

I am going to explain this from my perspective, but as you read this keep in mind that all the providers are in the same boat. For info re my business check out our website www.baysiderecruitment.com.au. The Howard government privatised the functions of the Commonwealth Employment Service and put these services out to tender to the private sector soon after coming to government in 1996. This initiative created the Job Network. The function of the Job Network was to deliver the jobseeker support services to the unemployed and free recruitment services to our Nations employers – effectively replicating the services of the CES but within the private sector.

The government undertook extensive advertising campaigns promoting the Job Network. The corner stone of this was advertising Free Recruitment Services to Australia's employers, services that could be accessed via the governments' employer hotline. These advertisements were run nationally on TV and Radio and promoted also in the print media. The rationale behind this campaign was that Australia's employers could contact the hotline and be

directed to one of the Job Network providers who would then provide the employer with a free recruitment service in the same fashion that the CES had done for a number of years. As a replacement for the old 'job board' in the CES offices, the government introduced the Australian Job search website www.jobsearch.gov.au. The Providers of Australian Government Employment Services (PAGES) as they are now known advertise all their vacancies on this site and it serves as the mechanism by which all the accounting functions and tracking processes of the governments privatised employment system are achieved.

The government promoted the recruitment services as 'free' on the basis of the fact that unemployed, or under employed, Australians would be placed into the vacancies and that these candidates would attract a payment from the Government for the recruitment service for their placement. For a decade this proceeded smoothly. The fine print apparently always stated that all jobseekers should be referred to vacancies advertised on the Governments system. Unfortunately – I don't have copies of the earlier contracts – only those that I have secured via my company under the Job Placement Licence Agreements. Prior to 2003 the recruitment function was known as Job Matching.

I worked for a small Job Network Agency for two years, until 30 June 2003. The Job Network Agency was in fact a program of a local community youth organisation, BABI Youth and Family Support www.babi.org.au. The 2003 – 2006 contracts for the provision of Job Placement Services were such that BABI decided that it would not be viable for them to continue operating this service. There were changes in the payment structures – payments were split and they were not indexed at all from the previous contract. The split had made it more difficult to achieve the full outcomes previously secured under the Job Matching contracts. As staff of BABI we were employed under the rather generous Community Services Award in Queensland it meant that our income wouldn't sustain even our wages let alone generate an income stream for BABI.

I turned 40 on the 20th June 2003. I was a single parent with two children and I had just spent two years trying to find people over 40 work. My manager at the time suggested I secure my own Job Placement Licence and continue to deliver a service to our clients. I did this. It took the Department over 5 months to process the paperwork and to establish my company as a provider. In order to not lose our clients to other providers I continued to service their vacancies – for free. I lived off the sole parent benefit until the department was in a position to pay me for the placements I was making. In the beginning all I had was a small office for which I paid \$50 per week rent, my sons homework desk and a phone. I worked very hard to build a good small business. I didn't want to become another Sarlna Russo, nor did I want to be a large organisation. All I wanted was to provide an excellent local service and to contribute to the community. In hindsight this is probably not the best entrepreneurial attitude. But I truly believed that if I built something solid it would last.

I also knew that to be sustainable, the business must be able to survive beyond government. At the time I thought should there be a change of government or change of government policy I wanted to be in a position to continue on. What I didn't take into account was that the government would continue to refuse to at the very least, index the payments I received for the services I delivered on their behalf. In 2006 I secured a second Job Placement Licence for the 2006 – 2009 period. I noted that the payments for this period would remain at the same dollar rate that they were for the period 2003 – 2006 which, as I have explained above, were effectively less than those paid in the 2000 – 2003 contracts. I was concerned that for 6 years the services were eroding annually at the rate of the CPI while my costs continue to increase by the same rate (at a minimum). I was concerned enough to contact my local member and in turn he approached the Ministers office in relation to the non indexation of payments. We were 'fobbed' off on this occasion. I became quite concerned that if I rocked the boat too much I may lose my contract altogether. I couldn't afford for this to happen as I had a team of 6 people by then, including school based trainees, and I was still in the process of developing our other income streams.

Late 2006 DEWR posted a notice on the billboard section of the area within the Job search

site that Job Placement Organisations access. The notice was a reminder to all providers that they must refer all jobseekers to positions advertised on the Job search site, regardless of whether these Jobseekers attracted a payment under the government licence. I was concerned for two reasons. Firstly, the government quoted sections of contracts I had not recalled reading, and secondly all the training I had received in my earlier position with the Job Network Agency, had been clear in that only those jobseekers who were eligible for outcomes could be referred to the roles. I had no reason to doubt this training as I had been delivered by people who had been in the Job Network system for some time and who had also worked for extensive periods within the Commonwealth Employment Service before its' closure. Despite this I was prepared to concede that the entire employment services sector had been operating under a misconception.

The notice went on to explain that a recent case taken to HREOC by a jobseeker had led the Department to remind us of our responsibilities. The notice outlined, briefly, that the case had been brought against DEWR by a work seeker who was denied access to vacancies on the Job search site because he was in fact already employed and would therefore not have attracted an outcome fee for any of the providers. HREOC found that DEWR had discriminated against this work seeker based on his/her employment status. Although I agree with HREOC, having been turned away from vacancies I had applied for on this system myself for the same reasons, I understood the unfairness but had accepted it as being the role of the privatised services.

