

3 March 2008

Minister for Employment Participation  
Suite M1.51 Parliament House,  
CANBERRA ACT 2600

letter by email

Dear Minister,

Growing and Building Communities Incorporated would like to submit the paper titled 'Information about the Current Federal Government Unemployment Initiatives' dated 1<sup>st</sup> November, 2007.

The office of Sharon Grierson MP recently passed on your department's request for submissions commenting on the current unemployment services. In previous communication with the Minister of Employment Participation (dated 20<sup>th</sup> December, 2007) a copy of the above document was submitted. I have attached electronic version of this document for general submission to your department.

We have sent correspondence today to the Minister regarding his response to our letter dated 20<sup>th</sup> December, 2007. This correspondence states that our organisation has a pilot project ready which is in jeopardy due to unavailability of unemployed youth for participation. Please refer to our communications with the Minister and consider them for submission for any policy changes.

We currently have a working model of an alternative delivery of unemployment services, with minimal changes to the current system, which has recently demonstrated an employment outcome for the participants of approximately 70%. We ask that this pilot project be also considered as part of this submission. We could easily work with DEEWR testing and developing new policies. The infrastructure is currently in place to activate this project now.

If you are interested in obtaining more information and documentation for our pilot project please contact Ben Farrell at the Office of Sharon Grierson MP by email at [ben.farrell@aph.gov.au](mailto:ben.farrell@aph.gov.au) who will arrange delivery.

Thank you for considering our submission for any policy changes on unemployment services.

Yours sincerely,

M. James Rae  
CEO GBC Incorporated.

**Information about the  
Current Federal Government  
Unemployment Initiatives**

**By Growing and Building Communities  
Incorporated**

**GBC** INC.

GROWING AND BUILDING COMMUNITIES

1<sup>st</sup> November, 2007

**Information about the**  
**Current Federal Government Unemployment Initiatives**  
**By Growing and Building Communities Incorporated**

**Preamble**

*Youth Network Opportunity Transfer* programs as part of *Growing and Building Communities Incorporated*, has delivered *Work for the Dole* projects over the last four years.

*Youth Network Opportunity Transfer* programs' chief objective is investing in our youth in the areas of environment, sport, arts & culture, education and community.

Our team has been working with unemployed people over the last 10 years and our incorporated association has made the following observations regarding the current federal government unemployment initiatives. The ***Department of Employment and Workplace Relations*** has initiated many changes since the initiatives inception. Each of these changes further decreases participant rights. Currently Australians in custodial sentences appear to have more rights and opportunities than many of these individuals. Many *Work for the Dole* participants are in poverty and feel enslaved.

Real work choices for the hundred's of thousand's of unemployed people on welfare in Australia have been diminished by government policies.

There is a duty of care to these participants by the government. The current unemployment initiatives need to be reorganised and its philosophy needs to be reconsidered for the benefit of our youth and our society for future generations.

The unemployed and *Work for the Dole* participants urgently need a voice and a more accessible and organised advocacy process.

## Summary

This paper outlines many issues where unemployed participants of federal government initiatives are disadvantaged. The disadvantages are:

- In order for participants to qualify and receive benefits they are forced to sign activity agreements which limit their rights.
- There are too many levels of bureaucracy, for effective delivery of service both to employers and the participants.
- Participants are actively encouraged to apply for any position, even those they are unqualified for. This results in the participant missing out on the job for which he or she is best suited.
- Community volunteer capacity is being diminished because the current unemployment initiatives are structured to discourage volunteering.
- Participants' choice of project for *Work for the Dole* has been restricted, this limits their opportunity for meaningful real work experience and also limits the suitability of participants provided to community projects.
- Participants do not receive enough money to actively engage in a real work experience (which is a key ***Department of Employment and Workplace Relations*** objective) in *Work for the Dole*.

## Information and Observations

This paper aims to give information regarding the shortcomings of the unemployed initiatives so this real situation can be addressed by policy. This is a wake-up call for the attention of the next government. Australians should be made aware of the issues that these unemployed individuals suffer.

After much consultation with many participants, *Community Work Coordinators*, *Job Network Providers* and *Centrelink*, the affected participant feels the system is designed to break down the spirit and make them powerless. This is a huge injustice and crosses the boundary of human rights, work relations and social justice.

