

Community and Public Sector Union
Kristin van Barneveld – Deputy National Secretary

8 April 2011

Ms Amanda Rishworth MP
Chair
House of Representatives Standing Committee on Education and Employment

Email: ee.reps@aph.gov.au

Dear Ms Rishworth

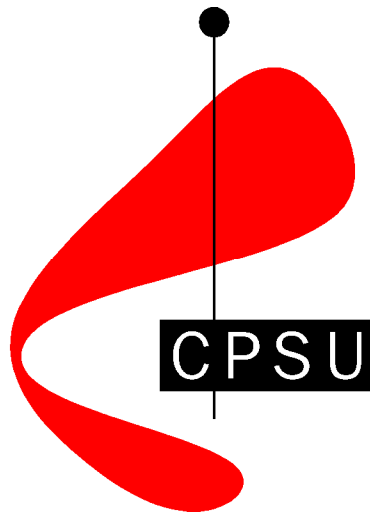
**Re: CPSU Submission to the Inquiry into the Social Security Legislation
Amendment (Job Seeker Compliance Bill)**

The Community and Public Sector Union (CPSU) welcomes the opportunity to make a submission to the *Inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011* as it gives those who are directly affected by the proposed compliance changes the chance to express their views.

The CPSU thanks the panel for the opportunity to comment on these issues. Should you wish to discuss this submission any further the contact person is Osmond Chiu, osmond.chiu@cpsu.org.au, on (02) 6220 9655.

Yours sincerely

Dr Kristin van Barneveld
CPSU Deputy National Secretary



CPSU (PSU Group) Submission:

**Inquiry into the Social Security
Legislation Amendment (Job Seeker
Compliance Bill)**

April 2011

Background

The PSU Group of the CPSU represents workers in the Australian Public Service, the ACT and Northern Territory Public Service, the telecommunications sector, call centres, employment services and broadcasting. We are a national union with members in every state and territory. The CPSU is the principal union representing employees of Centrelink and CRS Australia.

The CPSU has prepared this submission after consultation with CPSU members at Centrelink and CRS Australia regarding the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011.

The purpose of the Bill is to encourage greater participation by job seekers in activities that improve their job prospects.

The majority of the feedback provided by members related to the likely adverse impact of the changes upon workplace safety due to the increased potential for customer aggression. CPSU members also expressed the need for additional resourcing to manage the expected increased workload.

The CPSU previously provided a submission to the Independent Review into the Job Seeker Compliance Framework that raised similar issues.

In response to the Terms of Reference for this Inquiry, CPSU members identified issues regarding:

- 1) the effectiveness in improving compliance;
- 2) the impact on vulnerable job seekers;
- 3) the impact on job outcomes for the long-term unemployment;
- 4) effect of on staff workload;
- 5) the personal safety of staff; and
- 6) system alignment problems.

Summary of Recommendations

1. Greater resourcing is required for staff to deal with the increased workload requirements of the job compliance changes.
2. Workplace safety policies should be reviewed and strategy to address the potential increase in customer aggression developed
3. Amending the Bill to consider individual circumstances and restore payment after rescheduling of appointments
4. Gradually introducing the changes to job seeker compliance.
5. Addressing system alignment issues
6. Provide additional training around the new compliance framework

Issues

1. Effectiveness in improving compliance

The majority of CPSU members felt that the proposed changes would likely increase compliance by job seekers as payments would not be made until job seekers attended appointments. A majority of members also said that changes to notification for reconnection requirements would improve job seeker compliance.

Conversely, a substantial number did not believe that there would be much of a change in the levels of compliance, noting that:

The vast majority of job seekers don't have any compliance issues so only a minority will be affected.

I believe it will not change the jobseekers' culture of not thinking that attending appointments is a compulsory obligation. The key to this all is engaging a jobseeker.