Where my concerns became even greater were that the government was advertising the services I was providing as free – with no guidelines or definitions of what might actually constitute a free recruitment service. They were not indexing the payments for these services – but continued to advertise them as free. Now they were insisting that not only should we accept the non-indexation of their payments, but we should also be prepared to not be paid at all for our services i.e. they were advertising our services as free, referring employers to us for free recruitment services and then telling us we would still have to place jobseekers who would not attract a payment. It all started getting a little scary. I might add by this time I was 3 and a bit years into running a business, raising two children alone, working 6 days a week and only having had one week vacation during this time. Perhaps I was beginning to become a little oversensitive – but the facts were staring me in the face.

I again made an attempt to resolve my concerns via Ross Vasta's office. Again Ross was incredibly professional and understanding, he again diverted his office resources to advocating these issues to the Minister on my behalf. Again we had no luck. I had also argued that the government had NO right to advertise my services for free, not index my payments and then expect me to accept no payment for the work that my team and I do. I believe I was justifiably miffed.

On both occasions that I approached the Minister in relation to these issues I was reminded that the payments the government made to me under my licence were merely to supplement my company's income. Some of the comments in these responses were patronising at the very least – in particular in relation to my business ability and my understanding of the environment in which I had been operating at the front line for the past 6 and a bit years. I raised these concerns with Ross but he was also getting no where despite several genuine attempts on his behalf.

In July 2006 we introduced an administrative fee on our 'free' recruitment service as a means of addressing some of the losses we were incurring as a result of the non-indexation. This was met with quite a bit of opposition from our clients (We have over 500 local employer clients in the Brisbane Bayside/Port areas). I was accused of double dipping by some, some merely took their business elsewhere, others agreed to the fee when placing the vacancies and then refused to pay once the invoices were issued (this is still occurring) – the majority have stuck with us because we do deliver a great local employment service.

It surprised me that the Minister could state that the Job Placement Fees were merely a

supplementary income stream for my business, and those others providing this service for the government, when they had for almost a decade advertised these services on behalf of all providers as being free. Perhaps my intellectual capacity is impaired and I have truly missed something – but I really don't believe that I have. I might add that immediately following my approach to the government where I had stated that they had no right to advertise our services as free – the advertising campaign which had been in place for almost a decade was amended to remove the word 'free'. It would seem the government has change the ads – but not the responses of their hotline staff. We still get employers who ring (3 or 4 a week) looking for free recruitment services, because they have been told by the hotline workers that we were free.

I had also argued in this representation that if our services were no longer meant to be free then who would bare the cost of educating Australian employers about this. I suggested that as a small business owner, the cost of renegotiating the terms of business with each and every one of our clients – which under the circumstance would probably require between 60 and 180 minutes per client, because the issues and process are so complex that it really takes a one on one meeting to walk them through the situation and the changes. The government response was basically tough luck – yet again - in fact I don't believe that they were actually very polite about the situation.

I realise the government provides the website for free and that they promote our services for free. I tried to seek some assistance from the Fair Pay Commissioner – but alas, we are not eligible to have them advocate for us. I certainly am not in a position to employ the services of an expensive corporate lawyer. We have implemented numerous strategies in an effort to bring in more money via other streams, but I am truly concerned that we may not be able to sustain our services much longer. I don't have a budget to implement any effective strategies. My team are working their butts off – they are the most amazing bunch of people you could ever meet.

I have had to sell my home. This in itself isn't completely tragic – my home in Brisbane was too big once my son joined the army and I was recently diagnosed with an autoimmune disease which is going to require quite a bit of ongoing monitoring and management. There's only my daughter and I now. I have moved to Grafton for many reasons. Not the least of which were to salvage my financial situation. There are other benefits in terms of schooling for my daughter. I haven't paid myself for the past year. I am struggling to meet the BAS bill and I am trying to catch up on the superannuation payment for my team. Ironically I gave up my sole parent benefit in early 2005 as I had started to pay myself a small wage. I was still entitled to a part payment as my earnings were only \$26k per year. Unfortunately the reporting requirements Centrelink impose on people who have companies/businesses is extremely time consuming and complex. Balance sheets, profit and loss, assets registers...it became too cumbersome and more expensive to report than the payment that I would have been entitled to.

The greatest problem we now face is that the majority of the other providers in the market are still promoting 'free' recruitment services and still regularly turn away jobseekers who are not eligible for a payment. They are operating illegally and the department is doing nothing about it. I mentioned this in my last correspondence to the Minister, they denied any knowledge that this was taking place and told me to report any instances I encountered to them. We are too busy to report the 6 – 10 occasions each week that the local providers turn people away and actually send them to us for assistance, because we help everyone who walks through our door. I am very worried that we may not be able to do this for much longer.

I guess this is enough background. I hope you didn't nod off while you were reading it. I don't know if there is a story in this – given we are in the midst of an election campaign there may be. I also don't know if a story will salvage the situation – but I do know the government has got the money to throw around for tax cuts etc. How about paying us poor old providers at least the CPI increases! If they can't do that then they could at least run and

advertising campaign educating the Nations Employers about the changes in the market place. Imagine if the entire country were on contract with their own ABN – none of these would be able to seek redress for payment concerns because the Fair Pay Commissioners brief doesn't include these types of contracts.

Kind regards,

Ursula Wilkinson