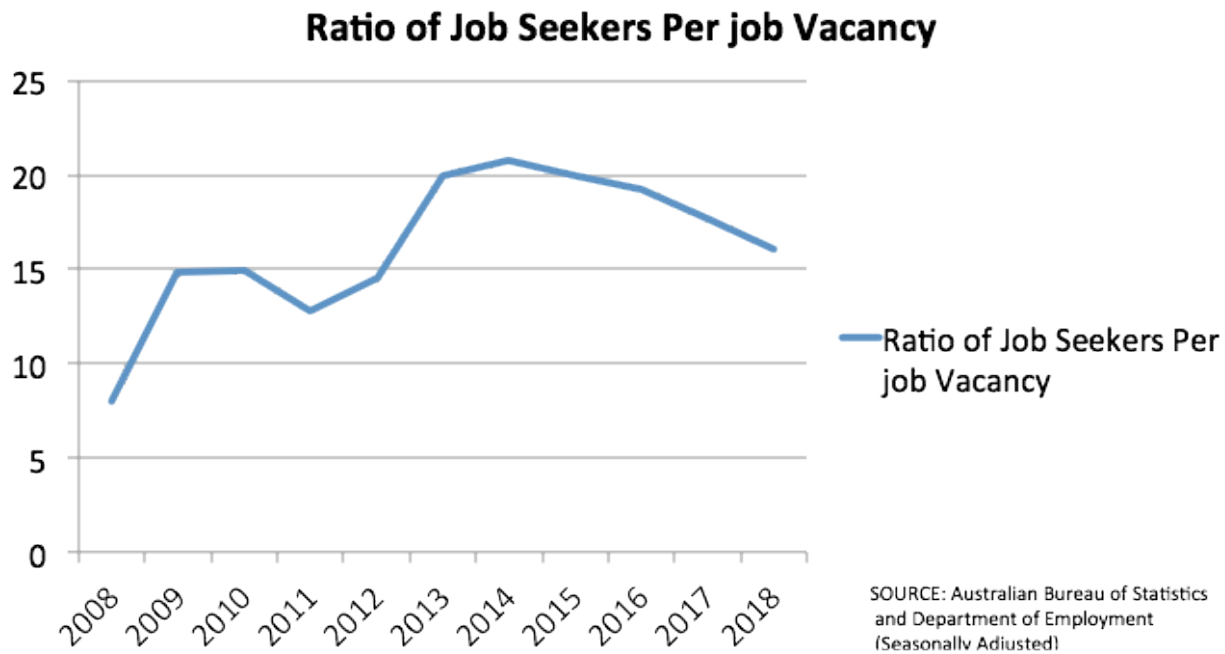
The refusal of the Coalition to meaningfully consult with the users of its employment services when creating and implementing its relevant policies can be clearly observed in its current approach to the policy process surrounding the 2020 employment services contract. The government's Employment Services Expert Advisory Panel was created by Minister Cash to provide the government with advice on policies affecting unemployed workers. However, not one member of the panel is an unemployed person, nor is likely to have been on Newstart Allowance in the last decade, nor represents the views of unemployed workers. By contrast, the interests of those who profit from the presence of a large and persecuted pool of underutilised workers are fully represented, such as employer groups who enjoy the bargaining power that an over-supplied labour market confers on them, and the contracted employment service agencies who make their money by doing the persecuting.

The AUWU is also deeply concerned about the government's partisan use of labour market data, exemplified by the Department's claim that *jobactive* has placed one million people into jobs since its introduction. Counting people as employed when they work as little as one hour per week is so inadequate a measure that huge reductions in the aggregate number of hours people are working can appear as an *increase* in jobs and employment, particularly when permanent full-time work fragments into casual and part-time jobs. According to the Australian Bureau of Statistics, Australia's labour "*underutilisation rate is currently higher than it was at the height of the 1980s recession*".²

Government's use of employment data is dangerously misleading. It presents a significant barrier to the creation of an effective and humane employment services system in Australia. If the Department continues to judge the success of the *jobactive* system through cynical interpretations of employment data, developing a coherent process of reforming employment services in the interests of unemployed workers will remain impossible. A reformed approach to generating research and information that can guide and inform improvements is urgently needed, so that opportunities to improve services are built into the system rather than occurring in the interstices of the five-year contracting cycle.

² 6202.0 - Labour Force, Australia, Jun 2018

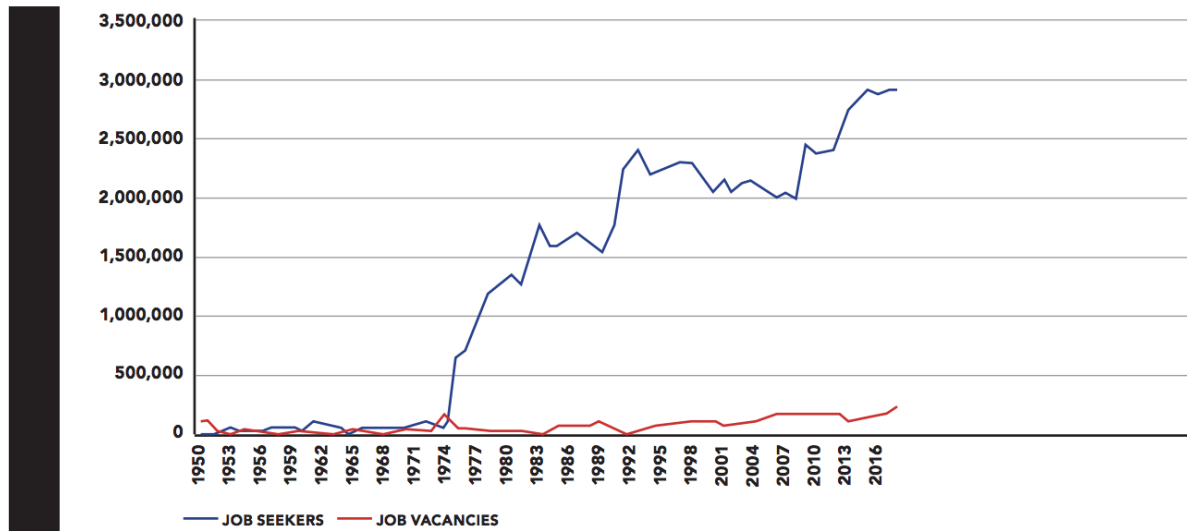
Understanding the role of an employment services system in Australia has first to engage with the reality that there are not enough jobs to go around – according to the ABS there are currently 16 job seekers competing for every job vacancy (see appendices). In spite of the best efforts of employment services, there are always going to be a large pool of people in the labour market who miss out. Despite the one million job placements - the lowest amount of job placements made in an employment services system - the number of unemployed workers participating in the jobactive system has remained steady since 2015.



The reality of the Australian economy is that the level of unemployment and underemployment, which affects just under three million Australians, is and has been intentionally preserved by this and previous governments over the past 43 years to undermine the industrial negotiating power of Australian workers. This is in stark contrast to the post-war full-employment policy in place until 1974, whereby successive governments kept the unemployment rate below two percent through a relatively simple aggregate demand management technique. It is because current and recent governments shun modernised versions of this technique that there must always be a pool of people for whom there is insufficient or no employment. Examples of full employment / price stabilisation systems such as the Job Guarantee model are now on the platform of social

democratic advocates in the USA (Senator Bernie Sanders) and the UK (Labour Party) and must be on the table for discussion under this Inquiry.

THE NUMBER OF JOB SEEKERS AND JOB VACANCIES 1950 – 2018 (MARGINALLY ATTACHED INCLUDED). Source: ABS and CES.



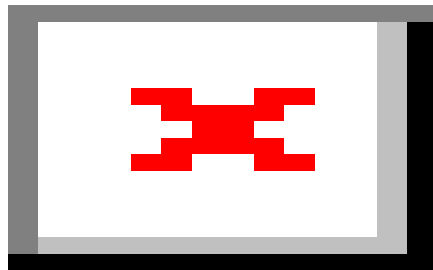
When full employment was temporarily abandoned to deal with the global inflation crisis in the mid 1970s, both major parties pledged its restoration. Instead of honouring those undertakings, the people that they intentionally made unemployed have been ferociously hounded to compete for jobs. After decades of demoralising, life-wasting, coercively compelled searching for non-existent jobs, where employers currently receive an average of 17 applications and interview three applicants for every vacancy, concern is now raised about the inconvenience this poses for employers.

The marketized employment services will never be able to eliminate unemployment, for all their bullying and breaching, because it is government policy to keep just under 3 million Australians unemployed and underemployed. The preservation of a pool of unemployment, coupled with the ongoing coercive abuse of the people whose lives it wrecks, is a gross denial of the human rights of millions of Australians.

AUWU Responses to Terms of References

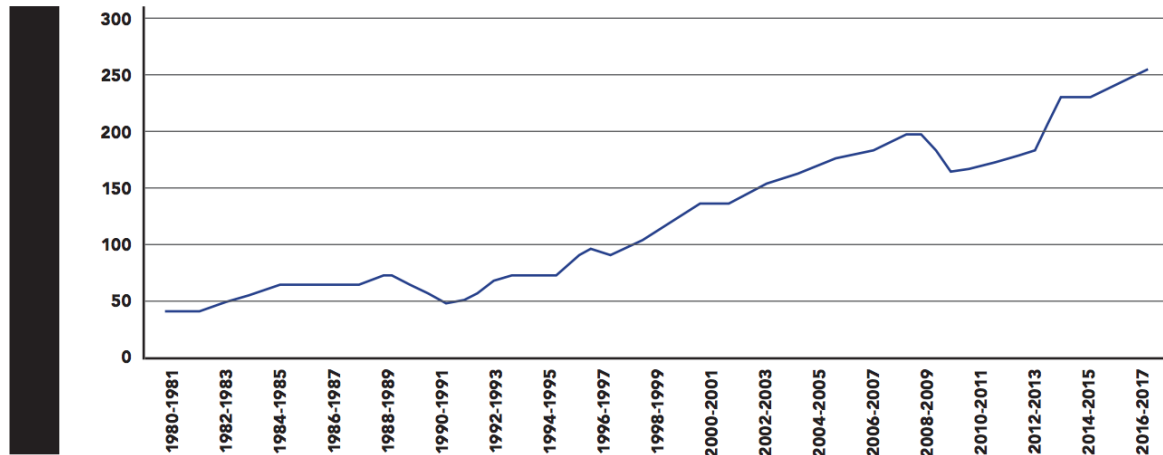
1.1 The nature and underlying causes of joblessness in Australia

Unemployment can never be eliminated by employment services. Unemployment will only be solved by government job creation as demonstrated during the post-war period in which successive governments implemented Keynesian economic strategies to stimulate employment. Unemployment then averaged around 2%. In the absence of effective government job creation, policy makers must acknowledge that there will always be more unemployed workers than suitable job vacancies.



This has been the reality of the Australian labour market since 1974 when both sides of politics abandoned their commitment to the Keynesian full employment framework. Given that employment services on its own can never address the underlying structural causes of unemployment, the average duration of unemployment has been rapidly increasing ever since the bipartisan abandonment of full employment and has now reached just under five years. Employment services must be accompanied by a macroeconomic agenda geared towards eliminating unemployment. The AUWU strongly urges this inquiry to recommend government commits to full employment and the enactment of policies to achieve this (see recommendations).

AVERAGE DURATION ON UNEMPLOYMENT BENEFIT (WEEKS) 1980 – 2017. Sources: Data quoted in Whiteford (2000), DSS annual reports, DEEWR annual reports.⁵⁵



It is important that the inquiry not view *jobactive* in isolation. We wish to point out in the strongest possible terms that the current government's general approach to unemployment policy - of which *jobactive* is a significant part - represents the most punitive and cruel approach to unemployed workers ever seen in Australia since the introduction of the unemployment benefit in 1945. In addition to the punitive and dysfunctional employment services system, this submission would like to briefly highlight the three key ways in which government policy has contributed to this shameful reality.