### 1. Problems with Activity Agreements

- The participant will not be paid benefits unless they sign an *Activity Agreement* which is an agreement between the participant and an *Employment Service Provider* or *Centrelink* under the *Social Security Act 1991*. An *Employment Service Provider* is a non-government or commercial entity that is contracted by ***Department of Employment and Workplace Relations***.
- Industrial relations policy once required three working days (72 hrs) to sign any work contract (prior to *Work Choices*). The current *Activity Agreement* is required to be signed at the meeting or the participants *Centrelink* payments will be suspended immediately.
- The participants have no real choice - the contract is a pro forma document with limited options to choose from – one of these options is a contract to work (*for the dole*).
- The participant does not always have opportunity for input in the decision-making process of the *Activity Agreement*, contrary to statements on the contract. Our scrutiny indicates that the outcome is usually decided by the *Employment Service Provider*.
- Agreements are held by participants with multiple *Employment Service Providers*. Participants have to deal with too many people and we have observed and documented mistakes of communication between the *Employment Service Providers* and *Centrelink* to

the detriment of participants. There is no opportunity to actively explore a practical and positive alliance between the stakeholders.

- If the participant makes an error in judgement they can lose their benefit immediately for 8 weeks.
- Dispute resolution with an *Employment Service Provider* involves 3 steps. Firstly the participant should take the matter up with the *Employment Service Provider*, some participants skip this step as the participant has a lack of faith and trust in the *Employment Service Provider* and the dispute resolution process (due to previous experiences). Secondly the participant should take the matter up with ***Department of Employment and Workplace Relations***, this process can be very lengthy and frustrating. Thirdly the participant should take the matter up with *the Ombudsman's Office*, it can take a very long time to get an appointment. This is designed specifically to disadvantage the participant.
- If *Centrelink* or an *Employment Service Provider* records a failure in the agreement, regardless of whether the participant is in the right or the wrong, in the majority of cases the participant payments are stopped first and then due process is commenced. There is little recourse for back pay even if the participant was found to be in the right.

## **2. Problems with applying for jobs**

- Participants are actively encouraged to apply for any position and vary the type of jobs applied for, even jobs they are not qualified for. This devalues the job application process for the employer and the participant.
- Participants must take any reasonable offer of employment or their agreement is cancelled and payment is stopped.
- This results in the participant missing out on the job for which he or she is best ideally suited or in an area of their choice. Employers may end up with an employee who does not have the motivation or interest to put 100% effort into their job, i.e. the employer could end up with a person who would prefer a job in another industry whilst a person who wants to be in the employer's industry could end up in another industry because

they were encouraged to apply for ANY job. There is no regard for matching the ideal job with the ideal participant. The system is designed with the message to 'get a job, any job, any job will do, just hurry up and get a job'.

- If a participant does not feel their contribution to their community is valued (i.e. any job will do) then they will become apathetic and more likely develop social issues which will further impact on our society.
- Participants are required to look for up to 10 jobs a fortnight. Employers are many times swamped with non-genuine requests for employment to the detriment of their business operations.

### 3. Problems with Community Volunteering

- Volunteering is not actively promoted as an *Activity Agreement* option. This is mainly due to negligible monetary compensation, in the ***Department of Employment and Workplace Relations*** contract with the *Employment Service Provider*, compared to other options such as *Work for the Dole*. Therefore it is not in the economic interests of the *Employment Service Provider* to encourage volunteering. This implies that the government does not value a person being a volunteer. Reduction of volunteer capacity is contrary to the recommendations in the "*McClure*" *Report* which was the document used as reference when the "*Australian's Working Together*" initiative was started. This has resulted in a significant reduction of volunteers available for local community projects which has impacted on the community's ability to address social issues. Local prominent community leaders and members have recently commented on reduction of volunteer capacity.
- Community Organisations have been encouraged by the system to replace Volunteers with *Work for the Dole* participants. The capability of *Work for the Dole* participants regularly fall short of volunteer capabilities and often the participants are not placed into a project which will best benefit both the participant and the project. Projects are rarely fully serviced (100% actual attendance of total contract numbers) at any one point in time during the contract. There is a very high turnover of participants to achieve full numbers and when full numbers are achieved this does not last for very long before a

participant leaves and a new replacement is needed to be trained. This is time consuming and wasteful.

- A significant number of participants are disgruntled and have little or no commitment to their obligations to *Work for the Dole*. This is due to a lack of appreciation for their efforts and true understanding of their real-life barriers to employment. This is detrimental to the community projects that the participants and *Community Work Coordinators* service, creating further frustration. A poor experience with Work for the Dole or the system will affect participant attitudes towards work in the future.