The Bill proposes changes to what is considered a compliance breach resulting in the possible suspension of payment. For example, currently, if a job seeker has a reasonable excuse for non-attendance, whether or not this is notified before the appointment or afterwards, this is considered an acceptable reason for non-compliance and penalties are unlikely to apply. Under the proposed Bill, if a job seeker has an appointment that they can no longer make, even if they have a reasonable excuse, if this is not reasonably provided beforehand it could equate to a breach.

While the increased potential for breaches means that compliance may increase, CPSU members have concerns about their ability to ensure the intent of the Bill is met because of the increased workload assessing reasonable notification and booking new appointments. Many noted that staff are already

struggling with their current workloads and additional requirements of this Bill would make it worse. One member commented that:

Job service providers are struggling with the appointments we are booking now so when job seeker payment depends on attending an appointment, we use up many more appointment slots or have to release job seeker payments due to no appointments within two working day if legislation goes that way.

2. The impact on vulnerable job seekers

Over two thirds of CPSU members stated that vulnerable job seekers would be adversely affected by the proposed changes. Members expressed the need for compliance arrangements to be flexible to take into account individual circumstances. Circumstances should take into account job seeker vulnerability, remoteness, good attendance history at appointments, recent activity test exemptions reasons, and complex Stream 4 customer issues. Members noted that:

Reasonable excuse provisions need to take into account individual circumstances and be humanitarian in their application. These people rely on these payments.

Sickness/Accident

Members also raised concerns that job seekers affected by sickness or accident could be adversely impacted by the changes proposed in the Bill. At present payments do not cease immediately on non-attendance at an interview. The Bill proposes that if no reasonable excuse is provided in advance for non-attendance at an interview, payment will be suspended immediately. This raises concerns for those who do not attend an appointment and did not notify prior of their non-attendance. It is possible that in these circumstances job seekers who miss an appointment due to illness or accident may not be able to make a rescheduled appointment as soon as they are able, simply due to the limited availability of appointments – noting that payments will not recommence until a rescheduled appointment has been attended.

If a customer is unable to attend an appointment due to sickness or accident they are penalised until they can attend an appointment. Given that the appointment has to be scheduled and may take some days, we are further disadvantaging customer through no fault of their own. The Bill should be amended to make it clear that as soon as the appointment is rescheduled the payment will start again and not after they have actually attended.

Geographic Isolation

A specific concern was raised about customers living in more geographically isolated areas that do not have a Centrelink office. With the immediate suspension of payments, it could be days until a reconnection requirement can be met and payment restored.

There was also some concern about how those in remote locations would be treated, with a particular focus on the impact of Aboriginal and Torres Strait Islander customers. Participation Solutions Teams (PSTs) currently can intervene prior to payment suspension in complex cases. For example, issues such as a death in the family are dealt with by PST intervention prior to breaches leading to payment suspension. CPSU members raised concerns that the new model will suspend job seekers in these circumstances immediately and Centrelink staff would only be able to fix the problem afterwards.

3. Impact on the job outcomes for the long-term unemployed

Most CPSU members do not believe the proposed changes will improve the job outcomes of long-term unemployed. A significant number raised concerns that the arrangements would do little to provide assistance to overcome barriers and assist the long term unemployed to find a job. Comments included:

This is more about getting them to attend appointments.

None of this will do anything to help improve someone's prospects of finding work.

It will assist with people attending appointments but will not on its own assist in finding employment.

CPSU members felt that there should be a greater focus on addressing the factors leading to long term unemployment, rather than solely focussing on compliance with appointments. For example:

We need to be looking at why they are not complying and/or providing assistance to overcome barriers.

The long term unemployed need to be retrained in getting back into the workforce first before they go for job interviews.

One CPSU member commented that the proposed changes are similar to the job compliance framework a few years ago and would be unlikely to improve job outcomes without additional resources.

The long-term unemployed have been through this model, last time about 2-3 years ago. More resources are needed for face to face appointments so that job seekers are aware of the requirements and consequences before commencing payments.

These comments reaffirm findings in the CPSU's previous submission that the increased enforcement regime had little impact on job outcomes.