- **Lack of jobs.**

According to government data, there is a ratio of 16 Job seekers per job vacancy

- **Low rate of Newstart**

According to the Melbourne Institute, Newstart is \$356.66 per fortnight below the Henderson poverty line³

- **Erosion of the right of Australian citizens to Social Security**

Successive governments have introduced policies that has eroded Australians right to social security as stated on the attorney general's website. These policies include:

³ <https://melbourneinstitute.unimelb.edu.au/publications/poverty-lines>

1. Introduction of Income Management
2. Tightening of Eligibility Requirements for the Disability Support Pension. As a result, at least 25% of people on Newstart have a significant disability.
3. The so called Robo-debt program in which hundreds of thousands of incorrect debt letters have been sent to current and former Social Security recipients
4. Single parents being forced onto Newstart when their youngest child turns 8, and being forced to meet mutual obligation activities when their youngest child turns 6.
5. Proposed introduction of Mandatory drug testing
6. Funding cuts leading to Centrelink being inaccessible and appeals processes taking too long. Last year, there were 42 million unanswered calls last year.
7. Introduction of longer waiting periods of payments under the welfare reform bill

1.4 Relevant Testimonials of Unemployed Workers

The following case demonstrates the way inadequate social security fosters exploitation in the workplace, and the extent to which this situation has been internalised by the working poor.
Advocacy Hotline: [Name Withheld] 26 July 2018

I have just month ago found myself a casual job (without any help from the agency) at gelato factory as a kitchen hand... I wanted some extra money while I look for suitable job. ...I told my agency about my new work... and I told my consultant to not to contact my employer. She agreed but her manager who is not my consultant had contacted my employer and told them about the benefit they will get from the government (wage subsidies) if they increase my working hours with them. Once my employer found out I had job agency overseeing my employment with them, their treatment on me was more formalised and asked me to fill in tax declaration form, bank details and even superannuation which I was taken aback because before I started my work with them and before they knew about my agency, they were prepared to pay me lower than legal minimum hourly rate which again I agreed to as it was hard to find work, it was near where I lived, I wanted some extra money and it was just one day a week casual work. I have told my agency from the start that my employer will be paying me lower than minimum and that I was fine with it... Just yesterday, [my employer] told me he found someone else for the position and I was laid off. I cannot help but feel that my agency involvement in my employment has cost me my casual job... by letting themselves known to my employer it has pressured them to raise their pay rate (above minimum pay plus super) when I didn't mind the initial lower than minimum offer (wasn't even expecting superannuation payment given the nature of the position)

Testimonial Survey: [Name Withheld] 2 August 2017

Placed into a job where employer paid by gov to employ me on grounds there'd be a job at end of 6 months. Told in interview no job at end. Other staff (women) cleaners on same deal. Effectively employer getting free labour!! Seems like his business model is not profitable unless the gov supply him with free labour! Took any way cos desperate.

Testimonial Survey: [Name Withheld] 1 August 2017

Not many Jobs available let alone suitable one's. And the job sites send emails saying jobs in your area and when you click on the heading all the jobs that come up are 100's of kilometers away...??

Testimonial Survey: [Name Withheld] 31 July 2017

Threatened that if I did not work outside award conditions I would be breached. Told I must work on a pay by item of work basis, not on an hourly basis according to an award.

Testimonial Survey: [Name Withheld] 30 July 2017

A voluntary workshop to help us get a job was led by a facilitator that all she did was completely abuse us for being lazy and useless unemployed even before she bothered to find out anything about us. I was led to believe I had no choice but to go to one position that included getting me at sixty down scrubbing floors and up ladders scrubbing windows when I am not fit enough to do that... when I was doing work for the dole for Salvos I was forced to buy my own 'uniform' (black clothes) for a small discount. I was never recompensed for transport or given the slightest allowance for my trouble. I was abused in job interviews for Salvos stores in ways I have never been treated in my life... I am currently doing volunteer work in graphics, web and social media for free when once I was paid \$50 an hour. I get nothing extra for it at all.

Testimonial Survey: [Name Withheld] 29 July 2017

I travel looking for work, so I've registered with many of their employment agencies and none of them have work or helped me gain employment in any way. Ie truck drivers license ect. They have at times stopped my payments for not attending and have not given me any notifications to attend an appointment, when queried have stated to me that it's their fault. My record of attending has been put in jeopardy through no fault of my own. Employment I have had in my travels has been because I found it not the paid employment agency doing. Even in high employment areas ie fruit picking towns I had no advise from my registered employment agency of multiple vacancies for fruit picking.

Testimonial Survey: [Name Withheld] 29 July 2017

At no point in 8 years has my employment agency (or any previous one) referred me to a job interview or application of any kind. At no point in 8 years have they provided me with any avenue to gain new skills. At no point have they seriously approached my unemployment as a solve-able problem. That was until I found myself a job after 8 or more years unemployed. I am now employed but underemployed. I find I am still struggling financially so need to keep going to my agency. They then pushed me to apply for other jobs and not invest in the one I found. They punished me for not coming to appointments due to needing to be at work to keep my job. Then they insisted on contacting my employer and had them sign paperwork for subsidies and then the agency received a sum for finding me employment, which they in fact did NOT do. They also spent less than \$130 in 8 yrs, and that was for a safety certificate (white card \$35) and some very basic tools only after I found my own job.

Testimonial Survey: [Name Withheld] 28 July 2017

[My job provider] gave an employer my number. Turns out the employer's business has been closed by ASIC. He owes me wages for work done and refuses to pay. Fairwork Ombudsman has been notified and I am awaiting a call from them. This employer has done this to numerous people.

Testimonial Survey: [Name Withheld] 28 July 2017

I was expected to keep working for an employer that had stopped paying me completely. I was forced to quit regular part time work that I had for three years to work for an employer that was just after the wage subsidy. This employer never paid any super or gave me a payslip. Didn't pay

the award rate either and when I told [my DES provider] they said it had nothing to do with them. When he stopped paying wages I informed [my DES provider] they said I had to keep working

Testimonial Survey: [Name Withheld] 28 July 2017

As I work two or three casual jobs that aren't enough to live on, I still have to jump through all the hoops- and visiting Centrelink takes hours out of the day every time - unless their computer system is down and then I have to go back another day. It all costs petrol and parking and then I still have to do multiple job applications. Living on a small income requires tight budgeting and careful shopping and I don't always have time left over for that once I've fulfilled my "obligations". And I'm still treated like a "dole bludger" especially by Parliamentarians.

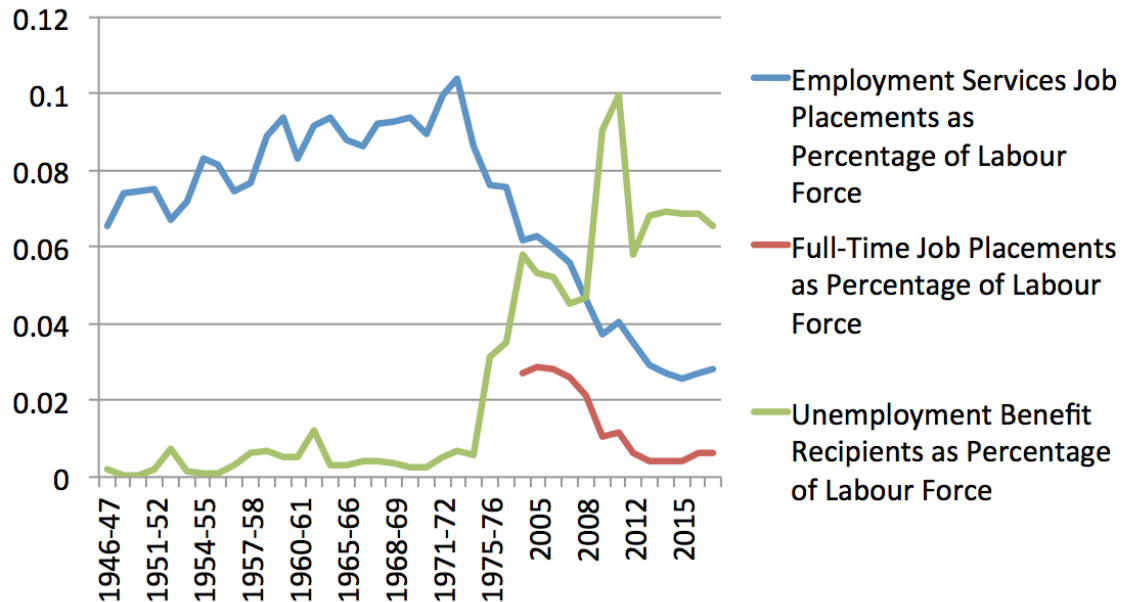
Testimonial Survey: [Name Withheld] 27 July 2017

Here in Tasmania it seems like I was just jumping through hoops to have my name ticked of a list, I have not applied for many jobs cause there is none here. Or not enough to go around, leaving me just justifying my existence to get paid a less than adequate wage.

2.1. The methods by which Australians gain employment and their relative effectiveness

Jobactive has placed less people into employment as a percentage of the labour force than any other employment services system. It has also placed more people into insecure, casual work than any other employment services system (see appendices for more details). This reflects not only the slack labour market but also the ineffective job brokerage services offered by the *jobactive* system, in particular the perverse financial incentives offered to employment service providers.

Employment Services Job Placements, 1946-2017



Source: CES data in ABS Yearly Reports, Department of Employment/DEEWR Annual Reports, Department of Employment Outcome Data, DSS Annual Reports and Labour Market Monthly Profiles.

Employment services providers has found that coercing unemployed workers into more attainable outcome payments - such as employability skills training and Work for the Dole - not only provides a steady inflow of government funds, but also creates a strong disincentive for unemployed workers to remain on Newstart which is beneficial to providers for two key reasons:

1. **Unemployed workers decide to accept work at lower conditions and wages than they normally would, thereby leading to a substantial outcome payment for the employment service agency.**

As the Department's Future of Employment Services Discussion paper notes, this is known as "the referral effect". This is a highly attractive option for providers as it means they can collect job placement outcome payments without actually doing any work to set up the job placement. However, as the data shows, this is not only an ineffective job placement approach, it is also extremely detrimental to the physical and mental health of unemployed workers and diminishes their trust

in the system.

2. Unemployed workers decide to stop receiving Newstart.

The more long-term unemployed workers listed with a particular provider, the lower the provider star rating and visa versa. Thus when long-term unemployed workers drop out of the system, this can benefit their provider. This is also why we are seeing employment service providers forcing unemployed workers to transfer to different providers.

This outcome driven system has led to a number of unemployed workers actually being encouraged by their employment service provider, under the threat of a penalty, to attend a employability training activity *instead of attending employment* as their employment does not meet the criteria for an outcome payment. The AUWU is aware of a number of unemployed workers who have lost their jobs in this fashion. The AUWU has also heard of a number of cases that unemployed workers have lost their jobs due to employment service providers harassing employers every day for them to hand over the relevant payslips. This is done so employers can collect what is know as a 'Pay Slip Verified Outcome Payment'

Employability training programs, Work for the Dole and job search training programs have a demoralising effect on unemployed workers. As a result they are often utilised by employment services providers to push unemployed workers into outcomes or push them off payments altogether. An example of the demoralisation effect of these activities is the jobactive requirement that recipients apply for a maximum of 20 jobs per fortnight to maintain employment benefits and to provide proof of application or risk being financially penalised. AUWU has found that recipients find this *task-master* approach to looking for work results in poor quality job applications being made due to the pressure of having to achieve a specific number of them every fortnight under duress. Instead of concentrating on looking for suitable work and spending time and effort in composing a quality application there is the pressure to rush through multiple applications to meet Jobactive quota requirements⁴. HR departments are shredding applications because they get too many. Anecdotally, the RMIT library in Melbourne dedicated 3 full

⁴ This is a piece-work approach to job seeking, it belongs in the Fordist era but lacks the living wage to accompany its demands. If social policy stipulates that looking for work should *be* work then a suitable wage should be provided in exchange

workdays and the majority of its staff to reading through 350 applications for a single part time position in an effort to be egalitarian in 2017. Few businesses can afford to do this and many of the applications were totally unsuitable. In 2016, 193,469 people were looking for work in Victoria⁵ alone. The volume of superfluous applications created through a production line approach to job seeking is a waste of everyone's time and resources. In the LaTrobe municipality some local business owners who the AUWU spoke with expressed a weariness of cold callers approaching them for work they don't have, they expressed frustration with the daily canvassing for work by jobseekers meeting their quotas, and said they put the cvs directly in the rubbish bin.

Jobactive's outcome driven approach, in effect, denies unemployed workers any meaningful choice over the services they receive, thereby removing any agency from their life decisions. It punishes them for being unable or unwilling to participate in what many experience as futile and exploitative activities, by removing their access to social protections. This mechanism of denying agency to jobseekers is detrimental to maintaining self esteem and dignity, particularly for long term unemployed and underemployed people who have been engaging in the system for years. It has itself become a serious barrier to work for many people, as reported to the AUWU advocacy officers by callers. Reducing people to further poverty and humiliation by removing access to fortnightly payments as a punishment for non-compliance is a tyrannical approach in social policy and is so closely aligned to correctional services policy that it effectively criminalises the unemployed. The recently introduced Demerit Point compliance system has led to marked increase in the suffering and social dislocation associated with attending an employment service provider.

As noted in the recommendations in section 10, the AUWU support the removal of the outcome driven system and the introduction of a system that respects the rights and dignity of unemployed workers.

2.2 Relevant Advocacy Services Data

⁵ <https://profile.id.com.au/australia/employment-status?WebID=110>

85.8% of survey participants state that their employment service provider has not assisted them in their search for employment

84.7% of survey participants state that their jobactive activity did not help them in their search for work

24% of survey participants state that their employment service provider forced them into an unsafe situation

61% of hotline callers reported that their employment service provider did not canvass the local labour market

14% of hotline callers reported that their employment service provider forced them into unsuitable work

2.3 Relevant Testimonials from Unemployed Workers

[Advocacy Hotline: Name Withheld] 7 September 2018

when i have my appointments with my job provider i'm sitting there anywhere from 2-4 hours, other times not been seen at all, they also have not provided me with any job opportunities

Testimonial Survey: [Name Withheld] 24 August 2017

No job provider has ever given me support to find work - they make it harder to find work because they treat me like a person with no skills, abilities, or intelligence, just because I am unemployed. I have been on and off Newstart several times because I don't find work that is sustainable long-term. With actual strategic, thoughtful and appropriate support to find work that is really meaningful to me then I would be off the dole for ever, which is my ambition.