#### **4. Problems with Work for the Dole**

- Up until July 2006, a participant could choose any community project in their local area. Since then, there have been changes in the way that participants are allocated to Community Projects. Participants are allocated to a *Community Work Coordinator* and are restricted to choose from those community projects that their allocated Coordinator administer. There is now virtually no opportunity for the participant to change *Community Work Coordinators*. Participants now have limited choice as to which project they want to go to or which suits their needs.
- Originally, market forces were intended to dictate the success of the *Community Work Coordinator* to provide access to Community Projects for the participant. The successful service providers would grow and take-over from less successful service providers. Equitable distribution of participants was introduced last year to improve participant numbers of under-performing *Community Work Coordinators* by equally distributing participants to all *Community Work Coordinators* according to original contract numbers. If the government system has had to step in to buoy them up, then its original plan must be flawed and reorganised.
- Participants in *Work for the Dole* can sometimes travel well over 60 kms return daily at a greater cost than the \$20.80 a fortnight they receive as these routes are serviced by private buses. Projects can fill up very quickly and may not be available in the participant's local area. If the participant has the resources to find a vacant position on a local project run by a different *Community Work Coordinator* the participant cannot

change without first getting permission from their appointed *Community Work Coordinator* and secondly getting permission from the ***Department of Employment and Workplace Relations***. This is a lengthy involved process and rarely happens.

- Each *Community Work Coordinator* only service a limited number of the available community projects in an area. The participant is restricted to choosing from community projects serviced by the *Community Work Coordinator* that they have been allocated. Many suitable participants are not being distributed to appropriate projects as the *Community Work Coordinator* can only place those participants it has been allocated. The projects end up with fewer appropriate participants and are sometimes severely challenged as can be evidenced by *Work for the Dole* community projects being abandoned.
- Community projects are recompensed the same amount per participant for their placement, regardless of the hours. This compensation does not take into account the hours that the participant is required to do with the project, i.e. 6, 12, 15 or 25 hours every week. Therefore the project receives the same amount of money to accommodate someone for 6 hours as they do for someone doing 25 hours. The project has little or no say in which participants are allocated to them; this is not the fault of the CWC.
- ***Department of Employment and Workplace Relations*** does not consider gaining employment while participating in *Work for the Dole* activities to be an objective.

## 5. Problems with Compensation

- The real cost of work to the participant, i.e. lunches/travel/clothing and the opportunity to socialise with work mates (a normal part of everybody's work experience), is not adequately considered or recompensed. The participant travel/food allowance, \$20.80 per fortnight, is not sufficient and therefore iniquitous. This has been repeatedly discussed with ***Department of Employment and Workplace Relations*** for years and no action or steps have been taken to resolve this injustice. This amount has not gone up for a long time.

- All participants get the same amount of money regardless of the number of hours they are required to do *Work for the Dole*. If participants are required to work 2 days a week (15 hours) they have a rate of pay of approximately \$17/hr. Those who are required to work 4 days a week (25 hours) have a rate of pay of approximately \$10/hr. This is approaching the poverty wage level and is a Human Rights issue.

## Supporting Case Studies

### *Case Study One*

29 year old male – single – Share accommodation – Tertiary Degree

- *Activity Agreement* drawn up at desk whilst he was there.
- Was it explained fully –
  - Yes – rules were
  - No – Big words [not explained- terminology]
  - Confusing
- Was it given to read - Yes
- Was it explained before you read it – Yes – not fully
- Any negotiation – No
- Any consultation on agreement – No – told basically this is what we are going to do for you
- Were you sidetracked at any time – Yes
  - Small questions off the tangent [movie information]
  - Client did not feel that he was being distracted
  - Small talk not in keeping with Agreement requirements
- Client has a work diary which has 10 entry spaces for job contacts and 4 weekly spaces for any work or any other activities.
- When told client had to do *Work for the Dole* he advised that he was already employed part time [declared] 12 hours per week – advised that some time during 2007 the work requirements were 15 hours per week [he is short by 3].
- He is required to do *Work for the Dole* 15 hours per week
- *Activity Agreement* has conflicting information from page one and page two relating to Mutual Obligation as to how many jobs he must look for during the 2 week period.
- First page says 4
- Second page says 10
- Does the client have access to any person who could advise him of his legal rights – No
- Would the client normally sign an agreement [any] without first reading thoroughly or without seeking guidance – Not normally, but he did this time.

## OBSERVATION

Client is educated, articulate and well read. Presents well.

He advised he signed the *Activity Agreement* because he was told he had to or he would not receive benefits. He was trying to do the right thing by his obligations. He was unaware that there is conflicting information; he only became aware of the situation after the appointment.

Client has *Activity Agreements* with a *Job Network Member* and a *Community Work Coordinator*.

