

The Hon Tony Burke MP and The Hon Dr Andrew Leigh MP
PO Box 6100
Parliament House
Canberra ACT 2600

4 July 2024

To Minister Burke and Assistant Minister Leigh,

Re: Design, oversight and monitoring of employment services reforms

We are writing in anticipation of the government's response to the Workforce Australia inquiry report and this letter is endorsed by the Australian Unemployed Workers' Union, Anti-Poverty Network South Australia and Anti-Poverty Network Queensland. We are aware that ACOSS have also written to you recently in relation to establishing an advisory body comprised of people with direct experience in employment services, similar to models our organisations have advocated for many years. In this letter we have included more detailed information about what is required for such a body to be meaningful, particularly in light of our experience on the Parents Advisory Group, and urge you to work with us on this and other codesign mechanisms.

We hope to see an oversight body established as a sign of good faith from the government as reforms to employment services take place, and as per our discussions with your office, we believe there are other matters overlooked in the report and its recommendations. To reiterate concerns we have raised in the past, a major shortcoming of the inquiry was the failure to meaningfully include people who have direct experience in employment services and the platforming of providers who have long track records of abuse and exploitation.

We do not believe it is possible to design a system that is genuinely supportive and useful to people looking for paid work while compulsory activities remain and those relying on Centrelink payments can't afford to live. Given the government is not willing to listen to unemployed people and abolish "mutual" obligations or ensure income support is above the poverty line, we again call for a pause



in payment suspensions until employment services are redesigned to offer some relief to people struggling while this process is underway. We also request immediate steps to provide transparency in relation to provider transgressions.

Meaningful codesign and oversight

The Antipoverty Centre and other civil society groups signed ACOSS's letter because we believe the government must ensure people who are in the system have a prominent position in employment services reforms.

Including people in the system in reform work through focus groups and surveys is not enough. You must ensure that the design and ongoing oversight of employment services is led by those affected by the system and related policies. These processes must give welfare recipients a leading role to people with direct experience, meaning those with current or recent experience of employment services or unemployment. We use the term "direct experience" to distinguish from the demeaning and condescending term "lived experience", which is also overly broad and ill-defined. "Lived experience" has now largely become a term used to pay lip service to including people while devaluing their contributions.

In our contributions to the Disability Employment Services review (prepared on behalf of People with Disability Australia), Workforce Australia inquiry and the bill to establish the Economic Inclusion Advisory Committee, we made the following recommendations that are directly relevant to and should be adopted as part of Workforce Australia reforms:

1. Establish an advisory and oversight body comprising at least 80 per cent people who are using employment services or are unemployed to design and monitor program quality and evaluate provider performance on an ongoing basis.
2. Codesign processes and the oversight body must include (but not be limited to) welfare recipients who are actively involved in policy, advocacy and peer support work, whether in their capacity as an individual or within a relevant constituent group led by people directly affected by welfare and employment services policies.
3. Individuals or constituent groups they represent should be compensated fairly for the time and expertise they contribute to the oversight body, including any preparation required for meetings or other activity related to its functions. This includes assistance to improve accessibility such as budget for Auslan or other translation, childcare, meals, counselling and other support to ensure members are able to participate fully.

Our recent experience of consultation on the new parents program has given us an insight into how to avoid improperly conceived program design processes despite what we believe are good intentions.



While including parents in consultation for the program that will replace ParentsNext was an improvement on past efforts, we do not want to see a repeat of this rushed and inadequate process. We are keen to work with the employment department again to discuss its approach before consultation begins in the hopes of seeing further improvement, as we did in relation to the parents program. We have developed approaches that meaningfully include people who want support finding paid work, and peer-led engagement cannot be substituted with the work of bureaucrats or people who work on these policies without any experience of them.

In order to get changes to employment services right, here are some lessons observed from the Parents Advisory Group and our work leading consultation with welfare recipients:

- Consultation and program design work must itself be codesigned with groups led by people in the welfare system.
- An advisory and oversight body must be established before consultation begins. The Parents Advisory Group has too narrow a scope and was established far too late in the process. Major policy decisions and program design features had been locked into place before the group was convened, and the request for tender was issued before PAG members had any opportunity to provide input. As a result, we expect that the entire process will favour existing providers – something parents have explicitly and repeatedly said they do not want. We are aware that three highly respected organisations with experience delivering successful, voluntary pre-employment and related support programs for parents decided it was infeasible to proceed with a tender due to program design flaws.
- It should be primarily comprised of people who have direct experience of employment services or unemployment – ie a group representing disabled people is not the same as a disabled person who has been in employment services.
- An advisory and oversight body must be well resourced. The budget, secretariat and other resourcing must enable regular, substantive work, including meetings at least once per fortnight during the consultation and design phase, as well as wider input from welfare recipients who are not appointed to the group. For example, the PAG has been asked to spend inordinate time on relatively superficial matters such as branding, while vital consideration on things such as how the department will define and support the recruitment of people with direct experience as a single parent has been squeezed into a brief conversation well after there was any opportunity to influence what has been included in the request for tender. As a result, providers will be able to recruit people who worked in the abusive ParentsNext program and classify them as having “lived experience”.
- The oversight and advisory body should periodically be able to directly engage with and advise the minister, rather than relying entirely on the secretariat and department to provide advice based on the body’s work.
- The government and departments responsible for employment services must prioritise and



heavily weight the expertise, views and experiences of people using employment services when measuring program quality and outcomes, with the oversight body providing input on how to assess whether programs are working for the people in them. Currently, users of employment services are almost entirely excluded from the process of assessing provider performance, and the feedback sought from the department via surveys is generally tokenistic at best.