Testimonial Survey: [Name Withheld] 22 August 2017

Bullied [by job agency] into turning down a job offer because the job didn't start for 3 months and when I did take that job being harassed to give them my payslips so they could claim money from the government for finding me the very job they said to ignore (they didn't; my friend told me about it).

Also once handed me a sheet of 20 tradie jobs such as roof tiler and said I Had to go for 12 or they'd have centrelink payments cut - I was a 23 y.o female with no trade experience whatsoever.

Testimonial Survey: [Name Withheld] 9 August 2017

I receive absolutely no help at all from my job agency. They just make me go to their office at 9am and sit on a very slow computer, at a large table surrounded by other job seekers, and look for jobs for half an hour, then hand in my job searches and go home. I can't even properly apply for jobs because half an hour isn't sufficient time for me to prepare a Cover letter or Selection Criteria or online application, and all my Template Cover letters and CVs are on my computer at home. It is just a complete waste of time (and money because I have to either pay for public transport or pay for parking as there is no free parking in the area) and all it feels like is punishment for being unemployed. It is humiliating and dehumanising. It in no way helps me to find a job, instead only further damages my already low confidence and self-esteem and exacerbates my depression and anxiety.

Testimonial Survey: [Name Withheld] 9 August 2017

I keep asking for help in profiling a new career or other options for employment as I can't go back to my previous occupation. I have been with this job agency 1yr 6 months and so far there has been no satisfactory job profiling, no offers of employment from the agency. In fact each time I attend I appear to have a new Consultant who knows nothing about my history, can barely remember my name, is more obsessed with ticking off compliance regimes and quite frankly, I find an absolute waste of time. They do not offer sound case management client focused sessions. I feel like all clients are treated like cattle, given five minutes of their time so they can check compliance and that is it! Appalling really.

Testimonial Survey: [Name Withheld] 31 July 2017

I am just told to look for jobs, come in and cold canvas even though that is not a good way to get a job, and when I did get myself a part time job the job agency wanted to claim responsibility for it even though they hadn't helped me get it in any way.

Testimonial Survey: [Name Withheld] 29 July 2017

Fraudulent "training/courses" that were supposed to get me a job/ work placement. [My job provider] made me attend. I was told I would get a job (was told I would definitely have 1 week of work experience) at one of their stores. The course was called "Retail Ready" even though I have over 10 years retail experience. I never even got to do the work experience let alone get a job.

Testimonial Survey: [Name Withheld] 29 July 2017

Despite having found myself a full time permanent job the job agency are refusing to sign me out of the system. I work long hours and they are closed when I try to call them after my work hours. My partner called them and they said they won't sign me out of the system until I supply all the details of my job. They are harassing me, texts every day about non attendance at their appointments. I need to get off this merry go round but don't know how.

Testimonial Survey: [Name Withheld] 29 July 2017

Case manager printed off a job that did not exist, was based in Singapore and collected my personal information and I was forced to fill out those details. I found out it was blacklisted on the internet as a scam employer. When I complained my case manager just shrugged his shoulders.

Testimonial Survey: [Name Withheld] 28 July 2017

Diagnosed with Rheumatoid Arthritis limited my ability to do my job. I was a Remedial Massage Therapist... in a small town with not many job opportunities, I was forced to go and get a debt with uni (all while being a single parent, looking after my now passed son with Cystic Fibrosis). I still have another 11/2 years of building a Uni debt but at 46 years of age, I have no super and a Uni debt, which will not necessarily give me a job, but guarantees me a debt.

Testimonial Survey: [Name Withheld] 28 July 2017

Work for the dole was a total waste of time it offered no real employment experience. I do not call sitting in a church hall on a laptop having to pretend to learn a program I already know "working". If I am going to work for it then give me real work, work that I can actually get real experience and a real reference for. Courses that my job agency sent me on were bogus and took forever (1 1/2 years) for my qualifications to be approved. I missed out on 3 job opportunities because of it and

then the course provider went out of business rendering my qualifications invalid. I was told by the job agency at every turn that I wasn't trying hard enough and didn't really want to work. I am now working a casual a job I got on my own, through persistence and perseverance.

3.1 The extent of consultation and engagement with unemployed workers in the design and implementation of jobactive

The failure of successive governments to include unemployed workers and their representatives in the design and implementation of jobactive is a significant barrier to the creation of a fair and effective employment services system. In the case of jobactive, this failure has resulted in a system that does not provide employment services, nor even function as specified in the jobactive deed. Bringing in unemployed workers in the design, implementation and evaluation of future employment services will ensure both a more effective employment services system and its ongoing integrity.

As a result of this failure to consult unemployed workers, most unemployed have lost all trust in the system. They believe employment services exist not to help them but to help the companies with the contracts. The complexity of the service provider models, including the emergence of holding company models which are controlled by offshore corporate interests and private business interests, is such that the average unemployed worker is generally mystified regarding how the system actually works, as are most politicians by all accounts, who seem to have little idea of how the agencies actually operate. What longer term jobseekers can perceive is a feeling of exploitation that works against their perception of themselves as valued human beings. To restore the trust of unemployed workers in the system they must be consulted in a meaningful and ongoing way.

As noted in the recommendations in section 10, the AUWU support the introduction of a process of meaningful consultation with unemployed workers and their representatives.

4.1 the ability of jobactive to provide long-term solutions to joblessness and to achieve social, economic and cultural outcomes that meet the needs and aspirations of unemployed workers;

Given the government's ongoing commitment to maintaining a high level of unemployment, it is not surprising that Jobactive cannot achieve long term or even short term solutions to joblessness. However, in the absence of any government commitment to meaningfully address Australia's jobs crisis, there is a real need for employment services to ameliorate the distress of unemployment. The shameful reality is that jobactive's outcome based 'work-first' model has not only failed to ameliorate the distress caused by unemployment, it has significantly compounded these problems. A major problem here is the lack of government regulation of the jobactive contract. The jobactive code of practice and service guarantee are not enforced by government and as a result, are effectively dead letters. The introduction of the Demerit Point compliance system in July 2018 and introduction of increased mutual obligation requirements in September 2018 has led to a greater number of unemployed workers being placed at risk.

While the aforementioned perverse incentives are a significant part of this dysfunction, another major factor is the lack of capacity of employment services case managers to provide employment services to unemployed workers. As noted by the Department's discussion paper, the average caseload for case managers is 150. As a result it is impossible for most case managers to meaningfully fulfill the code of practice and the service guarantee. Most case managers are encouraged by their management to focus on compliance and to refer recipients into activities that benefit the provider. This has resulted in an alarming downgrading of case manager skills as the training provided by employment services providers to their staff is increasingly limited to the provision of these functions. The high degree of turnover in this sector further compounds this problem.

Case workers themselves are in a difficult position. Some have been unsuccessful in their own job seeking efforts⁶, having taken the position because nothing else was available. Due to the lack of adequate training provided, some cannot communicate well with people facing significant barriers to work and often adopt an attitude to which blames unemployed workers for their own unemployment. Others feel frustration with their organisations who engage in dubious business practices requiring them to act in ways contrary to their own personal value systems.⁷

⁶ Case workers interviewed by AUWU expressed frustration with their jobs and indicated it was the only work they were able to obtain in a tough jobs market.

⁷ Some ex-case workers have approached the AUWU with considerable remorse regarding the workplace practices they engaged in within their previous jobactive roles.

In the case of international corporate business, which make up a proportion of providers in Australia, the actual business model of the organisation can be really difficult to fully grasp for complex reasons. For example U.S. corporations have corporate personhood rights and parent companies, which are based offshore, do not have to disclose details regarding their underlying operational strategies, collaborations and motivations. What is known is that corporations always have obligations to shareholders above stakeholders and will seek profit over loss by whatever means necessary. In the case of there not being enough stable, well paid jobs to transition people from the welfare system into paid work, which is a structural norm in the economy, business is bound to seek other ways to produce profits.

Altruism is all but bred out of the “employment providers” market. To truly work towards achieving positive social, economic and cultural outcomes that meet the needs and aspirations of unemployed workers, the incentives offered to providers must be replaced with incentives that are directly tied to the wellbeing of unemployed workers - not simply whether they enter into an ‘outcome’.

As noted in the recommendations in section 10, the AUWU support the introduction of adequate training for employment services, the introduction of a public employment service, and the introduction of a system of incentives that benefits unemployed workers.

4.2 Relevant Advocacy Services Data

60.3% of survey participants state that their employment service provider has bullied them

50.9% of survey participants state that their employment service provider has rejected their medical certificate

56.9% of survey participants state that their experience with jobactive was very poor

22.9% of survey participants state that their experience with jobactive was poor

12.2% of survey participants state that their experience with jobactive was ok

5% of survey participants state that their experience with jobactive was good

3% of survey participants state that their experience with jobactive was very good

41% of hotline callers reported that their employment service provider bullied them

4.3 Relevant Testimonials from Unemployed Workers

Advocacy Hotline: [Name Withheld] 27 August 2018

In two weeks time my job provider appears to be wanting me to attend their "job club" afternoons a week for two hours each. So far I am just coming up to three months on Newstart. The problem is that I might be getting part-time work on the afternoons only.

Advocacy Hotline: [Name Withheld] 21 August 2018

My JSP told me I had to attend the office weekly. I thought it was only 13 appointments in 26 weeks? They told me it was changed. I have a disability and find it hard to get in there every fortnight, let alone every week. I was denied for a DSP.

Advocacy Hotline: [Name Withheld] 20 August 2018

Due to my disability I am unable to call [my provider] or use public transport to attend any appointments. I went to Centrelink they cannot help me. My payment has been suspended. Due to my disability now I will not be receiving any payment. I am currently homeless and now I will have to take my son out of school. Can you help?

Testimonial Survey: [Name Withheld] 19 August 2017

told that i have to quit part time university to take a full time job. employment agency wanted me to get a lecturer to sign something at every single class

Testimonial Survey: [Name Withheld] 30 July 2017

No job interview I have attended have come from the assistance of my employment agency. I'm currently completing a course my employment agency enrolled me in that is with a training college that's not only in receivership but has a poor reputation for the education they provide. This course has left me currently unable to complete the course I was already enrolled in

Testimonial Survey: [Name Withheld] 30 July 2017

My daughter, doing work for the dole at salvos, was told to give up her part-time cafe job, it was not in their guidelines as she signed contract to work with salvos for 6 months

Testimonial Survey: [Name Withheld] 29 July 2017

Im on disability, working 8hrs a week, for medical reason no more, but employer keeps wanting to pay cash to work more but only with cash money. I fell at work and broke my kneecap and was bullied into going back to work 2 days later even though given a medical certificatte for 1 month off. If i did go go back i was told no job there. Job employment agency did not help me just wanted me back at work as business was busy.

Testimonial Survey: [Name Withheld] 29 July 2017

Pushed into psychology programs whose purpose is to convince me there is something wrong with me. Reprimanded by site manager when i questioned their ethics and premises.

Testimonial Survey: [Name Withheld] 29 July 2017

I have been bullied on several occasions and was even bullied by a disability employment provider who told me i couldn't dress myself properly and that i stank and when i got fired because i was too mentally ill to fulfill the role in my job they yelled at me told me i was useless and not trying hard enough.

Ealier this year i went on a 4 day holiday which was paid for and organised by a family member last year to give me something to look foward to as i had been in and out of hospital for severe mental illness and wasn't capable of working. I attended an interview with my employment provider and told them the exact dates i was unavailable and in the same appointment booked

my next one for the middle of my holiday with no way to get out of it... this system causes so much unnecessary stress and i was beside myself... I ended up having to get a medical certificate again... I saw a counsellor at my employment provider who told me that my mental illness wasn't real and that i was only diagnosed because i was in the too hard basket. They made me do an online anger management course.

Testimonial Survey: [Name Withheld] 29 July 2017

Appointments with my employment service provider are like interrogations: are very demotivating and are unnecessarily made very stressful. My employment consultants have very little empathy and/or sensitivity when dealing with job seekers.

Testimonial Survey: [Name Withheld] 29 July 2017

I refused to supply details of my employer to the JSP as I was not legally obliged to do so. I secured my new job on my own without the JSP's assistance. I also could not attend their office interview as I was working casual at the time. The JSP reported me to Centrelink (failure to attend an interview) who blocked my access to the MyGov website. I was then unable to report my earnings which resulted in a Centrelink penalty.

