

Welfare Review Submission Template

Pillar One: Simpler and sustainable income support system

Changes to Australia's income support system over time have resulted in unintended complexities, inconsistencies and disincentives for some people to work. Achieving a simpler and sustainable income support system should involve a simpler architecture, a fair rate structure, a common approach to adjusting payments, a new approach to support for families with children and young people, effective rent assistance, and rewards for work and targeting assistance to need.

Simpler architecture

Page 42 to 52 of the Interim Report considers the need for a simpler architecture for the income support system. The Reference Group proposes four primary payment types and fewer supplements. The primary payment types proposed are: a Disability Support Pension for people with a permanent impairment and no capacity to work; a tiered working age payment for people with some capacity to work now or in the future, including independent young people; a child payment for dependent children and young people; and an age pension for people above the age at which they are generally expected to work.

In shaping the future directions for a simpler architecture the Reference Group would like feedback on:

- What is the preferred architecture of the payment system?
- Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
- How could supplements be simplified? What should they be?
- What are the incremental steps to a new architecture?



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The diagrams you provide certainly demonstrate the complexity of the current system. This is a matter I have been writing submissions about for some time and, it is annoying that despite countless reviews, nothing much ever seems to change. ¹ To make any movement on payments, the many and varied holes in the tax system have to be addressed; again my Disney Review submission refers to my Henry Tax Review submission. ² As I explain in my Henry Review submission, it is not just the payments system that is a disincentive to work, but also the tax system. If you are on an entry level PAYG income, working for the Australian Taxation Office until lunchtime every day, means you are economically worse off than if you were still on welfare.

IT IS POSSIBLE TO TINKER WITH PAYMENT AND SUPPLEMENT STRUCTURES INDEFINITELY, BUT UNTIL THE ISSUE OF TAX REFORM IS DEALT WITH, I DOUBT THERE WILL BE MUCH CHANGE IN TERMS OF THE GROWTH OF EITHER THE NUMBER OF WELFARE RECIPIENTS, OR THEIR FINANCIAL DEMAND ON THE AUSTRALIAN TAXPAYER. A RESERVE BANK BOARD MEMBER AND, FORMER HEAD OF THE AUSTRALIAN INDUSTRY GROUP, HEATHER RIDOUT MADE THE POINT (WHEN SPEAKING ON THE ABC'S Q&A PROGRAMME) THAT WHEN OVER 70% OF AUSTRALIANS HAVE THEIR TAXES RETURNED TO THEM IN TRANSFER/WELFARE PAYMENTS, WE HAVE A SERIOUS STRUCTURAL PROBLEM. I AGREE WITH HER, AND CITED THESE REMARKS IN A SUBMISSION TO THE INSPECTOR OF TAXATION³ AND THE NATIONAL COMMISSION OF AUDIT. IN BRIEF, I ASK WHY MANY TEMPORARY, PART-TIME AND OCCASIONAL WORKERS (SUCH AS MYSELF) SHOULD EVEN INTERACT WITH THE TAX SYSTEM, IF ALL WE ARE DOING IS CHURNING MONEY AND COMPLIANCE PAPERWORK THROUGH A TRANSFER SYSTEM TO NO GOOD END, WHAT IS THE POINT OF IT? YOUR REPORT GOES SOME WAY TO ACKNOWLEDGING THIS, WHEN YOU TALK ABOUT EFFECTIVE MARGINAL TAX RATES. 5

I MUST ALSO LODGE MY CONCERN THAT THIS REVIEW IS BEING CHAIRED BY SOMEONE FROM THE CHARITABLE/NON-GOVERNMENT SECTOR. IT WOULD BE HIGHLY REGRETTABLE AND DEEPLY DISTURBING IF AN OUTCOME OF THIS REVIEW WERE TO SEE MORE PAYMENTS AND SERVICES DELIVERED BY NGO'S. INDEED, MY NATIONAL COMMISSION OF AUDIT SUBMISSION, CITED EARLIER, MAKES THE CASE FOR NGOS TO BE SUBJECT TO TAXATION (LIKE ANY OTHER BUSINESS) AND, FOR THOSE IN RECEIPT OF GOVERNMENT GRANTS TO BE TREATED LIKE STATE ENTITIES. TO DO ANYTHING LESS WOULD BE TO DENUDE MANY AUSTRALIANS CURRENTLY DEPENDENT ON WELFARE OF THE FULL EXERCISE OF THEIR CITIZENSHIP. POLICES OF STATE AND FEDERAL GOVERNMENTS (OF ALL POLITICAL HUES) HAVE BEEN EFFECTIVELY DENUDING PEOPLE OF THEIR CITIZENSHIP FOR SOME TIME, AS MORE GOODS AND SERVICES ARE DELIVERED BY THE NGO SECTOR.

https://www.parliament.nsw.gov.au/Prod/Parlment/committee.nsf/0/7A16B6D80EF9244CCA257BEA0023D739?open&refna vid=x as at 6 July 2014. Amongst the Committee's recommendations were: Recommendation 5: The Committee recommends that the Public Finance and Audit Act 1983 be amended to enable the Auditor-General to 'follow the dollar' by being able to

¹ For example, see my submission to *Disney Review of the Social Security Compliance Regime* at https://submissions.deewr.gov.au/sites/Submissions/SIRJSCF/Documents/AdamJohnstonSubReviewFinal.rtf as at 5 July 2014

² See my Henry Tax Review submission at

http://taxreview.treasury.gov.au/content/submissions/pre 14 november 2008/Adam Johnston.pdf as at 5 July 2014

3 See 'In Confidence Documentation – Welfare Reform' – Inspector General of Taxation - Submission: Review of The Australian Taxation Office's Compliance Approach to Individual Taxpayers – Income Tax Refund Integrity Program (2013)

4 See my submission to the National Commission of Audit at http://www.ncoa.gov.au/docs/submission-adj-consultancy-services-appendix

⁶ See my submission to the NSW Public Accounts Committee Inquiry - *Efficiency and Effectiveness of the Audit Office of NSW (Inquiry)*, https://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/BDDEDC83E0A9FF20CA257BCF000C442C and the Committee's Final Report at



Fair rate structure

Page 55 to 60 of the Interim Report considers changes that could be considered to rates of payment for different groups. In shaping the future directions for a fairer rate structure the Reference Group would like feedback on:

• How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?

directly audit functions performed by entities, including private contractors and other non-government organisations, on behalf of the State in the delivery of government programs



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At the risk of repeating myself, many of the circumstances and their interpretation, lead to nonsensical outcomes. For example, as I told the Disney Review, the refusal of my initial application for the Disability Support Pension relied in part on a capacity to work test which "conveniently for (Centrelink)... relies on my theoretical capacity for work, not the availability of actual work, nor whether any of my applications to that point had led to job offers." For recipients and the wider community to have confidence in the payments system, it must be seen to deal transparently with applicants and fairly constituted.