## Case Study Two

Client is a 23 years female – single – lives alone - Year 11 educated

- Was the *Activity Agreement* drawn up at the desk whilst you were there - Yes
- Was it explained fully – Yes [think so]
- Did the client ask any questions – No
- Why – Because she wanted to get it over and done with
- Was the client given the *Activity Agreement* to read – Yes
- Was it explained fully whilst you read it – Yes – It was more about what I had to do  
Part A compulsory part
- Was there any negotiation - No
- Was there the opportunity for any consultation on the agreement – No changes
- The client was not sidetracked whilst completing the agreement
- Client does not have a work Diary
- Client has *Work for the Dole* Mutual Obligations of 25hrs per week.
- *Activity Agreement* has conflicting information
  - Agreement is for 26 weeks states 1100 hours which equates to 42.5 hours per week?
- Does the Client have any person who can advise them on their rights – Yes
- Would the client normally sign an agreement without first reading it – Yes
  - The reason being she trusted the *Job Network Member* to do the 'right' thing.

### **OBSERVATION**

The client has a strong network of friends and family and has had opportunities which the average *Work for the Dole* client may not have.

She signed the agreement because she had to – she was looking out for herself – no agreement, no funds.

Client feels there is no margin for error – it is either their way [*Job Network*] or no way – feels powerless.

Client has *Activity Agreements* with *Job Network*, *Community Work Coordinator* and with *Centrelink*

## Case Study Three

Client is a 50 years and 10 months – female – Single – lives with daughter

- Was the *Activity Agreement* drawn up whilst you were at the desk – No
- Was the *Activity Agreement* prepared before you came for the appointment – Yes
- Did the Client have any input into the *Activity Agreement* – No
- Was the document explained fully - No – client was given it to read – and told to sign it.
- The only explanation the client was given is that her payment would stop if she did not sign the document.
- Was the client sidetracked at any time whilst signing the documents – No the staff member was in and out of the room during the process as she had other clients she was attending to.
- Does the client have a work Diary – No
- The client has a *Work for the Dole* Mutual Obligation of 25 hours per week.
- Does the client have any person she can talk to about her legal rights – No
- Would the client normally sign an agreement without first reading it – No

## OBSERVATION

She was not happy about it – however if she did not sign it she would lose her benefits. The client questioned the 25 hours, as she is over 50, and advised that the *Community Work Coordinator* was unaware of why – but told to sign anyway. The *Community Work Coordinator* did not say she would investigate the anomaly.

The client has *Activity Agreements* with *Job Network*, *Community Work Coordinator* and with *Centrelink*.

## ***Case Study Four***

24 year old - male – single – Lives alone – Year 11 educated

- *Activity Agreement* drawn up at desk whilst he was there. - Yes
- Was it explained fully –
  - No
  - Only the basics – bits throughout whole document
- Was it given to read - No
- Was it explained before you read it – Yes – not fully
- Any negotiation – No
- Any consultation on agreement – No
- The impression given to the participant was that the details were 'set in stone'
- Were you sidetracked at any time – Yes
  - The *Job Network Member* discussed her personal life
  - Client did not feel that he was being distracted
  - Small talk not in keeping with Agreement requirements
- Client does not have a work diary – he has to fill in the required 4 job searches on his *Centrelink* form. Four job searches per fortnight.
- *Work for the Dole* 15 hours per week
- *Activity Agreement* has conflicting information from what the *Job Network Member* would do for him.
- Basically saying that they would help him with certain things on one page then later saying they would not give assistance with these certain things – ie money for fares, clothing allowance – participant is unsure of all the details
- Does the client have access to any person who could advise him of his legal rights – Yes
- Would the client normally sign an agreement [any] without first reading thoroughly or without seeking guidance – No

## OBSERVATION

Participant has advised that he has been given *Activity Agreements* on several occasions to sign. He feels the document is treated very casually and every time they do say that this is a standard agreement. However he has observed that on some occasions the details differ.

His own experience is that recently he had *Work for the Dole* commitments and an appointment with his *Job Network member*, he rang the *Job Network Member* to reschedule. The message was given to the receptionist who failed to deliver it to the *Job Network Member* [he was informed] resulting in an 8 week non-payment period. The excuse that the *Job Network Member* gave was that they had gone through many receptionists recently. No effort was made on the *Job Network Member's* behalf to help reinstate payments.

He had to go through the levels to the *Authorised Review Officer* [took two weeks] to get the payments reinstated but every other level of *Centrelink* said that He was in the wrong even though the *Authorised Review Officer* once given all the information decided he had done nothing wrong.