5.1 the fairness of mutual obligation requirements, the jobactive Job Plan negotiation process, and expenditure of the Employment Fund

The mutual obligation system as it is defined in the jobactive deed does not exist for the vast majority of unemployed workers. The AUWU has not encountered an unemployed worker that was receiving the services to which they were entitled under the deed and guidelines. What does exist is a top-down system of compliance in which the government exerts considerable pressure on employment service providers to ensure unemployed workers are, under the threat of having their payment suspended or reduced, coerced into a strict and onerous regime of activities and appointments. At the heart of this system of coercion and intimidation is the job plan. While the jobactive deed demands that employment services providers negotiate a fair job plan in an open, respectful and culturally sensitive manner, the Demerit Point compliance system allows employment services provider to suspend unemployed workers' Newstart payment without any government oversight, appeals process, or even contacting recipients to

see if they have a “reasonable excuse”. In other words, the government both passively and actively encourages employment services to break the jobactive *Code of Practice* and *Employment Service Guarantee* and penalise unemployed workers who resist. A major reason for this is the unwillingness of the Department’s Customer Service Line to compel employment services providers to meet their requirements under the deed.⁸ The result is an employment services system pervaded by a culture of fear and intimidation. Indeed, under the Demerit Point compliance system, it is impossible for an unemployed worker to assert their rights in any meaningful way.

The Employment Fund is a good example of the failure of employment service providers to actually provide employment services. The first issue with the employment fund is that most providers refuse to access it. For providers, accessing the employment fund means more paperwork, no direct financial incentive, and a possible financial disincentive should the Department find the money was not spent appropriately and refuse to reimburse the provider. Given that the jobactive deed does not require providers to access it, most simply refuse any request to do so. On the rare occasion that employment providers do access the employment fund, there are significant structural flaws within it. Providers cannot pay for clothes, police checks, transportation and other jobseeking expenses until **after the fact** and reimbursement can take up to two weeks.

Consider this case of the problems this caused for a jobseeker in the LaTrobe Valley. She needed to get a police check and a Vic Roads check to be eligible for a job for which she was interviewing.. The total cost of the paperwork was \$60.00 out of a \$590 fortnightly payment. With the majority of her welfare payment already subsumed by basic living costs, there was no money left for travel. Even though the provider can cover travel *it is only after the fact*. So how does the Jobseeker, who has no money left at all, after paying online into State revenue, get home when she lives on the fringe of a regional town, far from a bus route and has no fuel left in the car? She walked ten kilometers across country, which took three hours, borrowed money from an acquaintance to get fuel for the car, which she needed to attend the interview taking place the following week in a town 40 kilometers away and walked back to collect her vehicle. That is a 6-hour walk. The time this walk took is not counted as a mutual obligation activity.

⁸ The AUWU has been informed on many occasions by Customer Service Line staff that they cannot not compel employment services to do anything and their role is to mediate between unemployed workers and employment services.

This all amounts to an overwhelming experience of a lack of personal agency for the unemployed person. The term *personal agency* describes the sense of ownership and independence a person can experience through their decisions, actions and subsequent outcomes. Having personal agency in employment means having choice. The choice to take a job or build a business, to leave a job if it has poor conditions, to fight for better conditions, or to go out and gain another job better suited to the needs, drives and desires of the individual. The common experience of agency is simply non-existent for unemployed people in the Jobactive system.

5.2 Relevant Advocacy Services Data

81.6% of survey participants state that their employment service provider did not satisfactorily explain to them their rights

47.5% of survey participants state that their employment service provider unfairly forced into a job plan

62.1% of survey participants state that they were forced to attend more activities than legally required

68% of hotline callers reported that their employment service provider did not explain to them their rights

34% of hotline callers reported that their employment service provider did not provide to them basic services

33% of hotline callers reported that their employment service provider forced them to attend an unfair amount of appointments

22% of hotline callers reported that their employment service provider forced them into a job plan

18% of hotline callers reported that their employment service provider forced them to submit too many job searches

13% of hotline callers reported that their employment service provider denied them reasonable notice for appointments and activities

9% of hotline callers reported that their employment service provider denied them their right to transfer agencies

5.3 Relevant Testimonials from Unemployed Workers

Advocacy Hotline: [Name Withheld] 18 September 2018

My provider is being very unreasonable and taking over my life with unnecessary appointments. A couple visits ago my [caseworker] told me to use the calendar within my jobactive dashboard to let her know of events I have planned so she can schedule my appointments around them. I've done as she said and put in my events. Now she tells me that my events are not acceptable and that she's removing them. She's now double booking me for appointments. I have religious obligations and she's telling me I can't attend them if she's booked me for an appointment at the same time. I have a small home based business. I have a major selling event booked for the end of October. I'm partnered with 4 other ladies to run this function. I got a message through my jobactive dashboard today saying I had an appointment scheduled for the same time as our next event planning meeting. It has been on my books since 2017 and there's no way I can back out. It is work, it is paid, and it reduces any amount I'm being paid by centrelink. This should be an acceptable activity and worked around accordingly.

On top of this, I've been scheduled for a week long "employability course". I did not agree to partake in this course and I am being told it is mandatory to attend.

They have also said that it is a requirement that I show up to ALL appointments in interview-appropriate clothing. They've not sent my resume off to any employers during the entirety of my time with them. I'm not getting any real assistance or help with finding suitable work.

How do I get them to back off, respect my events, and to actually do something that will assist me in finding a suitable permanent work!? I'm at my wits end here!

Advocacy Hotline: [Name Withheld] 24 September 2018

I am long term unemployed on Newstart. I am not being offered a job through my job active member but they want to do drug testing. Is this something they're able to request from me with no reason? As far as I am aware my area was not selected for the drug testing trial. What method(s) do they use? Personal privacy with the testing process & is this mandatory, is my concern. Secondly, I have requested help 4 weeks ago for help with "Interview clothing" which the Manager of the branch insisted we apply for on a form they handed out, but nothing has come of this. Am I eligible for help with "Interview clothing"?

Advocacy Hotline: [Name Withheld] 30 August, 2018

I'm feeling like there is no mercy or hope even though I'm trying with everything I can to overcome my issues. What should I do? I feel like [my Disability job search provider] is going to force me into a job or try and make me do something I cant do like work for the dole in public, and when I refuse to not do it because the last time I was in a crowded place I pissed my pants from a anxiety attack, I'll be cutoff with no way to survive. Im lost can someone give me any advice?

Advocacy Hotline: [Name Withheld] 19 September 2018

My [caseworker] has withdrawn my payments twice for non-attendance of appointments. One appointment where I had no notice and one where I had arranged for a rebooked date. She's not taken my calls and has not responded to my emails for many days.

Advocacy Hotline: [Name Withheld] 28 August 2018

Last year I was temporarily homeless, it was the first time ever in my life. I later found out that I could have been eligible for a relocation grant for moving from a regional area to a local metropolitan area. The relocation subsidies were anything from three thousand to six depending on your circumstances. I was not told about this and I was eligible at the time. That relocation

money would have been an enormous help at that time. Why would an government funded organisation not offer that assistance when they knew my situation?

Testimonial Survey: [Name Withheld] 31 July 2017

Told I was required to spend my own money on courses and on obtaining ID cards to enrol in their courses. Told in public that I was 'lazy' despite having two interviews in that month.

Testimonial Survey: [Name Withheld] 30 July 2017

PPE (such as appropriate boots) not supplied automatically for work for the dole. Other funds you are entitled to for clothing or equipment or licenses not disclosed and withheld. You need to secure employment that might use a license (such as a forklift license) BEFORE they will allow you to get one, when really you need one to even get an interview, let alone the job.

Testimonial Survey: [Name Withheld] 29 July 2017

I was placed in a training course, well below my own personal qualifications simply to meet their KPI's and I was threatened with payment cancellation. I was also pushed into attending a 'program' called 'Back on Track' where I was expected to attend the agency every day between 9 and 12 for supervised job search. I had to negotiate it to 4 days a week as I was studying a Diploma of Counselling. This was supposed to be a 1 month program which turned into an indefinite program... This news led to my mental breakdown after 6 years of unemployment.

Testimonial Survey: [Name Withheld] 29 July 2017

Weeks, months of emails and appointments of [my caseworker] promising to help me financially so I could do this course (Diploma graphic design at CATC school of design), as I required art supplies and a Computer. The job network provided nothing but promises of help. I had to get a loan from the bank for a computer and fork out over two hundred dollars for art supplies which the job provider never reimbursed, and multiple times through email I had to repeat what computer I needed to run the software (creative cloud), and all she kept linking me to was one site that her provider could "maybe" help pay for.

Testimonial Survey: [Name Withheld] 29 July 2017

I found a casual position teaching English as a second language. Service was very happy to have me, but I needed CERT IV in training and assessment. As I have three academic qualifications and teaching experience I was able to get recognition of prior learning and only have to do one unit at a reduced cost. Job agency refused to fund the cost or part fund the cost.

Testimonial Survey: [Name Withheld] 28 July 2017

[My job agency] didn't help me one bit when I was on newstart. I have been in business 5 years and my mining business went bust and I was left with nothing. I wasn't going back to a job as I was building a new business and just needed temporary help. They still made me look for jobs even though I had invoices to prove self employment. They were a nightmare to deal with. I was treated like a slave. The system is corrupt and it's killing Australian people!

6.1 The adequacy and appropriateness of activities undertaken within the Annual Activity Requirement phase, including Work for the Dole, training, studying and volunteering programs and their effect on employment outcomes.

Enforced compliance to perform activities in exchange for payment that is far below the poverty line is that it is a form of servitude akin to slavery. This is perhaps the most egregious violation of the rights of unemployed workers. Job seekers are “owned” by the government, by compliance officers, by Work for the Dole supervisors and by the popular ideology. A job seeker has no agency, no disposable income and multiple task masters. Compelling unemployed workers into this situation risks pushing them into an alienated and antisocial state of being.

Compounding this problem is the punitive and dysfunctional nature of the Annual Activity Requirement system. The Government’s own research shows that 42% of Work for the Dole activities are unsafe, and that participation in the program increases the employment opportunities by only 2%.⁹ There are multiple cases of asbestos and chemical exposure, injury and on site harassment suffered by Work for the Dole participants, many of these are on public record, having been reported to the media. The AUWU advocacy line operators have heard of

⁹ <https://docs.jobs.gov.au/documents/work-health-and-safety-aggregated-site-audit-report-june-2016>; <http://www.abc.net.au/news/2015-11-16/work-for-the-dole-trial-led-to-just-two-pc-increase/6945568>

many more cases, particularly concerning harassment and bullying. In addition to the examples below, more testimonies by participants are available on the AUWU website.

AUWU data shows overwhelmingly that unemployed workers are being denied a choice in the activities in which they participate and in many cases are being coerced into Work for the Dole. Many unemployed workers with no Annual Activity Requirement are also being coerced into an activity. In some cases, unemployed workers are coerced to attend Work for the Dole instead of paid employment as the paid employment does not meet the criteria for an outcome payment. Activities are typically based in opportunity shops and other threadbare, charitable environments. Anyone performing activities in these areas knows there is no paid work outcome from performing these tasks.

It is deeply concerning the the government is pursuing a social protections model which pays a stipend to both a service provider and a corporate charity organisation to supervise job seeker compliance when it is the job seeker who is most likely to be in need of the charity services because the unemployment benefit is so far beneath the poverty line. For long term unemployed people this is a poverty trap of epic dimensions. Poverty is a deeply affecting state of being. People who live in poverty for many years become damaged by their circumstances in such a way that is detrimental to both the individual and the wider society. Forcing people to work hard for their poverty under threat of compounding it by removing established welfare supports is problematic in the extreme

The AUWU categorically rejects the validity of Work for the Dole. We base this on evidence that it does not lead to paid work, and we call for it to be abolished. The AUWU points to the death of Josh Park Fing on a Work for the Dole site in 2016 as the most egregious among the many profoundly negative social impacts caused by forcing people to perform activities against their will. As stated in the recommendations in section 10, the AUWU recommends the introduction of voluntary system of requirements that so that forced participation does not manifest as a barrier to work.

6.2 Relevant Advocacy Services Data

24% of survey participants state that their employment service provider forced them into a dangerous situation

50.9% of survey participants state that their employment service provider rejected their medical certificate.

84.7% of survey participants state that their *jobactive* activity did not help them in their search for work

62.1% of survey participants state that they were forced to attend more activities than legally required

24% of hotline callers reported that their employment service provider forced them into Work for the Dole

68% of hotline callers reported that their employment service provider did not explain to them their rights

34% of hotline callers reported that their employment service provider did not provide to them basic services

33% of hotline callers reported that their employment service provider forced them to attend an unfair amount of appointments

22% of hotline callers reported that their employment service provider forced them into a job plan

18% of hotline callers reported that their employment service provider forced them to submit too many job searches

13% of hotline callers reported that their employment service provider denied them reasonable notice for appointments and activities

9% of hotline callers reported that their employment service provider denied them their right to transfer agencies

17% of hotline callers reported that their employment service provider refuses to recognise their medical condition

6.3 Relevant Testimonials from Unemployed Workers

Website Comments: Anonymous, 22 September, 2018

I'm 23 and feel like I have no hope for the future. I studied hard, graduated with a bachelor of science but after nearly two years of looking for work, nothing. I feel like a complete failure.

I have complied with everything JSPs have thrown at me, been assigned with four different ones now due to previous ones being shut down for losing their contracts. I signed up and did a path internship for three months, admin/reception, had a great opportunity to offer up extra skills in photoshop... only to be kicked out by the end of the internship.