IF NO-ONE WILL HIRE YOU, OR THERE ARE HUNDREDS OF OTHER CANDIDATES (WHO HAVE A LOWER RISK PROFILE BECAUSE THEY ARE NOT DISABLED OR THE LIKE), THEN WHY WOULD ANYONE RISK THEIR BUSINESS AND THEIR INSURANCE PREMIUM ON AN EMPLOYMENT PUNT? THOSE WHO WANT TO HIGHLIGHT ANTI-DISCRIMINATION LAWS SHOW REMEMBER THAT THOSE WHO WRITE THE LAWS ARE RARELY THE PEOPLE WHO UNDERSTAND BUSINESS OR EMPLOYMENT; NOR DO MANY OF OUR POLITICIANS HAVE EXPERTISE RUNNING BUSINESSES OR EMPLOYING STAFF. AND PERSONALLY, I CAN UNDERSTAND EMPLOYERS SCREENING OUT APPLICANTS WITH DISABILITIES, PEOPLE WITH ONGOING CARE RESPONSIBILITIES AND THE LIKE. IN MY SUBMISSION TO THE FAIR PAY COMMISSION, I SAID: "...THE RELEVANT ACT PLACES DUTIES ON (EMPLOYERS) TO MAKE 'REASONABLE ACCOMMODATIONS', WHILE IF EVERYTHING GOES WRONG, AN EMPLOYER COULD FEAR ENDING UP BEFORE HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION. THIS IS NOT TO MENTION HEALTH AND SAFETY ISSUES, ALL OF WHICH MAY MEAN THAT IN THE END AN EMPLOYER SAYS 'THIS IS ALL VERY NICE IN THEORY, BUT I ALREADY DEAL WITH ENOUGH RED TAPE, AND THERE ARE PLENTY OF OTHER APPLICANTS'. AND QUITE FRANKLY, EVEN THOUGH I AM DISABLED, IF I WAS HIRING, THE SAME RATIONALE WOULD BE VERY PERSUASIVE. AS SUCH, EVEN AS A SOLICITOR HOLDING A LAW DEGREE AND AN ARTS DEGREE, I AM AWARE THAT MY EMPLOYMENT PROSPECTS (EVEN AS I CHURN OUT THE APPLICATIONS AND REGULARLY 'ANNOY' MY EMPLOYMENT AGENT) REMAIN, AT A VERY HUMAN LEVEL AND BEYOND THE PERSUASION OF ANY STATUTE, A QUESTION OF WHETHER SOMEONE IS PREPARED TO TAKE A RISK." IN MANY WAYS, I BELIEVE THE REFERENCE GROUP AND THE GOVERNMENT WILL HAVE TO ACCEPT THAT THERE ARE A GROWING NUMBER OF PEOPLE LIKE

ME. WE HAVE COMPLEX MEDICAL NEEDS, WHILE THE GROWING BAND OF OUR AGEING CARERS FACE JUGGLING THEIR OWN WORKING LIFE (IF THEY HAVE ONE) WITH MANAGING OUR NEEDS, AS WELL AS THEIR OWN. MANY CARERS WILL HAVE HEALTH CONCERNS OF THEIR OWN, LIKELY RELATED TO OR EXACERBATED BY THEIR CARE ROLE. IN THIS LIGHT, CONFIRMATION THAT THE NATIONAL DISABILITY INSURANCE SCHEME (NDIS) WILL CONTINUE TO RELY ON INFORMAL CARE ARRANGEMENTS, SHOWS THE DIFFERENCE BETWEEN THE EMPTY RHETORICAL PROMISES MADE AND THE HARD REALITY OF THE SCHEME. IN PARTICULAR, I NOTE: "...THE ONGOING CAPACITY OF FAMILY AND CARERS IS CRITICAL TO THE WELLBEING OF PARTICIPANTS. SUPPORT LOADS AND OTHER FACTORS SUCH AS ILLNESS AND AGEING CAN PLACE CARERS' WELLBEING AT RISK AND COMPROMISE THEIR CAPACITY TO CONTINUE IN THE CARING ROLE.

SUSTAINING INFORMAL SUPPORT CAN BE AN INTEGRAL COMPONENT OF MEETING THE PARTICIPANT'S NEEDS. IN ADDITION TO THE SUPPORT PROVIDED, CLOSE SUPPORTIVE RELATIONSHIPS PARTICIPANTS HAVE WITH PEOPLE WHO PROVIDE THIS SUPPORT IS GENERALLY OF CENTRAL VALUE IN THEIR LIVES."

TAKE AWAY THE "SUGAR COATING AND SPIN" OF THAT STATEMENT AND, WHAT IS REALLY BEING SAID IS THAT THE NDIS AGENCY WILL WRING EVERY LAST DROP OF CAPACITY AND ENERGY OUT OF INFORMAL CARERS, KNOWING IT CAN LEAN ON THEIR LOVE AND FAMILIAL BONDS TO THEIR DISABLED, SICK OR ELDERLY RELATIVE. GOVERNMENTS AND NGO CARE AGENCIES ALIKE ARE WELL PRACTICED AT THIS FORM OF EMOTIONAL BLACKMAIL; THEY HAVE BOTH BEEN USING IT FOR DECADES TO MARSHAL ARMIES OF "VOLUNTEER" FUND RAISERS, WORKING BEE PARTICIPANTS AND THE LIKE. THE NDIS AGENCY SEEMS SET TO FOLLOW THE WELL-WORN PATH OF ITS PREDECESSORS. IF THIS IS SO, DON'T BE SURPRISED WHEN CARERS ARE NOT CLAMOURING TO FIND EMPLOYMENT — THEY WILL NOT HAVE THE TIME, ENERGY OR INCLINATION.