The participant was without funds for approximately 1.5 weeks until told by another source [not *Centrelink*] that if he went to the next level he could get payment pending review.

*Centrelink* gave him four differing stories of what to do to solve the problem and none of those solutions were the one that had his payments re-instated.

Under the guidelines of the *Activity Agreement* – the participant should not have appointments with *Job Network Member* whilst he has *Work for the Dole* commitments. To re-schedule is the accepted practice.

The participant has experienced three participation failures he admits one is his fault, the other two because the lack of communication flow on from the reception to the participants *Job Network Member*.

The participant has Activity Agreements with Centrelink and Job Network Member.

## Conclusion

We know that every service provider does a good job but all are often unable to provide a fair outcome for some participants due to the constraints of the system and their unwillingness to jeopardise or compromise their integrity and quality outcomes.

Every citizen has the right to an equality of treatment in the workplace. Any government has to be held accountable for breaches of these rights. Their duty is to embrace and uphold the fabric of social justice. The government is constantly promoting record low unemployment statistics to bolster public confidence in their policies, this effectively misleads the public about how the unemployed are treated to achieve these results, the rights of all stakeholders need to be protected and promoted.

The Activity agreement requires scrutiny and equal rights for all stakeholders. Advocacy is highly recommended.

The multiplicity of organizations that the participant must deal with frustrates them and breaks down effective communication with service providers which can lead to poor outcomes. Poor communication between the stakeholders often leads to the participant payments being stopped and in some cases, incorrectly.

Volunteering is necessary for building community capacity for meeting social needs. By discouraging volunteering our communities are disadvantaged and impoverished. Participants deserve equal opportunity for the jobs they choose and employers deserve to not be time-wasted by an inefficient system.

*Work for the Dole* participants (especially 25 hrs per week) can ill afford to pay for any shortcomings of the real cost of attending *Work for the Dole* above the \$20.80 per fortnight they are given.

Work for the Dole is dysfunctional and needs to be overhauled.

There is anecdotal evidence that Work for the Dole participants are counted as employed when unemployment statistics are quoted in Parliament. If this is correct then these individuals should have all the same rights as any other employee. If the government does not recognise this as a contract to work then it is questionable to call this initiative *Work for the Dole*. The participants are receiving mixed messages.

The underlying message, of the unemployment initiatives, to our youth is that they are undervalued and not respected. When our youth are asked not to value volunteering, their own choices and the concept of fair pay and are further forced to sign an agreement which limits their rights, then this does not bode well for our future generations.

The government needs to better address social needs as well as economic needs in unemployment initiatives. At present, the individual is forced to work (*Work for the Dole* or paid employment) under threat of non-payment of welfare. This is at the expense of encouragement for the individual to find a meaningful place in the diversity of our communities.

## Epilogue

Mr. Costello said in Parliament Questions without Notice on Welfare Reform (October, 2007):

In reference to Labor's arts policy, *New directions for the arts*.

"In *New directions for the arts*, you find on page 6, under the heading 'Supporting Australian Artists', that Labor will review the current state of artists' incomes"

"It says that Labor 'will review the current state of artists' incomes and introduce initiatives that enable artists currently on welfare greater opportunity to produce work'. I will repeat that: artists who are on welfare need greater opportunity to produce work. You might say to yourself, 'If you're on welfare, you would have a lot of time to produce work if you were an artist.'"

"Let me tell you what you do have to do if you are on welfare. Here are your obligations: you have to keep a job diary, which would ask you to record 10 job search efforts every fortnight. I do not think that would get in the way of the next *Mona Lisa*."

The incumbent government is ill informed and out of touch. The participant is required to record UP TO 10 job search efforts every fortnight. The participants also have many more obligations than this including: Working for the Dole for 6, 12, 15 or 25 hours per week, no absences on work for the dole unless a *Centrelink* approved medical certificate is produced by the end of the day of absence, attend various and numerous appointments with *Centrelink* and several *Employment Service Providers*, attend Job Network Members for training, Job Search activities and other job-ready activities, attend structured training courses, attend Job interviews, actively look for work, must take any reasonable offer of employment and are obliged to pay for any shortcomings of the real cost of attending Work for the Dole above the \$20.80 per fortnight they are given.

These obligations could be considered to be bonded servitude, or at worst, tantamount to slavery.

Growing and Building Communities Incorporated  
7/850 Hunter Street, Newcastle West, NSW 2302  
email : [admin@ynotinc.org](mailto:admin@ynotinc.org)  
Ph: 02 4962 4342 or 0404 924 695

GBC INC.  
GROWING AND BUILDING COMMUNITIES