Then Work For the Dole started and I was getting sent to a Salvos two trains and a 30min walk away (no buses), four days a week with the extra \$20/ fortnight not even covering public transport costs. It was costing me money to do 27 hrs of folding sheets and colour-sorting clothes and nine hrs of travel to "help" me find work. Have huge problems with dust and none of that seemed to matter. Fire exit out the back was blocked and padlocked. When raised didn't seem to matter. No one mattered.

Testimonial Survey: [Name Withheld] 3 August 2017

Made to work in a work for the dole activity while sustaining injuries to my left shoulder, chronic back pain and look for jobs at the same time. None of the activities I have done has lead to any chance of employment. Travelling expenses when you live rural to activities is expensive on Newstart allowance. I am very tiny lady and the protective clothing was dangerously oversized and the steel cap boots even the lightest felt extremely heavy on my legs.

Testimonial Survey: [Name Withheld] 31 July 2017

Even though I have looked for jobs done voluntary work, study, Work for the dole I am still treated without respect. I have been made to wait 2hrs for a booked appointment. And been told I have an anger problem when I complained without raising my voice. I have been sent appointments when I don't need to go to see the employment agency as I was doing voluntary work. One particular employment officer told me that she was an ex prison officer and that all employed people are criminals.

Testimonial Survey: [Name Withheld] 28 July 2017

When I was working for the dole in various op shops I was bullied, I was made to work with people who I felt were not safe for a young woman to work with alone, and I became suicidal. I ended up going off of centrelink and going without the money because of this stress. Later on I found out that I wasn't even legally required to do work for the dole because I was already working part time but my employment agency told me I had to!

Testimonial Survey: [Name Withheld] 30 July 2017

[Job agency] calling me in for appointments when employed part time and meeting obligations as a single parent. having an appointment cancelled by staff and then having my payment stopped for not attending the cancelled appointment. no assistance to attend interview in another city

Testimonial Survey: [Name Withheld] 29 July 2017

I'm uninsurable, thanks to botched surgery and, despite three specialists, two neurologists, three doctors, two pain clinics, and a psychologist stating that my injuries prevent me from working, both Centrelink and the job agency keep trying to force me to find work. This is despite me having seven jobs that I can walk into, right now, but no-one can employ me because of my injuries!

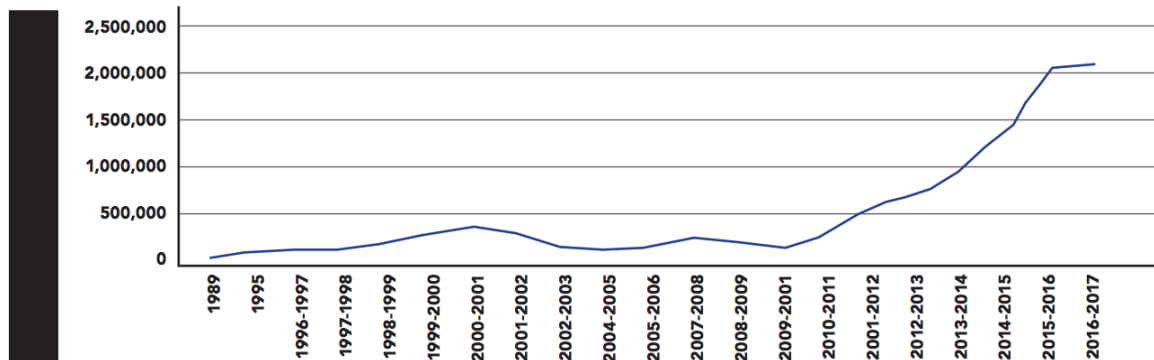
7.1 the impacts and consequences of the job seeker compliance framework

The AUWU is extremely concerned about *jobactive's* punitive and dysfunctional compliance framework. The evidence plainly shows, unemployed workers are having their payments withdrawn and reduced due to no fault of their own. Unfair penalties are so rampant within employment services that the dysfunctional and punitive system has become a national emergency. Government must intervene as a matter of urgency.

Under *jobactive*, employment services in Australia has become increasingly focused on compliance. Since the introduction of *jobactive* in July 2015, employment services have imposed 5.2 million penalties on unemployed workers, just under the total imposed in the previous twelve years (see Appendices). This punitive system has had a disastrous effect on

the lives of unemployed workers, pushing them not only further away from employment but also deeper into poverty. *Jobactive's* compliance framework is not only overly punitive it is also dysfunctional. The National Welfare Rights Network recently revealed that 40-50% of employment services penalties were rejected by Centrelink because in most cases unemployed workers had a reasonable excuse.¹⁰ However, by the time Centrelink rejected these decisions, unemployed workers had already had their payments suspended leading to considerable distress. This means that over one million penalties imposed in 2015-16 were unfair. The suffering and misery *jobactive's* dysfunctional and punitive compliance system has inflicted on unemployed workers is incalculable.

TOTAL COMPLIANCE MEASURES IMPOSED 1989 – 2017. Source: Job Seeker Compliance Data, Impact of Breaching SPRC Report, DSS Labour Market Monthly Profile, Centrelink Breach data quoted in Castonguay (2009).⁴⁹



The death of Josh Park Fing at his Work for the Dole site is an instructive example of the lethal consequences inherent in the government's compliance system. Threatened with a penalty, Josh Park-Fing was bullied into participating in the dangerous activity of riding on a flatbed trailer, pulled by a tractor. With compounding and fatal effect, the person driving the tractor was *also* threatened with a penalty and bullied into driving the tractor. Despite promising to release a report into the tragedy, more than two years on and the Department has still failed to produce it. With an average of 500 Work for the Dole injuries every year, it is clear that the compliance system is placing unemployed workers at risk.¹¹

¹⁰ The AUWU estimates that this percentage is significantly higher as this data only accounts for penalised unemployed workers who contacted Centrelink to provide them with their reasonable excuse.

¹¹ <https://www.sbs.com.au/news/work-for-dole-injury-reports-skyrocket>

This punitive compliance system is also putting unemployed workers at risk of mental illness. It is widely known that unemployed workers are at higher risk of suicide. A 2016 report stated,

*“suicide deaths among those who are not employed account for **at least 55%** of all suicide deaths of people of working age. There are even higher rates of suicide deaths among women of working age who are not employed – 68.2%”.¹²*

Subjecting unemployed workers to an unfair compliance framework will inevitably lead to a epidemic of suicide amongst unemployed workers.

Not only has the government failed to address counter-productive outcomes of this punitive and dysfunctional system, it has introduced a tougher compliance framework. This has given employment service providers unprecedented powers to penalise unemployed workers. Under the ‘Targeted Compliance Framework’ of the Demerit Point system, employment service providers are endowed with complete authority to impose payment suspensions without any government oversight. Unemployed workers are denied any right to an appeal, or to a reasonable excuse. This system effectively gives private companies the power of life and death over unemployed workers. Before the introduction of the Demerit Point compliance system, as noted above, the key problem with the compliance framework was that private employment service providers had too much power to impose penalties. The government’s decision to address this crisis by giving private employment services more powers to penalise unemployed workers is a national disgrace. By giving employment services such sweeping penalising powers over unemployed workers, the jobactive system makes any form of trusting relationship between unemployed workers and case managers impossible. The AUWU calls for in the strongest possible terms that this Inquiry recommend the immediate cessation of the Targeted

¹² Saar, E., Burgess, T. Intentional Self-Harm Fatalities in Australia. 2001 – 2013. Data Report DR16 – 16 (2016) National Coronial Information System. See Table 1: Intentional Self-Harm Fatalities in Australia by Employment Status and Age Range

http://malesuicidepreventionaustralia.com.au/wp-content/uploads/2017/01/NCIS-Report-2016_FINAL.pdf

Compliance Framework and the introduction of a new framework in which employment services have no powers to penalise unemployed workers. See section 10 for more details.

This compliance framework functions to make receiving an unemployment benefit a humiliating, enraging, depressing and hopeless experience. These psychological states are not valuable or productive states and do not support people to become engaged with their communities.

Diminished resilience and cynicism born of negative experience becomes a gross disadvantage for unemployed workers and can alienate them from positive life chances. Three decades worth of social and community sector research by credible institutions and scholars exposes how negative affect prevents people from participating positively in social life, including work. In the welfare review conducted for government, Mission Australia's Patrick McClure (in spite of his evident bias toward contextualising the lives of the unemployed by the Catholic idiom *idleness is the devil's workshop*), stressed the importance of adequacy in social protection payment rates¹³ and advised against diminishing people's access to welfare because exacerbating poverty has a negative effect on persons and society.

7.2 Relevant Advocacy Services Data

60.3% of survey participants state that their employment service provider bullied them

59.2% of survey participants state that they had a very poor experience lodging a complaint with the Department's Customer Service Line

17.5% of survey participants state that they had a poor experience lodging a complaint with the Department's Customer Service Line

7.5% of survey participants state that they had a OK experience lodging a complaint with the Department's Customer Service Line

13.3% of survey participants state that they had a good experience lodging a complaint with the Department's Customer Service Line

¹³ Patrick McClure, page 21:
https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf

2.5% of survey participants state that they had a very good experience lodging a complaint with the Department's Customer Service Line

83.1% of survey participants state that their job agency did not contact them on the day of their penalty to see if they had a reasonable excuse

74.3% of survey participants state that Centrelink did not contact them to see if they had a reasonable excuse

42% of hotline callers reported that their employment service provider was bullying them

7.3 Relevant Testimonials from Unemployed Workers

Advocacy Hotline: [Name Withheld] 14 August 2018

I have been suspended because I will not provide my payslips.

Advocacy Hotline: [Name Withheld] 26 August 2018

i contacted my provider saying i can't make it to my work for the dole activity. i was told to send my medical certificate to centrelink and that she will handle it. but the next day my payment has been suspended for not going to my activity.

Advocacy Hotline: [Name Withheld] 26 July 2018

I've been suspended as I did not have the money to attend an appointment. I emailed my provider explaining what happened, and I suggested making an Re engagement appointment for friday as my partner gets paid so I can make it. I received no phone call or email. I sent them another email today explaining that I need to book an appointment for friday and they still haven't got back to me. I need to pay my rent and put money on my bills. I've had no funding for 2 weeks

WFTD Survey: [Name Withheld] 10 March 2018

No training, no explanation of tasks needing to be done. Slave labor for zero benefit. Verbally abused by the "supervisor". Made a formal written complaint, site manager brushed it off completely. Sorting rotten fruit and vegetables for 8 hours a day. Mopping floors multiple times a day when once was more than sufficient. Biggest waste of my time ever!

WFTD Survey: [Name Withheld] 10 March 2018

The assumption that unemployed people are lazy and stupid is patronising, dehumanising and demotivating. There is no pathway to work from work for dole. The jobs agencies treat you like a child and it makes one feel powerless.

WFTD Survey: [Name Withheld] 10 March 2018

This supposed 'Print Shop' was nothing more than a place to 'park' people. I was put in a very stuffy, unair-conditioned room with 20 year old computers. There was no internet (this was 2010), and we were just sitting there all day playing computer games. We were supposed to be making flyers (for what or who I never knew) but the whole program was a complete farce. The Work for the Dole supervisor was no good either, telling us continuously to 'get to work' even though there wasn't any. When I told this to the woman who signed me up she said: well, you're better off being here instead of just sitting at home doing nothing. At home I could at least do job searching which I couldn't do here. Work for the Dole is simply designed to bully, harass and humiliate people and it needs to stop.

WFTD Survey: [Name Withheld] 10 March 2018

Slaved in thrift store freezing temperatures in winter, 35 degrees plus in summer with inadequate heating and cooling, made me do things I shouldn't while pregnant like lifting, dragging and touching harmful items such as items tarnished by chemicals, bodily fluids, blood etc with no access to ppe

WFTD Survey: [Name Withheld] 10 March 2018

We were promised to be putting together computers, instead we had to do construction work. We were promised transport to and from the site which never happened, and we were promised letters of reference which also never happened. A horrible experience.

WFTD Survey: [Name Withheld] 10 March 2018

There was no training, people were doing whatever they wanted, smoking mainly. The supervisors were just as confused as the participants, untrained and unprofessional. The site had no ventilation for the wood dust from the band saw and people were having asthma attacks just about daily. Shonky-as management never showed until the whole thing was at crisis point and shut down. Absolute waste of time!

WFTD Survey: [Name Withheld] 10 March 2018

I am currently in my fourth phase of wftd and have attended six different activities. None have been worthwhile in themselves and certainly not capable of providing participants with any new skills.

WFTD Survey: [Name Withheld] 10 March 2018

Was on ladder a long ladder. Cleaning windows at the roof height. The ladder slipped and lucky for wood storage. The ladder stopped as it landed on elevated wood storage. The supervisor asked if I was alright. I replied "I am now" ...could of been an injury

WFTD Survey: [Name Withheld] 10 March 2018

I did the "making furniture from pallets" a couple of times and the supervisors would, without warning, turn on and use the table saw. No time to put on hearing protection. People using stains and varnishes without proper rubber gloves. Other safety violations. WFTD is of no help at all in receiving training or "networking." It's a soul draining, painful, humiliating experience.