AND IF THE GOVERNMENT THEN SEEKS TO SANCTION PEOPLE FOR A LACK OF PARTICIPATION, EXPECT MORE STORIES LIKE THIS ONE CITED VARIOUSLY IN MY DISNEY REVIEW SUBMISSION 11 AND IN MY THIRD SUBMISSION TO THE PRODUCTIVITY COMMISSION'S DISABILITY CARE AND SUPPORT INQUIRY. 12 UNDER THE HEADLINE "YOU'LL WORK LIKE A DOG TO KEEP CENTRELINK HAPPY" JOURNALIST ADELE HORIN HAD WRITTEN: "I HAVE VIVID MEMORIES OF A YOUNG MAN I INTERVIEWED WHO HAD HAD HIS UNEMPLOYMENT BENEFIT STOPPED FOR EIGHT WEEKS. EVEN THOUGH HE HAD BEEN REDUCED TO SLEEPING ON THE STREETS, HE HELD ONTO A NEAT FOLDER CONTAINING COPIES OF EVERY JOB APPLICATION HE HAD EVER MADE, AND ALL WRITTEN RESPONSES, AS WELL AS EVERY PIECE OF CORRESPONDENCE FROM CENTRELINK FILED IN INDIVIDUAL PLASTIC ENVELOPES. I MARVELLED AT HIS ORDERLY HABITS IN STARK CONTRAST TO THE CHAOTIC JUMBLE ON MY DESK. BUT EVEN HE HAD SLIPPED UP IN THE END, TRANSGRESSING SOME RULE OR OTHER." 13 I THINK THERE ARE A GROWING NUMBER OF PEOPLE FOR WHOM THE WORKFORCE HAS NO NEED (AND AS I AGE, I INCREASINGLY INCLUDE MYSELF IN THIS LIST).

WHETHER THANKS TO MECHANISATION, 14 THE INCREASINGLY CUT-THROAT AND TEMPORARY NATURE OF EMPLOYMENT, OR UNSTATED RESISTANCE TO EMPLOYING PEOPLE WITH DISABILITIES (AMONGST OTHERS), IT IS TIME TO FACE REALITY. ANOTHER TRAINING COURSE WILL JUST KILL A BIT MORE TIME.

MEANWHILE, GOVERNMENT CAN OFFER ALL THE INCENTIVES AND SUBSIDIES IT LIKES, BUT WHAT HAPPENS TO THE EMPLOYEES ONCE THE SUBSIDIY ENDS?

MORE THAN LIKELY, THE EMPLOYMENT CONTRACTS END. FOR THE ABBOTT GOVERNMENT TO BE CONSISTENT IN ITS STAND AGAINST INDUSTRY WELFARE, IT SHOULD EXTEND THE SAME LOGIC TO THE CHARITABLE/NGO SECTOR. 15

See footnote 1, p.4



Common approach to adjusting payments

Page 60 to 64 of the Interim Report considers a common approach to adjusting payments to ensure a more coherent social support system over time. In shaping the future directions for a common approach to maintaining adequacy the Reference Group would like feedback on:

• What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?

⁸ This article is a telling exposition of the problem and, in my opinion, it is still applicable: Nick Bryant, *Is the Political Talent Pool Shrinking?*, Global Mail, July 30, 2012, http://www.theglobalmail.org/feature/is-the-political-talent-pool-shrinking/320/ as at 12 July 2014

⁹ See my submission to Senate Education, Employment and Workplace Relations Committees, *The administration and purchasing of Disability Employment Services in Australia*, Submission 60, p.49 of 68 https://senate.aph.gov.au/submissions/comittees/viewdocument.aspx?id=a6fa4e6a-eb31-49de-bb0f-c9f11849c86c as at 12 July 2014

¹⁰ Operational Guideline – Planning and Assessment – Supports in the Plan – Supports for Sustaining Informal Support, http://www.ndis.gov.au/sites/default/files/documents/og_plan_assess_supports_sustaining_informal.docx as at 13 July 2014

¹¹ See footnote 1, pp. 1-2 of 40

¹² See my third submission to the *Disability Care and Support Inquiry,* pp. 4-5 of 10 at http://www.pc.gov.au/ data/assets/pdf file/0007/108664/subdr0716.pdf as at 13 July 2014

¹³ Adele Horin, *You'll work like a dog to make Centrelink happy,* January 31, 2009 <<u>http://www.brisbanetimes.com.au/news/opinion/youll-work-like-a-dog-to-make-centrelink-happy/2009/01/30/1232818724404.html</u>> as at 10 June 2010

¹⁴ See e.g.: *Could robots replace nearly half of us in the workforce?* Australian Broadcasting Corporation, Broadcast: 28/05/2014, Reporter: Greg Hoy, http://www.abc.net.au/7.30/content/2014/s4014292.htm as at 13 July 2014

¹⁵ See e.g.: my comments to the National Commission of Audit about the ongoing public subsidy of charities (footnote 4, above). Perhaps, if the government abolished tax concessions and deductions, the Budget would have the money to support those who will struggle to find sporadic work, if any at all. Also note similar comments in my submission to the *Competition Policy Review* at http://competitionpolicyreview.gov.au/files/2014/07/ADJ.pdf as at 13 July 2014



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THE BASIS OF ANY PAYMENT HAS TO BE COMPARABLE TO WAGE-INDEXATION. THAT IS: UNEMPLOYMENT DOES NOT OBVIATE THE NEED TO ACCESS THE SAME BASIC "BASKET OF GOODS" THAT EVERYONE ELSE IN THE COMMUNITY NEEDS TO ACCESS, TO FEED THEMSELVES AND THEIR FAMILIES. EQUALLY, THERE ARE REAL FINANCIAL COSTS IN LOOKING FOR WORK — TRANSPORT TO ATTEND INTERVIEWS, BUSINESS CLOTHES, INTERNET SEARCH EXPENSES, PRINTING AND POSTAGE, TO NAME BUT A FEW. NO CENTRELINK SUBSIDY OR PAYMENT GOES ANYWHERE NEAR COVERING THESE COSTS. FURTHER, IF YOU ARE TOLD TO PHYSICALLY ATTEND A CENTRELINK OFFICE, NO-ONE WOULD EVER OFFER TO COVER YOUR CAB FARE (I AM RELIANT ON TAXIS — WHILE THE STATE-BASED CONCESSION IS OF SOME ASSISTANCE, I AM STILL LEFT OUT OF POCKET).