4. Effect on staff workloads

In our previous submission, CPSU members reported that the recently adopted compliance framework had led to greatly increased workloads leading to significant concerns, not least for the health and safety of the staff but also the quality of service they are able to provide. Members stated that there had been no additional resourcing to implement the framework as a result of the previous changes, and more than two thirds raised concerns that the proposed changes will increase and add additional pressure to their already large workload.

To suddenly implement a harsher participation regime will cause immeasurable increases in workload dealing with customer complaints, aggression, appeals and time on the phone to the PST. Not to mention that we still have no control over the actions of the Job Services Australia Providers network and quality of their decision making will impact significantly on Centrelink staff.

More non compliance will equal more calls. We can't handle the workload as it is.

Members gave a number of examples of the likely increase in workload:

Without a shadow of a doubt it's going to see a lot more people caught up in having failure applied which means more calls from more people on top of the already increasing demand. There is so much work constantly getting dumped on staff in the call network as it is without this.

More time will be spent handling customer's calls explaining why payment is suspended and listening to their arguments. There will be more customer aggression and complaints, and more customers contacting us when they have been suspended and they don't know why.

More suspensions mean more customer contact and more abuse and more work to restore payments.

Concerns were also raised that the proposed changes imply that immediate action would need to be taken to contact customers and reschedule appointments with Job Service Australia providers. CPSU members noted that

in some cases, appointment slots may not be available through the system, requiring the PST team to ring providers to ask them to open appointments.

Further, CPSU members in PSTs stated that they already face additional workload pressures due to the need for PST intervention to fix incorrect or inaccurate coding or when customers have not been called back.

Members identified a number of areas that would need more resourcing and additional staff. An increase in the number of phones available at Customer Service Centres (CSCs) for customers to ring PSTs if payment suspensions and blocks occur as the number of suspensions is likely to increase was one example provided. One member provided a number of examples:

If they were going to bring these changes in, they need to make it easier for jobseekers to reschedule their appointments due to long waiting times in the call centre. They should enable online services to be used by the jobseekers to reschedule their appointments without having to call the call centre. They need to improve the letters that are sent to explain exactly why payments have been affected and exactly what job seekers need to do for these to be reinstated. They need to put more staff in Participation Solution Team as lately there have been extremely long waiting times for customers who call through.

5. The personal safety of staff

CPSU members have indicated that without increases in resourcing and additional staff to meet the increased workload, there is likely to be more aggression from customers towards staff:

If we are unable to book a reconnection appointment for two days and then the job seeker can lodge SU19 (social security form) it will be at best be a one day delay for payment. On average it would be a 2 to 4 day delay for payment, and understandably, lead to a job seeker who will not be happy.

More time will be spent with one person trying to fix problems. There will be build up in waiting areas, which will lead to aggression from customers.

The personal safety of staff needs to be a primary consideration when making policy changes. It is deeply concerning that over three quarters of CPSU members believe that the changes will impact negatively on the personal safety of staff. Member comments included:

The obvious outcome will be customer aggression due to reduced payments.

There will be more aggression than we already have.

Greater aggression levels will certainly occur with financial penalties.

There will be more aggression at CSC if we stop their payments and are not back paying them when they do.

In our previous submission, attention was drawn to an unintended consequence of compliance changes. This was reiterated by members in the research for this submission. That is, members suggested that one way to avoid possible customer aggression was lenient enforcement of compliance. However, rather than improve compliance, this will lead to the development of a culture among job seekers that aggression is a key strategy to ensure continuation of payments after a breach. As one member noted:

All it will do is increase customer aggression as there are always Customer Service Advisors that will let the customer 'get away with it' to save getting abused.

Inconsistent application of enforcement will also compound problems of customer aggression unless the customer constantly speaks to the same Centrelink employee – an impossibility.

Finally, CPSU members are dedicated to their jobs and to properly serving the Australian public. They have worked hard in developing positive relationships with customers and ensuring that their interaction is positive. Members raised concerns that the changes would damage any trust that has been built between job seekers and staff:

We have done all of this good work to reach a point in time where jobseekers are starting to build trust with staff and to have that now thrown out the door is inviting trouble.