WFTD Survey: [Name Withheld] 10 March 2018

You would think that being a retail location it would be good experience for finding employment, but it was nothing like working in retail for someone doing work for the dole. The customer service people were paid employees and work for the dole participants were out the back doing the dirty and heavy work all day.

Testimonial Survey: [Name Withheld] 22 August 2017

I had my payment cut because I asked the case manager to provide evidence that he was entitled to request certain private information. He became angry and bullied me by reporting that I had no reason for not attending (despite an email trail showing I had informed him I had a day of paid work) as I refused to provide private documents that he had not satisfactorily shown proof he was entitled to.

Testimonial Survey: [Name Withheld] 31 July 2017

I was inappropriately cut off from Newstart. I had phoned to say I was unable to attend an appointment because I would be working so they cut me off. This then took more time and stress phoning the relevant government departments to get reinstated... As I have casual work I often have to try to reschedule appointments but there is no flexibility and I always just get another appointment automatically set for me without checking with me to see if I can make it, which almost always I cannot... I have had increasing amounts of work but the agency wanted me to come in every week for an hour at their designated time irrespective of my change in circumstances. It seems the only way to stop these job providers from trying to harass me is to turn down work so I can jump through their inflexible hoops that don't lead me to employment anyhow. I have been bullied, and I don't use that word lightly, by an agency trying to make me sign a job plan that was not suitable for my circumstances.

Testimonial Survey: [Name Withheld] 31 July 2017

Job providers have never been a help to me in securing ongoing, stable employment. As an underemployed single woman I have been in and out of them for 20 years and have become so demoralized that I now don't even consider myself part of mainstream society. I deeply resent having to report to people who have no better chance of securing employment for me than I have myself. I deeply resent having to justify my existence to people who have no insight into my own experience and life. I am disturbed to see young people who cannot understand the system being exploited by Job Provider Networks and worry about the crime rate due to people being constantly breached of income. One young man I know is routinely unable to afford his psychiatric medications. His life is in turmoil and his illness is getting worse. His Job Provider routinely bullies him and he is considering crime as an alternative to welfare now. With no regulation I have seen racist, sexist bullies being put in charge of other people's income. One man I know was told "not to be so gay" by his provider.

Testimonial Survey: [Name Withheld] 30 July 2017

False claim of non attendance when an appointment was not made. no txt or letter sent no phone call made, jsa claimed centerlink automatic mailing system at fault. I was penalised until I sorted it with centerlink 70k round trip and time off work required.

Testimonial Survey: [Name Withheld] 29 July 2017

Six weeks of suspended payments due to an oversight on their behalf meant losing all of my savings to rent; a safety net that I've since been unable to reestablish due to rent increases.

Testimonial Survey: [Name Withheld] 29 July 2017

Had payments stopped because I couldn't answer my phone fast enough when I was driving.

Testimonial Survey: [Name Withheld] 29 July 2017

Attended to a critical incident with a neighbour. He needed an ambulance, was told that if I didn't make appointment I would be suspended. I refused to leave him and was suspended... [Another time] Was given incorrect details for a job interview and accused of not showing up.

Testimonial Survey: [Name Withheld] 29 July 2017

As a casual employee I receive offers of work early in the morning, at short notice. There are times when an offer of work coincides with a job service provider (JSP) appointment. I am already at work when the JSP opens their office. I phone them after work to tell them why I missed the appointment. By then I am already suspended and receiving texts from the job service provider and Centrelink. I queried why I was suspended when I had a reasonable excuse and I was told suspension is automatic. So every time I go to work and miss the JSP appointment I receive all the texts to tell me I am suspended. I heard there is going to be a demerit point system so I could lose demerit points too.

Testimonial Survey: [Name Withheld] 28 July 2017

Job agency instructed me to sign a contract but would not give me a copy to read or take away or even explain what was in it. My payments were cut as I refused to go back to that job agency & Centrelink wouldn't change the job agency - said I had to sign the contract first! I have a 7 year old child and all my payments were cut including FTB as they "reassessed" my relationship status in retaliation for making a complaint about a job agency. Last financial year I had \$7K income from my business which was my only income for the year to support myself and my son. We have been subjected to physical domestic violence as a direct result of these circumstances and not having the funds to leave

Testimonial Survey: [Name Withheld] 28 July 2017

My payments were regularly cut off when I was living on the streets. I have been co-erced to sign forms from job provider telling me they were just a liability thing and needed them to receive several vouchers for work clothing etc. Turns out the forms actually said (falsely) that the job agency had found me a job (it was one I found entirely off of my own merit).

Testimonial Survey: [Name Withheld] 28 July 2017

2015, sent by [my job provider] to a WFTD site without appropriate work or safety equipment, and no proper health or safety site assessment had been done. I discovered and reported asbestos onsite to human services complaint line. The site was shut down a week later. It remains shutdown today.

Testimonial Survey: [Name Withheld] 28 July 2017

No help. No money. No education. No future. Did I mention I'm suicidal. Oh yes I did. To my doctor. To my jobnetwork and even centrelink. All I want is a fulltime job!!!!

Testimonial Survey: [Name Withheld] 28 July 2017

The present job agency was almost hostile in approach which caused a lot of anxiety. I had a hand that was unable to write with, back that had been out for over a year, neck problems, low white blood cell counts, pterygium of the right eye-so badly that when I went into Centrelink to cut down from full-time study to part time - Centrelink said straight away, there is no way you can

continue to study full-time with that eye. feeling so bad physically, trying to continue study and sourcing work along with such minimal support, I really felt like ending it all. I felt like the job-provider was there only to harass and bully... I could not do anymore, but the study hours were not even taken into consideration "that's your choice" I was told

8.1 The appeals process, including the lack of an employment services ombudsman

As noted above, the Welfare Rights Network has found that 50% of breaches have been overturned by Centrelink. This means that vulnerable people have been reduced to further poverty even when they are fully compliant.

Under the Targeted Compliance Framework of the Demerit Point System, unemployed workers have no right to appeal the imposition of payment suspensions by employment service providers (points one to five of the Demerit Point System). It is only after the imposition of the fifth payment suspension when unemployed workers enter the “penalty zone” that unemployed workers are granted a right of appeal. Note, the financial penalty (50% reduction, 100% reduction or cancellation depending on where the unemployed workers is within the penalty zone) has already been imposed *before* a Newstart recipient can appeal and recuperate lost payments. This means that unemployed workers are effectively guilty until proven innocent.

Furthermore, as many breaches are a result of interpersonal difficulties between the recipient and the provider, the compliance system and appeals process is one that is deliberately designed to deny unemployed workers their right to social security (as noted on the Attorney General’s website) and punish them for being unable to find jobs that don’t exist. It is unclear if a single ombudsman would be effective in solving these issues. However, the AUWU would support the introduction of such a role as a temporary band-aid to the immense restructuring needed to improve Australia’s social protections system.

8.3 Relevant Testimonials from Unemployed Workers

Advocacy Hotline: [Name Withheld] 13 August 2018

I wanted to know after receiving four demerits, is it DHS that decides if these are applied from here on in (I have four demerits now)? Do DHS have to consider reasonable excuse (currently homeless) before any more can be applied?

Advocacy Hotline: Name Withheld] 26 August 2018

I have got a demerit due to missing one job search, I was never contacted by anyone - it was just automatically given and my payment suspended.

Advocacy Hotline: [Name Withheld] 6 August 2018

I didn't know anything was wrong until I received a text from Centrelink telling me my payments had been suspended. I was on the bus when this happened, traveling to my job agent for my fortnightly provider appointment. It turned out that, without telling me, they had scheduled my most recent appointment for an earlier time than usual, and when I had not arrived had marked me as none attending without contacting me. When I got there, they did rectify the suspension and restore my payments, but did not talk to me about what had happened or even ask why I had been late. I now have a non-compliance demerit on my job active and no idea how to challenge it. Is there someone I can talk to? I am hesitant to bring it up with my job agent directly since they could mark me as being a 'problem client' and penalise me further.

Testimonial Survey: [Name Withheld] 31 July 2017

I took [my job provider] to QCAT for failing to meet their obligations to me. I was informed that there was no jurisdiction to hear the case as I should have been taking direct action against the government, even though the government is the one who awarded the contracts. it appears unemployed people don't have any legal rights in relation to trying to keep job agencies accountable.

I even had one complaint declared as resolved [by the Department of Employment] and I wasn't aware of this until I did a FOI request. Another FOI request revealed that the ombudsman didn't consider any of the evidence I had provided and basically found that everything was above board even though they didn't investigate thoroughly. Why was the evidence I provided ignored?

Testimonial Survey: [Name Withheld] 30 July 2017

[The Department of Employment Helpline] didn't help at all. The ESP didn't even receive a penalty for what they heaped on me including updating my expired Job Plan while I wasn't even in the office to agree to it and they did this months after I had even attended their office and

months after my payments had stopped! They used this updated Job Plan to continue booking me in for appointments, ringing me and my mum up and demanding I do approved activities even though I hadn't received welfare for approx 3 months! I ended up lodging a complaint with the Ombudsman... I didn't find the Ombudsman helpful either. He ended up saying he understands it wouldn't be the outcome I was hoping for but he didn't believe the outcome would be any different if my complaint was continued.

Testimonial Survey: [Name Withheld] 29 July 2017

The [Department of Employment customer service line] behave in a professional manner, listen to the complaint, however rather than rectify the problem with the DES provider/ agent they transfer the unemployed person to another agency. (This is my experience). My concern with this solution is that it is not fixing the problem at all but rather leaving the problem in the system for the next poor sucker to deal with!

Testimonial Survey: [Name Withheld] 29 July 2017

I rang the [The Department of Employment customer service line] to complain that I was being suspended automatically when I go to work and miss a job service provider appointment. They told me I had to make my complaint to the job service provider itself. They offered no support. They said it was between me and the job service provider.

Testimonial Survey: [Name Withheld] 27 July 2017

I once called [the Department of Employment] to complain about the incompetent of my job service provider a few years ago. I was on the phone for well over half an hour just talking to the person working the hotline. After that entire time of complaining I was told the only thing I could do is request to change job service providers. I asked what they do with the complaints and supposedly all they do is contact a manager to tell them about the complaints and then leave it in their hands.

Testimonial Survey: [Name Withheld] 27 July 2017

They [Department Customer Service line] just repeated that I have to talk to my job agency about my problem, even though I already told them that my job agency are not listening to me.

Testimonial Survey: [Name Withheld] 27 July 2017

[The Department of Employment Customer Service line is] helpful to some degree, it very much depends on the person you speak to, a couple of times I had no help at all but once I spoke to a very helpful person. A widely fluctuating level of service.

Testimonial Survey: [Name Withheld] 29 July 2017

The Department of Employment made no response to my deeper complaints until after I passed full details of the situation onto my federal member of parliament. Even then the response was nothing more than a bland restatement of the case history without a satisfactory indication of how the department would respond to the underlying problem, or deal with the staff misconduct.

Testimonial Survey: [Name Withheld] 29 July 2017

[Department of Employment customer service line] seem to be constrained in their response and lean more towards the job network providers. Except for the service that the [AUWU] provides we really are left on our own with nowhere to turn and no one to turn to re our rights and obligations.

9.1 The funding of jobactive, including the adequacy of the ‘outcome driven’ funding model, and the adequacy of this funding model to address barriers to employment;

The failure of jobactive to provide effective employment services to unemployed workers as noted above clearly demonstrates the failure of jobactive’s outcome-driven funding model. Under this outcome-driven, work first model, employment services were provided less government up-front funds to provide employment services and more government funds were tied to

	JSA	jobactive
Provider orgs	79	44
NFP share (approx.)	70%	55%
Contract regions	110	51
Sites	1,889	1,719
Term	2 x 3 yrs	5 yrs
% of funds up-front	65%	40%
% of funds in outcomes	35%	60%

outcomes. This has been part of a wider agenda to reduce the level of government expenditure on employment services (Figure 4). Rather than leading to more job placements, this outcome driven approach has created perverse financial incentives for employment service providers to churn unemployed workers into easier and more reliable income-producing outcomes, such as employability training, Work for the Dole, and job search programs, which have little to no effect in helping people gain employment. As a result, AUWU advocacy data indicates that most employment service providers have eschewed their contractual obligation to provide job brokerage services in favour of creating their own in-house training programs to ensure maximum outcome payments are achieved.

The system is a grossly inadequate model for the recipient and is outcome driven only in terms of jobactive service providers obtaining financial outcomes for their own organisations. Barriers to employment are complex and dependent on the nexus of individual capacity, external conditions and economic factors. The current system cannot hope to address these barriers adequately. Many service providers are ill equipped to understand these barriers and are frequently reported to hold personal and/ or ideological attitudes toward individual circumstance which are unhelpful and damaging.