MY GOOD FORTUNE IS TO HAVE FAMILY MEMBERS WHO ARE STILL IN THE WORKFORCE, WHO CAN HELP MEET OUT OF POCKET COSTS. I SUBMIT THAT MANY PEOPLE FAIL OR STOP LOOKING FOR WORK, NOT BECAUSE THEY ARE LAZY OR INDIFFERENT, BUT THAT THEY SIMPLY RUN OUT OF MONEY TO DO SO. THE REVIEW ALSO NEEDS TO CONSIDER UNLOCKING THE MONEY UNEMPLOYED PEOPLE MAY HAVE IN SUPERANNUATION, AS SAVING FOR RETIREMENT IS AN ACADEMIC CONCEPT, IF YOU ARE SLOWLY FALLING INTO FINANCIAL RUIN IN THE PRESENT. EQUALLY, IT SEEMS RIDICULOUS FOR MANY LOW PAID WORKERS TO BE IN THE SUPERANNUATION SYSTEM IN THE FIRST; EVERY DOLLAR THEY LOSE TO SUPER HAS A GREATER IMPACT ON THEIR PURCHASING POWER THAN THAT FELT BY SOMEONE ON HIGHER WAGES. THIS IS ANOTHER OBVIOUS DISINCENTIVE TO ENTER THE PAID WORKFORCE.

Support for families with children and young people

Page 65 to 68 of the Interim Report considers how the payments could be changed to improve support to families with children and young people. In shaping the future directions for support for families with children and young people the Reference Group would like feedback on:

- How can we better support families with the costs of children and young people to ensure they complete
 their education and transition to work?
- In what circumstances should young people be able to access income support in their own right?

http://www.supersystemreview.gov.au/content/submissions/downloads/Adam Johnston 091224.rtf; Submission to Better regulation and governance, enhanced transparency and improved competition in superannuation, http://www.treasury.gov.au/~/media/Treasury/Consultations%20and%20Reviews/Consultations/2013/Better%20regulation %20and%20governance/Submissions/PDF/Johnston_Adam.ashx and; my submission to the Financial System Inquiry (Murray Review) http://fsi.gov.au/files/2014/04/Johnston_Adam.pdf as at 13 July 2014. Admittedly, much of it will go beyond your terms of reference, but it does provide a context to explain my growing doubts, not only about superannuation, but also about whether people with disabilities have any real place in the workforce (beyond the claims made by Government rhetoric).

¹⁶ See my comments regarding superannuation at: Submission to the Productivity Commission - *Default Superannuation* funds in modern awards http://www.pc.gov.au/ data/assets/pdf file/0009/116685/sub054-default-super.pdf; Submission to the *Super System Review*



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I COMPLETED MY EDUCATION BECAUSE I WAS ENCOURAGED TO DO SO BY MY FAMILY. A NUMBER OF MY RELATIVES ARE (OR WERE DURING THEIR WORKING LIFE) AT THE HEIGHT OF THEIR PROFESSIONS. MONEY HELPS, BUT MANY INTANGIBLES ARE IN MY VIEW EVEN MORE IMPORTANT, WHEN IT COMES TO ONE'S APPROACH TO EDUCATION.

A KEY FACTOR IN MY SUCCESS WAS ACCESS TO A SCHOOL FOR SPECIFIC PURPOSES (CATERING FOR MY DISABILITY AND RELATED MEDICAL NEEDS). IN MY OPINION, ONE OF THE GREATEST MISTAKES EDUCATION POLICY MAKERS HAVE MADE, OVER THE PAST 30 OR SO YEARS, WAS TO INTEGRATE STUDENTS WITH DISABILITIES INTO MAINSTREAM SCHOOLS EN-MASSE. WHILE IT HAS WORKED FOR SOME, I'M SURE MANY PEOPLE "FELL THROUGH THE CRACKS" AS IT IS SAID. IT WOULD BE INTERESTING TO FIND OUT WHETHER THE HIGHER THAN AVERAGE UNEMPLOYMENT RATES OF PEOPLE WITH DISABILITIES HAS A CORRELATION WITH THEIR INCREASED PLACEMENT IN THE MAINSTREAM SCHOOL SYSTEM, DURING THE LAST 3 DECADES OR SO?¹⁷

Effective rent assistance

Page 68 to 71 of the Interim Report considers Rent Assistance and suggests a review to determine the appropriate level of assistance and the best mechanism for adjusting assistance levels over time. In shaping the future directions for Rent Assistance the Reference Group would like feedback on:

• How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

http://www.aph.gov.au/~/media/wopapub/senate/committee/eet_ctte/completed_inquiries/2002_04/ed_students_withdis abilities/submissions/sub001_pdf.ashx as at 13 July 2014

¹⁷ This is an issue I have long campaigned about and come under fire for – but I hold to my defence of the Special School System. See my submission to the Senate Employment, Workplace Relation and Education References Committee, *Inquiry into the education of students with disabilities*



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CLEARLY, GIVEN THE COMMENTS ON PAGE 69 OF YOUR INTERIM REPORT, RENT ASSISTANCE NEEDS TO RISE IN BOTH REAL AND ABSOLUTE TERMS, AS IT IS NOT KEEPING PACE WITH COSTS. THIS HAS A LOT TO DO WITH A LACK OF HOUSING STOCK. FOR AS LONG AS LAND TAXES AND STAMP DUTIES DISAPPEAR INTO THE STATES' CONSOLIDATED REVENUE AND ARE NOT COMMITTED TO HOUSING AND RELATED INFRASTRUCTURE, THIS PROBLEM WILL CONTINUE. THE COMMONWEALTH COULD DO MUCH BY HANDING FAR MORE OF THE REVENUE IT COLLECTS BACK TO THE STATES AND TERRITORIES IN UNTIED GRANTS. ALL ELEMENTS OF OUR FEDERATION SHOULD IDEALLY BE SELF-FUNDING, SO THAT ONE LEVEL OF GOVERNMENT DOES NOT HAVE TO GO CONSTANTLY "CAP IN HAND" TO ANOTHER. AS I UNDERSTAND IT, THE CANADIAN PROVINCES ARE FAR LESS RELIANT ON THE NATIONAL GOVERNMENT THAN THEIR AUSTRALIAN EQUIVALENTS; PERHAPS THEIRS IS A MODEL OF FEDERAL-STATE FUNDING WE SHOULD MOVE TOWARDS? 18

In any event, I attach to this submission an annex entitled "Housing Submissions". Over many years, I fought to take up a graduate position in Canberra. The biggest battle was not getting the job (I had the offer), but trying to line up affordable, wheelchair accessible housing with appropriate supports. As a non-resident of Canberra, this also included a teleconference with the Administrative Appeals Tribunal (ACT), to argue my case for admission onto the ACT Housing Waiting List. While this was successful, by the time I made it to the top of the accessible housing list, the job offer had lapsed; it could only be held open for so long. I tell this story to address the objection often heard that "unemployed people will not move to where there is work". Many who say this clearly have little understanding of how hard such a move can be.