6. System alignment problems

Some CPSU members raised concerns about existing IT system alignment issues. Members noted that informal feedback from PSTs indicates that approximately 15 per cent of failures triggered are due to incorrect data coding or the Centrelink and DEEWR systems not reading or transferring the data correctly. There was also concern about level of knowledge and skill among providers to ensure information was properly coded to avoid inaccuracies and payment suspensions. Concerns were also raised about the quality of training for Centrelink staff on how to verify customer information.

An example of an existing system alignment problem provided by a member related to customer reminders about rescheduled appointments. The reminder that goes to a customer about a rescheduled appointment in Centrelink may not necessarily be sent depending on where the customers' information is located on the system. If the customer's file has not been moved across the system, for example, and they have moved interstate, a rescheduled appointment reminder

may not be sent to the customer even though an updated address may have been provided. There were concerns about similar system problems for Job Network providers where appointment reminders may not be going to customers, leading to payment suspension. Verification can occur on the Centrelink system but it would be likely to be after the fact.

There was also concern that if payment suspension is automatic, the system may not factor in medical and other exemptions e.g. allowing enough time to get the continuing medical certificate onto system, vulnerability indicators or the overall attendance of the job seeker.

Recommendations

The link between the increasing workload, a lack of adequate resourcing and staffing and the increase in customer aggression must be addressed prior to the implementation of any new job seeker compliance arrangements. Additional resources and staffing will be required.

The CPSU has a number of specific recommendations to address some of the issues raised in this submission.

1. Greater resourcing is required for staff to deal with the increased workload requirements of the job compliance changes

Members have clearly indicated that the proposed changes will increase their workload and add additional pressure. Already, staff report excessive workloads as a result of previous changes to the job seeker compliance requirements that were not properly funded. If the proposed changes to job seeker compliance are adopted, additional resources and staff for PSTs will be required to meet performance targets and ensure that the quality of services provided by staff to customers does not decline.

If no additional staff or resourcing is provided, there is a high likelihood of increased customer aggression towards staff and greater difficulties in enforcing the new job seeker compliance arrangements.

2. Workplace safety policies should be reviewed and a strategy to address the potential increase in customer aggression developed

The personal safety of staff needs to be a primary concern. Existing policies on workplace safety and security must be reviewed prior to implementation of any changes at Centrelink to identify existing and possible risks to address likelihood of increased customer aggression.

Management must develop and implement a strategy in consultation with staff to address the potential increase in customer aggression resulting from the new arrangements.

3. Amending the Bill to consider individual circumstances and restore payment after rescheduling of appointments

Amendments must be made to the Job Seeker Compliance Bill to address CPSU member concerns around the individual circumstances of vulnerable job seekers and the adverse impact of payment suspension.

It is recommended that the Bill is amended to:

- a. consider individual circumstances prior to the suspension of payments; and
- b. ensure payments are restored once an appointment is rescheduled, not after attending the appointment.

4. Gradually introducing the proposed changes to job seeker compliance

The implementation of the proposed arrangements (taking into account amendments proposed by the CPSU) needs to be done in a gradual and transparent manner to ensure both staff and customers understand the changes. A first step of informing all customers about the new arrangements should be completed before the second step of implementing stricter compliance and the immediate suspension of payments is adopted.

A gradual introduction would also avoid a huge impact on PST staff who are struggling with their current workload. The changes are likely to lead to increased length of conversations, a possible increase to appeals and discussions regarding hardship, possible increased attendance by job seekers at CSC to discuss why payment have been suspended.

5. Address system alignment issues and provide additional training

The system alignment issues raised by members in this submission will need to be addressed prior to the implementation of the proposed changes.

6. Provide additional training around the new compliance framework

Training must be provided to staff on any changes resulting from amendments to job seeker compliance requirements. There is a particular need to focus on verifying information and coding to minimise the likelihood of inadvertent adverse outcomes and an increased workload resulting from inaccurate data.