9.2 Relevant Testimonials from Unemployed Workers

Advocacy Hotline: [Name Withheld] 25 August 2018

I have PTSD/BPD/depression/anxiety/agoraphobia/dysthymia. I have consistently high levels of suicidal ideation. I have provided evidence of all of these diagnoses from several different psychologists, psychiatrists, and doctors, all of whom agree the condition is permanent and I am unable to work. I am one of the people Centrelink moved off the sickness allowance years ago and on to Newstart and I am being pressured to find work, when my medical certificates all attest to my inability to sustainably work. Because I don't have full control of my body (dissociative episodes and grand/petit mal seizures), it is dangerous for me to leave the house, as I regain consciousness in the middle of traffic or in places I had no idea how I got there... They show no empathy and refuse to recognise my conditions. The message from the government is clear- just kill yourself. I can't navigate this on my own.

Testimonial Survey: [Name Withheld] 16 August 2017

[Job provider] not understanding, caring or helping one ounce with mental health issues. The disregard I felt during my low points was immense, I did find my way out of the depression fog; but the social anxiety is still there beneath the surface and they have no idea how to deal with it and sometimes make it worse.

Testimonial Survey: [Name Withheld] 7 August 2017

The [JSP] attempted to bully me into a work for the dole program in which they had a pecuniary interest whilst choosing to ignore my volunteer work and self employment income. It was my own research into social security legislation, regulations and additional information emailed to me from the Department of Employment which, when presented in hard copy format to Centrelink prevented this occurring. All this happened over a two week period when I should have been concentrating on my last university assignment for the term and preparing for exams.

Testimonial Survey: [Name Withheld] 1 August 2017

i went to hospital with heart attack/shock symptoms after being abused for 3 hours by [job agency]

Testimonial Survey: [Name Withheld] 29 July 2017

[My job agency] demanding details of my self-found employment when they did not help in any way. A manager, told me if I didn't tell them they would just find out and contact my employer directly, highly unethical!

Testimonial Survey: [Name Withheld] 28 July 2017

We'll I'm 28 and still on newstart, hating life and wonder why I'm even still here.

10.1 Alternative approaches to addressing joblessness; and any other related matters

People who are unemployed and need to turn to Centrelink for income support are vulnerable. The circumstances of their becoming unemployed might coincide with episodes of workplace bullying, family crisis, or health issues. For most people, the fear of not being able to find work and meet financial obligations creates stress and anxiety, and can potentially lead to depression

and other disabling conditions. Even mild degrees of mental ill-health can influence the soundness of judgement that people apply to finding work and interpreting the labour market.

The Department's generalised propositions made in its discussion paper that 70% of people will be adequately assisted by an online compliance system, based on assumptions about some 'key' attributes they may possess, reflect deep ignorance and insensitivity to the experiences of unemployed people.

A modern, socially just, well-organised society would ensure that *if* it is necessary to preserve a spare / standby labour supply to accommodate the expanding / contracting nature of market-based systems of production and distribution, those forced to be in this pool should:

1. not be demonised, denigrated and stigmatised
2. not be forced to live in conditions of hardship and poverty, that cause family breakdown, mental health issues, poverty-related crime, social isolation and other forms of social dysfunction
3. not be forced by threat of destitution to comply with directives imposed by poorly trained, ignorant staff with little empathy or insight, in order to maximise their employment agency's profitability. This particularly applies to all compliance activities that are not directly related to placing an unemployed worker into a decent, safe, dignified job.
4. have their productive capacity preserved and extended while they await re-engagement

When the BHP operations manager, and later Chairman of the ABC, J.D. Norgard, reported to Malcolm Fraser on how the CES should be reformed in the mid 1970s, along with the adoption of new technology and upgraded facilities, he strongly recommended that (1) staff be

extensively trained and (2) they should not be involved in any welfare policing / compliance functions.¹⁴

In relation to the latter issue, he made two relevant points:

- a) **The administration of compliance processing consumed staffing resources, while actions more relevant to helping people find work such as soliciting employers for vacancies and staff training and development were neglected.**

(This problem continues to play out. Reflecting on the state of current employment service operations, the 2016 Melbourne University study cited in the Department's future of employment services discussion paper indicates:

“employment services staff spend a combined 34.6 percent of their time each week on either contract compliance activities or other forms of administration. Nearly a fifth (17.8%) of their time each week is spent on contract compliance activities alone.

*The remainder of employment services professionals' time is divided between working with employers (10.3%), working on other tasks (6.7%), and working with other service providers (4.7%).”*¹⁵

- b) **The communications between employment services staff and their unemployed clients are harmfully distorted by the coercive and threatening nature of compliance policing.**

Job agencies fail to adequately train staff to understand the issues with which unemployed people need assistance to overcome as disadvantages they have in accessing work. This is a consequence of agencies not wishing their staff to become too empathetic in case it weakens their resolve to enforce compliance measures.

The ability to understand a client's circumstances is crucial to formulating a strategy with them to improve their labour market situation. Vulnerable unemployed people act as all people do in the presence of authorities who can inflict punishments and direct them to undertake ill-

¹⁴ Norgard, J.D. (1977) Report for the Minister for Employment and Industrial Relations, Canberra, Australian Government Publishing Service, Canberra, p17-18.

¹⁵ J. Lewis, M. Considine, S. O'Sullivan, P. Nguyen and M. McGann, From Entitlement to Experiment: The New Governance of Welfare to Work – Australian Report back to Industry Partners, University of Melbourne, 2016

conceived, inappropriate activities (determined by how that profits the agency not the unemployed worker): they avoid them and share as little information about their circumstances as possible.

The ideology of the present system is at best characterised as one which sees unemployment as an individual failing, rather than a failure of government policy. At worst it is an ideology that deliberately keeps a pool of unemployed people as bullied and miserable as possible, thus driving them into desperate competition for jobs, and so undermining the bargaining position of the sellers in the labour market, thus benefiting employers. What the advocates of this model fail to grasp, is that it undermines the productive capacity of the labour force, impairs the quality and sophistication of the employment services, and produces an increasingly unfair, inequitable and divided society. It undermines social cohesion by creating a large sub-class of workers with nothing but contempt for and mistrust of all government agencies, a large sub-class which is alienated from the economy and the broader community.

Australia needs to jettison this toxic public policy regime of the past 43 years.

The AUWU calls upon every member of this review panel to recommend the re-establishment of full employment using large-scale public sector job creation, to bring the level of unemployment down to two percent, and reduce labour underutilisation to four percent.

Article 23 of the Universal Declaration of Human Rights, of which Australia is a signatory, states:

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

The position of the AUWU is that this right should be fully honoured by the Australian Government, and that the present pernicious and oppressive policy regime be replaced with a fully integrated Job Guarantee employment, training, brokerage and labour market stabilisation system.

Like the CES during the full employment era, employment services form a central component of the Job Guarantee. As part of this system, the AUWU recommends the creation of readily and voluntarily accessible unemployed worker support centres with highly trained staff and decent facilities for unemployed workers to access vacancies, obtain assistance with making effective applications, skilled counselling, and assessment and service referral support. These services must be free of coercion or any welfare policing function. These centres would not be

responsible for imposing compliance measures. Such centres would be the point of referral to:

- Good quality accredited vocational training courses and programs relevant to the vocational goals of the unemployed worker and demand in the labour market, rehabilitation and other remedial services.
- A (Job Guarantee system) pool of minimum wage jobs, involving work of benefit to the community and / or the environment, designed to inculcate skills in demand in the local labour market. The employment service would actively promote these employed people to employers, given the ability they will have to assess, develop and demonstrate jobseeker skills and capacities, and actively facilitate their poaching by employers.
- A dedicated regional industrial analysis and JG job design service to ensure the pool of jobs reflects the needs of industry in terms of preparing people to (i) meet existing skills needs and (ii) prepare to meet the skill requirements of planned or anticipated new industries, informed by regional economic development processes.

This model will deliver:

1. A healthier, more motivated and productive spare labour force
2. A more sophisticated, flexible and responsive employment services system, more capable of identifying and responding to the developmental and brokerage requirements of its unemployed worker and employer clients.
3. A dramatic reduction in social misery, alienation and dysfunction.
4. Greater security for people attempting to start new enterprises, given they will have a minimum wage job to fall back on should their enterprise fail, and therefore be more willing to 'have a go'.

KEY RECOMMENDATIONS

1. A Government commitment to full employment and the enactment of policies to achieve this

A return to a government commitment to full employment would address many of the problems outlined in this report. Full employment could be achieved by direct government employment (a job guarantee), or by targeted government spending on job creating projects in areas in need of greater employment. A first step towards achieving full employment would be for the Government to set a target unemployment rate of less than 4% over the forward estimates. This would bring Australia's unemployment rate into line with comparable OECD countries. We also recommend a trial of a job guarantee be run in an area of high youth and long-term unemployment, for example regional Tasmania. Such a program would be federally funded but locally managed to ensure that the jobs created that will meet community needs and improve the productivity and employment prospects of the region. Similar programs should be implemented in remote Indigenous communities to replace the CDP.

2. Abolish Work for the Dole

Work for the Dole is a dangerous, ineffective and often counterproductive program and must be scrapped immediately.

3. Remove Punitive Eligibility Requirements for Newstart and Youth Allowance Recipients

Australia has one of the most onerous systems of requirement for those in receipt of unemployment benefits. This system does not help people into employment and denies unemployed workers control over their lives. The AUWU recommends the removal of all compulsory mutual obligation activities and the creation of voluntary-based employment services system that gives unemployed workers a meaningful choice of what services they would like to receive.

4. Restore employment services system to public service delivery

The full privatisation of the employment services sector has undermined the public value of the system. The data shows that the former Commonwealth Employment Service was a far more effective employment service system. Restoration of a publicly funded and operated system, particularly to address the needs of the long-term unemployed and those with significant skills gaps and other special needs, would prove a more efficient and effective model of service delivery for those job seekers who experience significant difficulty in finding and retaining work.

5. The establishment of an Employment Services Ombudsman

The Ombudsman would have two main roles: dispute and complaint resolution; and monitoring, evaluation and research aimed at learning from and improving on current employment services

6. The separation of enforcement of mutual obligations from the provision of employment services, removal of the Targeted Compliance Framework, restoration of unemployed workers rights to a reasonable excuse and their right to appeal against decisions, and restoration of public sector responsibility for the imposition of penalties

An agency that is supposed to support and provide services to unemployed workers should not also be policing their behaviour. We recommend that the monitoring and enforcement of compliance measures should be removed from job service agencies and returned to the relevant government department, with appropriate public sector oversight.

7. Standardised training for employment services and limits on the maximum caseload size of consultants

Effective employment services cannot be delivered by workers who are managing excessive caseloads with limited skills. This is also likely to be a contributing factor in the high turnover of workers in this sector. Training needs to reflect best practice in

employment services and represent a pathway for ongoing skill development. Workload management limits also need to be established, which are supported by quality supervision and review.

8. Immediately increase the rate of Newstart to the Henderson Poverty Line.

Newstart should be raised to the Henderson poverty line to bring it in line with minimum income required to live a functional life in Australia. The current poverty level of Newstart is not only harmful to the wellbeing of unemployed workers but reduces their capacity to find employment

9. The views and interests of unemployed workers should be included in the planning and review of employment services

There is a great deal of value to unlock from employment services users, by working with them to co-design services. Engaging users in the design of a new system would recognise that the overwhelming majority of people claiming benefits would rather be in paid work and inform policy development with the lived experience of unemployed people. The Australian Unemployed Workers' Union, as the only member-based body representing unemployed workers, could be consulted through this co-design process.

10. Replacement of the outcome based, work first model of employment services with a service-based, human capital model

A human capital approach to employment services is a more appropriate model in the presence of structural unemployment. A work first approach to employment services cannot address the fact that there are not enough jobs available for all low skilled workers who want to work. A human capital model, by contrast, can align skills with labour demand and address skill shortages to prepare unemployed workers for future increases in labour demand.

11. Re-structure contracts and incentives for service providers

The contract incentives for job services providers should be structured to incentivise staff

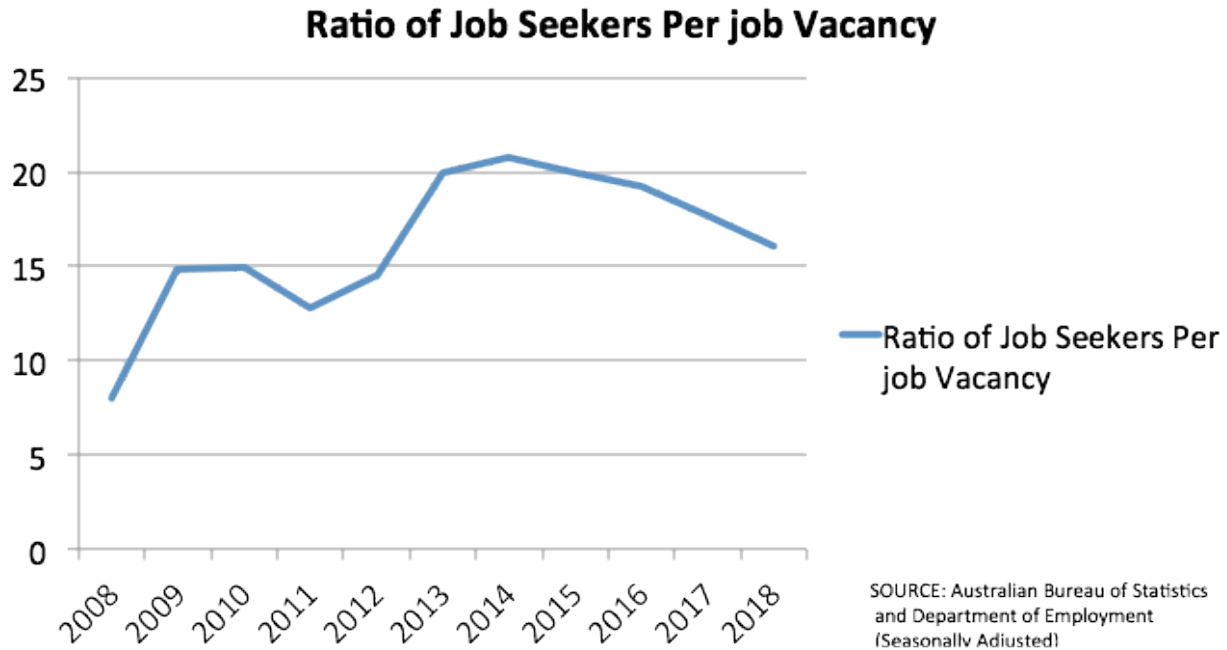
to have constructive engagements with job seekers, and reward the placement of unemployed people in secure, long-term employment.