One reason I was able to take up a senate internship in 1996 (refer to "Early intervention, below) was that being a student, one could live in a college of the university campus. However, this was not easy; the college had to be convinced to take me (and do some building access and fire policy modifications in the 6 months preceding my arrival). Care/support services had to be arranged, meaning home help ACT needed to enter arrangements with Homecare NSW to temporarily take over a NSW client. Equally ACT Transport had to be convinced to admit a NSW resident onto its Taxi Transport Subsidy Scheme. This ensured I could use Wheelchair Accessible Taxis as a recognised wheelchair bound client and also claim the subsidy. My mother and father then travelled back and forth, from Sydney to Canberra every weekend for four months, to deal with all other details the care agencies didn't cover. This is highlighted because in my view, the welfare-to-work slogan glosses over many of the hard realities for people with chronic illnesses or disabilities and the workforce (be it paid work or a temporary internship).

I LOVED WHAT I HAD THE OPPORTUNITY TO DO IN 1996, BUT IT WAS 12 MONTHS IN THE PLANNING, INVOLVING ALMOST CONTINUOUS LOBBYING OF THE NSW AND ACT GOVERNMENTS, AS WELL AS UNIVERSITY COLLEGES. MY STATE AND FEDERAL MP'S AND THEIR STAFF ALSO MADE NUMEROUS REPRESENTATIONS ON MY BEHALF, AS DID OTHER PEOPLE. MOST IMPORTANTLY, MY PARENTS PUT THEIR LIVES ON HOLD FOR FOUR MONTHS, TO MAKE MY INTERNSHIP A SUCCESS. AGAIN, WHEN GOVERNMENTS GLIBLY DECLARE THEY WANT TO MOVE SOMEONE FROM "WELFARE TO WORK" OR THAT A PERSON MUST "LEARN OR EARN," THEY RARELY (IF EVER) STOP TO THINK OF THE IMPACT ON OTHER PEOPLE, ON WHOM THE INDIVIDUAL RELIES. SOMETIMES, I AM FORCED TO CONCLUDE (JUST AS I SAID IN ANSWER TO THE "FAIRER RATE STRUCTURE" QUESTION, REFERRING TO THE NDIS'S RELIANCE ON INFORMAL CARE) THAT CARERS, FRIENDS, MOTHERS, FATHERS, SIBLINGS AND GRANDPARENTS WHO "KEEP THE SHOW ON THE ROAD" IN THE WAKE OF A POLICY EDICT, ARE AGAIN THE USED-AND-ABUSED VOLUNTEER ARMY. YET, RATHER THAN BEING VENERATED FOR ALL THE PRO-BONO SOCIAL CAPITAL THEY OFFER, THEY AND THEIR LIVES BECOME THE SOCIAL "COLLATERAL DAMAGE" OF PUBLIC POLICY. AND BEFORE EITHER MAJOR POLITICAL PARTY TRIES TO APPORTION PARTISAN BLAME, IN MY VIEW, BOTH ARE EQUALLY CULPABLE.²⁰

¹⁸ For example, see *Powers of the National and Provincial Governments*, Parliament of Canada,



Rewards for work and targeting assistance to need

Page 72 to 78 of the Interim Report considers changes to means testing for improved targeting to need and better integration of the administration of the tax and transfers systems to improve incentives to work. In shaping the future directions for rewards for work and targeting assistance to need the Reference Group would like feedback on:

- How should means testing be designed to allow an appropriate reward for work?
- At what income should income support cease?
- What would be a simpler, more consistent approach to means testing income and assets?

http://www.parl.gc.ca/about/parliament/senatoreugeneforsey/book/chapter_3-e.html as at 14 July 2014. I note in particular, this statement: "The provincial legislatures have the constitutional right of direct taxation for areas under provincial jurisdiction, such as education."

¹⁹ This led me to appear before the then House of Representatives Standing Committee on Family and Community Affairs, during its inquiry *Concessions: Who Benefits?* (1997). See

http://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=fca/concard/co

http://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=fca/concard/chap_07.pdf. It took me four years of writing to Premiers, Transport Ministers and various consultants, to see the recommendation regarding reciprocal transport concessions implemented) and

http://www.aph.gov.au/parliamentary business/committees/house of representatives committees?url=fca/concard/subs. pdf (list of submissions) and

http://www.aph.gov.au/parliamentary business/committees/house of representatives committees?url=fca/concard/witness.pdf (list of witnesses) and

http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Fcommrep%2Frcomw970627a rca.out%2F0012;query=Id%3A%22committees%2Fcommrep%2Frcomw970627a rca.out%2F0000%22 (transcript of hearing) as at 19 July 2014

²⁰ See footnote 9, above. The document is an interesting personal reflection for me, as the Senate submission (and its attachments) shows my move from enthusiastic supporter of "welfare to work" polices, to a policy sceptic. In my experience, the reality has not equated with the rhetoric. In reality, a publicly funded gravy train was boarded by many in the NGO sector. Sadly, many unemployed people were left at the station without tickets.

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I AM HAPPY TO SUPPORT THE IDEA OF A 'TAPER RATE'; IN EFFECT, THIS IS WHAT ALREADY HAPPENS IF I SECURE SOME PART-TIME/
TEMPORARY WORK (THAT IS, MY RATE OF DISABILITY PENSION IS REDUCED IN LIGHT OF ANY EARNINGS). FOR THERE TO BE REAL
REWARDS TO WORK HOWEVER, THERE MUST BE LARGE SCALE REFORM OF THE TAX SYSTEM (AS DISCUSSED ABOVE). EQUALLY
THOUGH, WHEN THINKING OF THE POINT AT WHICH INCOME SUPPORT CEASES, IT IS NOT SIMPLY A CASE OF DOLLAR FOR DOLLAR
SUBSTITUTION. AS SOMEONE WITH A PHYSICAL DISABILITY AND ONGOING HEALTH CONDITIONS TO MANAGE, MAINTAINING
CONCESSIONAL ACCESS TO PRESCRIPTIONS AND THE LIKE IS A VITAL CONSIDERATION. ALSO, REFER TO MY EARLIER COMMENTS
UNDER THE HEADING "COMMON APPROACH TO ADJUSTING PAYMENTS," IN CONSIDERING THIS QUESTION.