- In addition, we endorse recommendation 22 of the Workforce Australia inquiry report to establish an Employment Services Quality Commission. This body should also include the expertise of people with direct experience in employment services and be available to provide input at the request of the oversight body.

Unresolved problems with payment suspensions

We wrote to you on 11 December 2023 and 1 May 2024 about our concerns regarding the extraordinary rate of payment suspension notices, their disproportionate application to people who have a provider, First Nations people and parents, and the fact that these are not improving as workers and participants become more familiar with the system. We are yet to receive a formal response regarding this request.

Again, we implore you to take action by at least pausing payment suspensions until substantive reforms are implemented. In the first quarter of 2024 (latest data) around 25,000 people had their payment completely cancelled as a result of “mutual” obligations penalties.¹ The highest incidence of these occurred among First Nations people and those with culturally and linguistically diverse backgrounds. We are concerned that people are leaving the social security system without financial support to avoid providers who bully and intimidate them. This has been reported to us, including by people who decided that it was better for their wellbeing to be homeless and sleeping rough.

People in paid work are required to report to Centrelink. They will not continue to receive a payment if they exceed the income threshold. Pausing payment suspensions will prevent those who do not have any other income from losing access to support.

Welfare recipients cannot continue to be placed under such pressure – policies that cause distress and delayed or reduced income only make it harder to cope and we already die by suicide at disturbing rates.² The welfare system kills people.

¹ See: dewr.gov.au/employment-services-data/resources/tcf-public-data-january-march-2024

² One in 5 people of working age who died by suicide were on an unemployment payment. See: aihw.gov.au/suicide-self-harm-monitoring/data/populations-age-groups/deaths-by-suicide-among-centrelink-income-support-recipients



The department has told us it doesn't really know how much the planned changes to "mutual" obligations will affect suspension rates despite its estimates. Regardless, implementation is still too far off to provide immediate relief to those who need it.

In addition, the government should reassure people they will not continue to be punished for system failures by resetting demerits to zero and removing people from the penalty zone. Without this, we do not see how the government can test the success of new arrangements and their effect on on payment suspension notices, suspensions applied and demerits accrued.

People with "mutual" obligations should also be offered the option to move to online services, meaning those who are not being assisted by engaging with their provider will have the choice to take more control over their own requirements and less risk of payment suspensions.

The following changes will build trust and confidence in employment services reforms:

1. Pause all payment suspensions at least until the new system is designed and move everyone back to the "green zone".
2. Offer people with "mutual" obligations who have a face-to-face provider the option to move to online services.

Data and transparency

We met with your office and members of the DEWR data team on 20 June to discuss employment services and "mutual" obligations data publications. This was a productive and beneficial meeting and we are glad that the department is working to better collect and publish data that will assist advocates in identifying trends and understand system change effects.

Payment cancellations are an example of data gaps that need to be addressed urgently, as currently published information does not provide insight as to why cancellations are occurring. The department should investigate and report the reason for cancellations as a priority.

Provider accountability has long been lacking in employment services despite continued and high numbers of problems and complaints. The department should regularly publish data regarding the number and quantum of financial penalties applied to providers as well as the number of complaints lodged, including:

1. Releasing a monthly register of penalties and actions taken against providers who have been penalised in any way by the department.
2. A more comprehensive and detailed breakdown of provider performance that indicates jobs they've sourced for people. Jobs that people find for themselves should be reported separately.



Engagement between providers and government

Government accountability also needs to be a part of these reforms. The government must be fully transparent to the public in its dealings with outsourced providers who profit from our unemployment, particularly given the amount of public money that is spent propping up the industry and the great fortunes amassed by those at the top of these companies.

As the Workforce Australia inquiry report recommendations indicate that private service providers should continue delivering services, the government must be more transparent in how it deals with outsourced providers and its communications with them.

Feedback on announced changes

The Antipoverty Centre and the Australian Unemployed Workers' Union are co-hosting an event this week to brief people in employment services and interested stakeholders on what we know about the changes announced in the budget. We will use this session to collect feedback to share with you and your team, and will also be guided in our advocacy and future consultations by what people share with us.

Thank you for consideration of the proposals contained in this letter. We request the opportunity to meet with you directly to discuss our proposal for the advisory body in particular and our experience working with unemployed people to develop employment services proposals.

Regards,

A handwritten signature in black ink, appearing to read 'Jay Coonan', with a stylized, cursive script.

Jay Coonan
Research and policy
Antipoverty Centre