APPENDIX I: AUWU Hotline

Description of Issue	Percentage of Calls Raising Issue
Unemployed Workers Rights Not Explained	68%
Local Labour Market Not Canvassed	61%
Bullying	42%
Very Poor Experience with Job Agency	40%
Basic Services Not Provided	34%
Forced to Attend Unfair Amount of Appointments	33%
Very Poor Experience with Job Agency	40%
Unfairly Forced into Work for the Dole	24%
Forced to Sign Job Plan	22%
Forced to Submit Too Many Job Searches	18%
Medical Condition Not Recognised	17%
Forced into Unsuitable Work	14%

Forced to Produce Payslips	14%
Denied Reasonable Notice for Appointments and Activities	13%
Denied Right to do Voluntary Activity	12%
Poor Experience with Job Agency	12%
Privacy Not Being Respected	11%
Doctor Certificate Rejected	10%
Denied Right to Transfer Agencies	9%
Forced to Attend Unfair Amount of Activities	9%
Forced into Dangerous Situation	6%

APPENDIX II: The Job Seeker to Job Vacancy Ratio



2018 (February)

Unemployed: 730,600 (Labor Force, ABS 6202.0)

'Hidden unemployed': 1,047,500 (Participation Job Search and Mobility February 2017, ABS 6226.0)

Under employed: 1,092,000 (Labor Force, ABS 6202.0)

Department of Employment, [Vacancy Report](#): 178,600 (December 2017)

2,870,100 competing for 178,600 jobs

Ratio of job seekers to job vacancies: 1 to 16.06

2017 (February)

Unemployed: 748,000 (Labor Force, ABS 6202.0)

Hidden unemployed: 1,047,500 (Participation Job Search and Mobility February 2017, ABS 6226.0)

Under employed: 1,138,000 (Labor Force, ABS 6202.0)

Department of Employment, [Vacancy Report](#): 165,848

2,933,500 competing for 165, 848 jobs

Ratio of job seekers to job vacancies: 1 to 17.68

2016 (February)

Unemployment: 732,600 (Labor Force, ABS 6202.0)

Underemployment: 1,058,900 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.386 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 166,500

Ratio of job seekers to job vacancies: 1 to 19.13

2015 (January)

unemployment: 777.3 (Labor Force, ABS 6202.0)

underemployment: 1060.9 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.386 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 159.4

Ratio of job seekers to job vacancies: 1 to 20

2014 (Feb-Jan)

unemployment: 724.7 (Labor Force, ABS 6202.0)

underemployment: 953.9 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.386 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 147.7

Ratio of job seekers to job vacancies: 1 to 20.8

2013 (Feb-Jan)

unemployment: 655.2 (Labor Force, ABS 6202.0)

underemployed: 867.7 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.386 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 144.9

Ratio of job seekers to job vacancies: 1 to 20

2012 (Feb-Jan)

unemployment: 619,100 (Labor Force, ABS 6202.0)

underemployed: 874,400 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.32 million looking for work but not in the labour force according [to the ABS](#)

Department of Employment, [Vacancy Report](#): 193,300

Ratio of job seekers to job vacancies: 1 to 14.5

2011 (Feb-Jan)

unemployment: 586,300 (Labor Force, ABS 6202.0)

underemployed: 816,100 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.32 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 213,00

Ratio of job seekers to job vacancies: 1 to 12.77

2010 (Feb-Jan)

unemployment 611,700 (Labor Force, ABS 6202.0)

underemployed: 866,700 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.32 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 188,000

Ratio of job seekers to job vacancies: 1 to 14.9

2009 (Feb-Jan)

unemployment: 604,500 (Labor Force, ABS 6202.0)

underemployed: 831,700 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.25 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 181,200

Ratio of job seekers to job vacancies: 1 to 14.8

2008 (Feb-Jan)

underemployment 661,900 (Labor Force, ABS 6202.0)

unemployment: 657,300 (Labor Force, ABS 6202.0)

Hidden Unemployment: 1.155 million looking for work but not in the labour force according [to the latest ABS figures](#)

Department of Employment, [Vacancy Report](#): 305,300

Ratio of job seekers to job vacancies: 1 to 8

APPENDIX III: Employment Services Job Placements

PLUMMETING RATE OF JOB PLACEMENT SUCCESS. Source: CES data in ABS Yearly Reports, Department of Employment/DEEWR Annual Reports, Department of Employment Outcome Data, DSS Annual Reports and Labour Market Monthly Profiles. **Unusually high figure most likely an error within 1953 ABS Year Book, cannot be verified.*

	PEOPLE RECEIVING UNEMPLOYMENT BENEFITS	JOB PLACEMENTS	PERCENTAGE OF FULL-TIME PLACEMENTS
1946-47	6208	208572	data unavailable
1948-49	1226	254976	data unavailable
1950-51	604	727293*	data unavailable
1951-52	8294	271125	data unavailable
1952-53	25914	242700	data unavailable
1953-54	6083	263676	data unavailable
1954-55	3871	310063	data unavailable
1955-56	3948	312105	data unavailable
1956-57	12452	290396	data unavailable
1957-58	23847	302172	data unavailable
1958-59	27669	353926	data unavailable
1959-60	21374	383785	data unavailable
1960-61	21569	350303	data unavailable
1961-62	52950	397089	data unavailable
1964-65	13742	424270	data unavailable
1965-66	14927	411662	data unavailable
1966-67	20640	421653	data unavailable
1967-68	21496	461388	data unavailable
1968-69	17818	474601	data unavailable
1969-70	13212	493969	data unavailable
1970-71	14979	489946	data unavailable
1971-72	29110	557498	data unavailable
1972-73	39580	596073	data unavailable
1973-74	34148	506317	data unavailable
1975-76	191723	465567	data unavailable
1976-77	215871	467600	data unavailable
2004	590000	630237	43.7%
2005	560000	657000	45.4%
2006	560000	644700	46.9%
2007	498300	618900	46.8%
2008	528200	522300	45.9%
2010	1063271	437480	28.1%
2011	1178882	477231	29.0%
2012	700113	421859	17.5%
2013	827039	356439	14.8%
2014	858373	337632	15.6%
2015	866256	324342	15.7%
2016	878073	346000	22.5%
2017	864113	370000	23.1%

APPENDIX IV: Compliance Measures

COMPLIANCE MEASURES IMPOSED 1989 – 2017 BROKEN DOWN BY TYPE. Source: Job Seeker Compliance Data, Impact of Breaching SPRC Report, DSS Labour Market Monthly Profile, Centrelink Breach data quoted in Castonguay (2009).⁵⁰

	TOTAL COMPLIANCE MEASURES IMPOSED	FINANCIAL DEDUCTIONS	PAYMENT SUSPENSIONS	RATIO OF PENALTIES PER UNEMPLOYMENT BENEFIT RECIPIENT	RECIPIENTS OF UNEMPLOYMENT BENEFIT
1989	12500	12500	n/a	0.04	311200
1995	78463	78463	n/a	0.10	795500
1996-97	113100	113100	n/a	0.14	801800
1997-98	120718	120718	n/a	0.15	790300
1998-99	164900	164900	n/a	0.29	566226
1999-00	302494	302494	n/a	0.56	541004
2000-01	349100	349100	n/a	0.67	523872
2001-02	270000	270000	n/a	0.53	512332
2002-03	140000	Data unavailable	Data unavailable	0.29	483093
2004-05	100000	Data unavailable	Data unavailable	0.18	560000
2005-06	140000	Data unavailable	Data unavailable	0.25	560000
2007-08	227635	15044	212591	0.46	498300
2008-09	167088	10556	156532	0.32	528200
2009-10	125912	32891	93021	0.12	1063271
2010-11	311622	93737	217885	0.26	1178882
2011-12	596380	174358	422022	0.85	700113
2012-13	743742	209642	534100	0.90	827039
2013-14	1000783	256078	744705	1.17	858373
2014-15	1469928	259687	1210241	1.70	866256
2015-16	2114291	261529	1852762	2.41	878073
2016-17	2168738	392740	1775998	2.51	864113
2017 (Jun-Dec)	1006472	198883	807589	1.22	827804

APPENDIX V: AUWU Jobactive Survey Data

Survey Question	Respondents	Yes	No	Other
Has Your Job Agency Satisfactorily Explained Your Rights to You?	434	18.4%	69.6%	12%
Has Your Job Agency Assisted You in Your Search for Employment?	429	14.2%	60.1%	25.7%
Have You Experienced Job Agency Bullying?	375	60.3%	39.7%	
Have You Had a Medical Certificate Rejected?	375	50.9%	49.1%	
Have You Been Unfairly Forced into a Job Plan?	375	47.5%	52.5%	
Has Your Job Agency Forced You Into a Dangerous Situation?	375	24%	76%	

Have You Had a Very Poor Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	59.2%		40.8%
Have You Had a Poor Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	17.5%		82.5%
Have You Had a OK Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	7.5%		92.5%
Have You Had a Good Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	13.3%		86.7%

Have You Had a Very Good Experience Lodging a Complaint with the Department's Customer Service Hotline	120	2.5%		97.5%
Was your jobactive experience very poor?	436	56.9%		43.1%
Was your jobactive experience poor?	436	22.9%		77.1%
Was your jobactive experience OK?	436	12.2%		87.8%
Was your jobactive experience good?	436	5%		95%
Was your jobactive experience very good?	436	3%		97%

Did your jobactive activity help you in your search for work?	353	15.3%	84.7%	
Are you being forced to attend more activities than legally required?	425	28.9%	37.9%	33.2%
After Being Penalised By Your Job Agency, Did You Job Agency Contact You on the Day of Your Penalty to See if You Had a Reasonable Excuse?	314	16.9%	83.1%	
After Being Penalised, Did Centrelink Contact Me To See if I Had a Reasonable Excuse?	101	25.7%	74.3%	

Appendix VI: Focus Group Information

Unemployed people responded to an invitation to attend focus groups which was advertised via Facebook and Twitter. They were then sent information about the project to confirm their interest. Seven focus groups were run around Australia during July 2018 (Adelaide, Geelong, Glenorchy, Melbourne, Perth, Sydney, and Toowoomba). 46 people in total attended these groups. Focus groups ranged in size from 4 people to 11 people. Groups were facilitated by David O'Halloran from Monash University and followed a semi-structured framework. The focus groups were approved by the Monash University Human Research Ethics Committee (Project reference number: 13889). The semi-structured approach allowed for the facilitator to have flexibility to respond to group dynamics and to develop further questions as new insights were gained from each group.

The inclusion criteria were that participants were unemployed, over 18 years of age and with sufficient English to participate in a discussion about jobactive. The last criterion contained the assumption that participants would have direct experience with jobactive, which proved to be the case. Although nine people were currently in DES, all of these had previously been in jobactive, which perhaps gave them some additional insight into comparative performance. As this was a self-selected group, the research team had no control on the relative demographic makeup of the groups other than ensuring that they met the inclusion criteria. All participants were unemployed, with the majority receiving Newstart (40 out of 46). Age ranges were spread from 18 to 60+, although nearly half of the participants were over 51. Length of unemployment ranged from a few weeks to more than 10 years, with the most common range being between two and five years' unemployment (18 people). Three quarters of the participants were male. This last aspect obliged the facilitator to do his best to ensure that female participants were well heard in order to overcome any potential bias in the discussion.

Participants were also asked to complete a data sheet, which asked if they had experienced a range of negative events with their jobactive provider as well as asking them to rate their agency on a 5-point Likert scale (Very Good – Good – OK – Poor – Very Poor). Of particular concern was that more than half of the participants indicated that they had been forced to sign a Job Plan, more than half indicated that their agency had failed to provide basic services, and nearly half had experienced bullying by their agency. These issues were explored in some depth in the focus groups. Most participants rated their agency as poor or very poor. Of the four people who rated their agency as good or very good (one person), three of these were currently in DES.