I WOULD RESIST THE FAMILY HOME BEING INCLUDED IN ANY ASSETS TEST. THIS MAY BE THE ONLY ASSET A SICK OR DISABLED

PERSON HAS TO RELY ON. AS STATED EARLIER, THE WORLD OF WORK IS NOTORIOUS FOR ITS UNRELIABLE AND TEMPORARY NATURE. EQUALLY, AS STATED, BOTH SUPERANNUATION AND THE TAX SYSTEM OPERATE AS PERVERSE DISINCENTIVES, MEANING YOU ARE LIKELY TO BE FINANCIALLY WORSE OFF BY ACCEPTING PAID WORK. PERSONALLY, I ALSO DON'T OWN ANY OTHER SIGNIFICANT ASSETS LIKE A CAR, BECAUSE I VIEW DRIVING AS BOTH TOO EXPENSIVE AND TOO DANGEROUS (FOR ALL ROAD USERS, INCLUDING ME), IN MY CONDITION.

ADDITIONALLY THE FAMILY HOME IS JUST THAT; IT IS FOR THE FAMILY AND, AS SUCH, SHOULD NOT DISTORT THE ASSESSMENT OF THE NEEDS OF INDIVIDUAL MEMBERS OF A PARTICULAR FAMILY. FAMILIES, PARTICULARLY THOSE ON FIXED OR LIMITED INCOMES, SHOULD NOT HAVE TO FEAR THE STATE LAUNCHING A RAID ON THE VALUE OF THEIR HOME. 21 PEOPLE WITH DISABILITIES (AND OTHERS) ARE ALREADY DEEPLY WORRIED ABOUT WHAT THIS REFORM PROCESS COULD MEAN. AS SUGGESTED EARLIER, THERE IS LITTLE POINT OBLIGING PEOPLE TO APPLY FOR WORK IN A HIGHLY COMPETITIVE MARKET WHICH REALLY DOES NOT NEED THEM. 22 EQUALLY, AN NDIS WHICH CONTINUES TO INSISTS CARERS MAINTAIN THEIR DELIVERY OF INFORMAL CARE, WHILE OTHER OFFICIAL POLICY DEMANDS THAT THESE SAME PEOPLE FIND PAID WORK, DEMONSTRATES HOW THE GOVERNMENT IS HAPPY TO USE AND ABUSE AN AGEING VOLUNTEER LABOUR FORCE. AND IF THIS IS HOW OUR GOVERNMENT TREATS THE ONES WHO LOVE US, HOW WILL THE GOVERNMENT TREAT US. THE SICK AND DISABLED. WHEN THOSE WHO TRULY LOVE US ARE GONE? FURTHERMORE, IF POLICY MAKERS SUCCEED IN FORCING CARERS INTO THE WORKFORCE, WHO ASSUMES THEIR CARING RESPONSIBILITIES WHILE THEY ARE WORKING? WITH REGARD TO MANY PEOPLE WHO HAVE HIGH DEPENDENCY NEEDS, THEY REQUIRE 24 HOUR CARE. YOU CAN'T TURN OFF THIS NEED SO A CARER CAN GO TO WORK IN ORDER TO FULFIL A CONTRIVED OBLIGATION TO A POLITICAL CONSTRUCT. IN THE END, WE NEED TO ASK WHO'S NEEDS ARE GREATEST AND WHO WOULD SUFFER THE MOST? AS THE POLITICAL CONSTRUCT IS NOT A LIVING HUMAN BEING, I THINK THAT ANSWERS THE QUESTION. AFTER ALL, WILL THE GOVERNMENT ACCEPT LIABILITY IF A HIGHLY DEPENDENT OR DISABLED PERSON IS INJURED OR DIES, AS A RESULT OF THEIR CARER'S ABSENCE DUE TO "MUTUAL OBLIGATION" RESPONSIBILITIES?

²¹ Many people are already suffering housing stress, but some are finding innovative ways to reduce building and construction costs; see e.g.: *Shipping containers cruise into housing market*, Andree Withey - Source: <u>7pm TV News QLD</u> | Duration: 1min 53sec, http://www.abc.net.au/news/2014-07-13/shipping-containers-cruise-into-housing-market/5593350 as at 14 July 2014

Inote Graeme Innes's (former Disability Discrimination Commissioner) recent speech to the National Press Club, reproduced by the Sydney Morning Herald as - If we're not lifters, it's because society forces us to be leaners, Opinion, 2 July 2014 at http://www.smh.com.au/comment/if-were-not-lifters-its-because-society-forces-us-to-be-leaners-20140702-zstli.html as at 19 July 2014. While I agree with many points he makes, I am sceptical about a "jobs plan" and large corporates setting up a Disability Network. Is either initiative a true mobilisation of an economic resource, or a marketing exercise, helped along by a government grant and/or favourable tax treatment? As Mr Innes says: "Many private employers are willing to commit to these processes. But they need to learn from their peers, and be resourced to get on with it, not be surrounded by government red tape. Limiting rules and bureaucratic disincentives are, to paraphrase Missy Higgins, a danger government are addicted to. And the various services contracted to find jobs for people with disabilities are not giving us



Pillar Two: Strengthening individual and family capability

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

Mutual obligation

Page 80 to 85 of the Interim Report considers more tailored and broadening of mutual obligation and the role of income management. In shaping the future directions for mutual obligation the Reference Group would like feedback on:

- How should participation requirements be better matched to individual circumstances?
- How can carers be better supported to maintain labour market attachment and access employment?
- What is the best way of ensuring that people on income support meet their obligations?
- In what circumstances should income management be applied?

MUTUAL OBLIGATION GENERATES A GREAT DEAL OF COMPLIANCE PAPERWORK, BUT I AM YET TO BE CONVINCED IT GENERATES MUCH OF ANY VALUE. ²³

Early intervention

Page 85 to 88 of the Interim Report considers risked based analysis to target early intervention and investment and targeting policies and programmes to children at risk. In shaping the future directions for early intervention the Reference Group would like feedback on:

- How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
- How can the social support system better deliver early intervention for children at risk?

value for money." A "jobs plan" is bureaucracy, while resourcing should not be code for indefinite workplace subsidies; if our employment is little more than an act of public charity, then "thanks, but no thanks!" If there is not a viable economic (unsubsidised) business case for the employment of people with disabilities (amongst others), then let's stop the charade here and, free ourselves of all the useless employment services Mr Innes makes reference to.

²³ See generally, footnote 9, above. I continue to struggle with the burden of a Disability Employment Service Provider today, with little to show for it. I think mutual obligation has degenerated into a large, complex bureaucracy. Many of the *alleged* service providers (most being NGOs) should cease to receive public funding. I am up to my third provider and, for bodies allegedly committed to helping people find work, they all excel at rent seeking (but little else!)



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While the report is now somewhat dated, many of the problems do not seem to have changed. When it comes to delivering financial stability to families in need, refer to: Adam Johnston, An SOS to the DSS: Reform the FP, Research report (Australian National Internship Program (Australian National University)), Item S 909.09 RES (COPY 1) MAIN-ANALS N10039129 INLIBRARY, Parliament House Library, Canberra 1996

HTTP://PARLINFO.APH.GOV.AU/PARLINFO/SEARCH/DISPLAY/DISPLAY.W3P;ADV=;DB=;GROUP=;HOLDINGTYPE=;ID=;ORDERBY=ALPH
AASS;PAGE=;QUERY=(DATASET%3APARTYPOL,LCATALOG,JRNART,JRNART88%20SEARCHCATEGORY_PHRASE%3A%22LIBRARY%2
2)%20JOURNAL_PHRASE%3A%22NO%22;QUERYTYPE=;REC=14;RESCOUNT= AS AT 15 JUNE 2010.

While the New Zealand model (pages 86-87) has its attractions, the annual reviews and close micro-monitoring of people strikes me as very illiberal (using the word in its classic sense) and anti-democratic. As someone with a lifelong disability, I am sick of various state and NGO actors telling me and my family how to live our lives.²⁴

Education and Training

Page 89 to 90 of the Interim Report considers the need for a stronger focus on foundation skills in both schools and vocational education and training, and on transitions from school to work. In shaping the future directions for education and training the Reference Group would like feedback on:

- What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
- How can early intervention and prevention programmes more effectively improve skills for young people?
- How can a focus on 'earn or learn' for young Australians be enhanced?

http://www.health.gov.au/internet/main/publishing.nsf/Content/eHealth2010/\$FILE/010_Adam%20Johnston%20pt2_31-12-09.doc as at 22 May 2010 (link expired – see document "Annex 1 – Key Consultation Questions")

My first submission to the Productivity Commission's *Disability Care* Inquiry made clear that I was less than pleased with the "interventions" offered. It seems that everyone gets a chance to determine your needs and interests, except you: see generally http://www.pc.gov.au/ data/assets/pdf file/0009/99486/sub0055.pdf as at 14 July 2014; also note my comments to Father Frank Brennan's *Human Rights Inquiry* (for the Gillard Government) at *Key Consultation Questions* by Adam Johnston (submission) 10 April 2009,



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I WOULD REMIND THE REFERENCE GROUP THAT JUST BECAUSE THERE IS A STATISTICAL LINK BETWEEN HIGHER RATES OF EDUCATION AND ATTAINMENT OF EMPLOYMENT, THIS DOES NOT MEAN THERE IS A DIRECT CAUSAL LINK BETWEEN EDUCATION AND EMPLOYMENT. IN THIS LIGHT, I CONCUR WITH YOUR OBSERVATION IN APPENDIX E (REFERRING TO FIGURE 1) THAT "PEOPLE WITH A VET CERTIFICATE III OR IV OR ABOVE TEND TO HAVE A RELATIVELY LOW RISK OF UNEMPLOYMENT". 25 HOWEVER, YOU SHOULD ONLY EVER UNDERSTAND THIS AS A TENDENCY. I LOOK AT MY OWN LIFE EXPERIENCE AND RECOGNISE THAT DESPITE THE QUALIFICATIONS I HOLD, THERE IS A REASONABLE CHANCE I COULD SPEND THE REST OF MY LIFE UNEMPLOYED. PARTLY, THIS IS THANKS TO MY PROFESSION AND ITS HISTORIC, AS WELL AS CURRENT, LEGISLATIVE AND INSTITUTIONAL FRAMEWORK. MY ATTEMPTS TO REFORM THE LEGAL PROFESSION ARE CONTINUING. 26 HOWEVER, THE REFERENCE GROUP SHOULD STOP TO CONSIDER THAT MANY OF THOSE WORKING MAY NOT BE EMPLOYED IN THE FIELDS THEIR POST-SCHOOL QUALIFICATIONS WOULD SUGGEST.

AS FOR IMPROVING ACCESS TO LITERACY, NUMERACY AND TRAINING, REFER TO MY ANSWER ABOVE CONCERNING "SUPPORT FOR FAMILIES WITH CHILDREN AND YOUNG PEOPLE". EQUALLY, ALL MY PREVIOUS ANSWERS SHOW MY DOUBTS ABOUT THE TRUE EFFECTIVENESS OF THE "LEARN OR EARN" MANTRA. WE MAY WELL HAVE TO ACCEPT GROWING LEVEL OF STRUCTURAL UNEMPLOYMENT, UNDER-EMPLOYMENT AND TEMPORARY EMPLOYMENT FOR BOTH BLUE AND WHITE-COLLAR WORKERS. WHILE NOTING THAT APPENDIX E ALSO SAYS THAT THERE WILL BE A GROWTH IN THE NEED FOR AGED CARE SERVICES, ANY NUMBER OF ARTICLES FROM CREDIBLE SOURCES CAN BE CITED TO SUGGEST THAT ROBOTS COULD REPLACE SUCH WORKERS; INDEED OVER TIME THIS REPLACEMENT MIGHT EVEN EXTEND TO PART OF WHITE-COLLAR MEDICINE. THIS COULD BE A BOON FOR PROGRAMMES LIKE THE NDIS, WHICH I HAVE NEVER THOUGH WOULD BE ABLE TO SECURE EITHER THE STAFF OR THE FUNDS TO MEET DEMAND. FOR INDIVIDUAL UNEMPLOYED PEOPLE HOWEVER (EVEN THOSE WITH SKILLS AND QUALIFICATIONS) A WHOLE RANGE OF PROFESSIONAL ROLES MAY BE AMALGAMATED AND INCREASINGLY MECHANISED.

Improving individual and family functioning

sparrow/download/InTheHandsOfMachines ForWeb.pdf; Heather Kelly, *Robots: The future of elder care?* CNN, July 19th, 2013, 03:42 PM ET, http://whatsnext.blogs.cnn.com/2013/07/19/robots-the-future-of-elder-care/; Maureen Dowd, *Silicon Valley Sharknado*, The Opinion Pages | Op-Ed Columnist, July 8, 2014,

http://www.nytimes.com/2014/07/09/opinion/maureen-dowd-silicon-valley-sharknado.html? r=0 as at 19 July 2014. From Ms Dowd's article I note, in particular: "Vinod Khosla, the Sun Microsystems co-founder, has predicted that algorithms and machines will replace 80 percent of doctors in years to come, making medicine more data driven and less like "witchcraft." In a rare joint interview last week with Khosla at his Silicon Valley summit, Google founders Sergey Brin and Larry Page talked about their A.I. (Artificial Intelligence) hopes. "You should presume that someday," Brin said, "we will be able to make machines that can reason, think and do things better than we can." They have always been interested in robots — they named their operating system Android — and are running "the brain project," described by Brin as "really machine-learning focused." In January, they acquired the British A.I. developer DeepMind, founded by Demis Hassabis, a game designer, neuroscientist and former child chess prodigy."

²⁸ In particular, note the table "Large and Fast Growing Programmes" (and the line referring to the NDIS), in a Pre-Budget Speech presented by Treasurer Joe Hockey to the *Spectator*. Speech – "The Case For Change" at https://www.liberal.org.au/latest-news/2014/04/23/case-change-address-hon-joe-hockey-mp-treasurer as at 21 July 2014

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²⁵ A New System For Better Employment and Social Outcomes, p. 153 (157 of 176)

The Productivity Commission is currently conducting an *Access to Justice Inquiry*. I have provided the Inquiry with two submissions (http://www.pc.gov.au/ data/assets/pdf file/0005/136499/subdr164-access-justice.pdf and http://www.pc.gov.au/ data/assets/pdf file/0009/137871/subdr297-access-justice.pdf) and appeared as a witness (http://www.pc.gov.au/ data/assets/pdf file/0008/137672/20140603-sydney-access-justice-transcript.pdf) as at 19 July 2014.

²⁷ See e.g.: Sparrow, R., and Sparrow, L. 2006. *In the hands of machines? The future of aged care*. Minds and Machines 16: 141-161, May, http://profiles.arts.monash.edu.au/rob-



Page 90 to 93 of the Interim Report considers cost effective approaches that support employment outcomes by improving family functioning and the provision of services especially to people with mental health conditions to assist them to stabilise their lives and engage in education, work and social activities. In shaping the future directions for improving individual and family functioning, the Reference Group would like feedback on:

- How can services enhance family functioning to improve employment outcomes?
- How can services be improved to achieve employment and social participation for people with complex needs?

http://www.hicss.hawaii.edu/HICSS36/HICSSpapers/ETEPO02.pdf (pages 8-9 Adobe numbering) as at 19 July 2014

²⁹ See e.g.: Jacob, Georg (University of Salzburg, Department for Law and Informatics), *Electronic Government: Perspectives and Pitfalls of Online Administrative Procedure*, Proceedings of the 36th Hawaii International Conference on System Sciences (HICSS'03), 0-7695-1874-5/03 \$17.00 © 2002 IEEE, available at



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THIS IS BEST ANSWERED BY AN ARTICLE I RECENTLY SUBMITTED TO THE SYDNEY MORNING HERALD OPINION PAGE:

LEARN OR EARN, OR JUST TEMPORARY EMPLOYMENT CHURN?

About 15 years ago, my father hurried off to the post office, baring two armfuls of envelopes. "Is your son looking for work?" the Post Office Manager asked. Naïve and in my mid-20s, I had written to every major law firm in Sydney, arguing I was the law student they needed. Mum and Dad, both ever hopeful and always positive repeated this journey countless times on behalf of their wheelchair bound son. A month or so later, the polite pro-forma letters started arriving, wishing me well in my future endeavours.

As the Commonwealth government argues today for welfare reform, I look back and realise that disability and employment are often dubious bedfellows. There have been periods of successful job hunting, in both full and part time administrative, para-legal research and complaint handling roles. All roles have been professionally and personally rewarding. However, they have also all been based on temporary contracts of service. In all sectors, government, NGO and private, budgets are tight. Positions are created, continued, suspended or abolished based on a particular division or department's quarterly budget allocation.

For job seekers, disabled or otherwise, this level of uncertainty is personally and professionally daunting. You avoid long term professional, personal or financial commitments, as the workplace fires, hires, trains and then runs out of money, so 'downsizes' yet again. From an economic and intellectual property point of view, private and public entities must lose millions, if not billions. For individuals and families there is the personal and financial cost of irregular income, the cost of having to apply and re-apply for jobs, as well as welfare payments to tide you over. I often wonder whether anyone has done a cost benefit analysis of this vicious cycle of labour churn which epitomises the modern economy.

Into this setting comes the official mantra of 'learn or earn'. Holding a diploma and a Master of Laws, as well as a variety of other certificates, this line rings hollow when you ask for feedback from potential employers and they say: "Yes, you made a strong application, but you are clearly over-qualified for the role". Education is clearly a benefit to one's mind, knowledge and skills, but as there can be diseconomies of scale in production, might a similar process apply to training and study? Mutual obligation has been around long enough for all of us who are unemployed to have seen employment agents park us in training, so they continue to receive *their* government funding grant.

Meanwhile, as an individual, you have to fight tooth and nail for your payment. After two years work, another contract ended. Centrelink deemed me insufficiently disabled for the Disability Pension. Six months later, two members of the Social Security Appeals Tribunal asked why I had ever had to appear before them, throwing out Centrelink's findings altogether. But for some funds left from my previous job and, other members of my family still working, that period would have been completely without income, as I filed appeals with Centrelink. For many others, poverty, housing stress and family dislocation will become the reality. Sit on any ombudsman office, or other public helpline and you will hear all about it.

The naïve student is long gone, replaced with someone who is more concerned about the naïveté of much public policy. Now, the email job applications are less likely to receive any response, the contract will be temporary and employers will increasingly be looking for those who can work harder and faster with less. Many, regardless of disability or not, will struggle to find a place in this workforce. And, even if you get a foot in the door, how does such an environment do anything other than diminish your physical and physiological health? I wish you well in your future endeavours!

Adam Johnston is a solicitor and consultant 30

See Annex 1 – "Learn or earn, or just employment churn?" and "Auto Response Re Learn or earn, or just employment ADJ Consultancy Services®



Evaluating outcomes

Page 93 of the Interim Report considers improved monitoring and evaluation of programmes aimed at increasing individual and family capability to focus on whether outcomes are being achieved for the most disadvantaged. In shaping the future directions for evaluating outcomes the Reference Group would like feedback on:

 How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?

MY CONCERN ABOUT AN EMPHASIS ON NON-FINANCIAL REPORTING BY ENTITIES IS THAT IT AGAIN EXPOSES THE PRIVATE DETAILS (EVEN IF DE-IDENTIFIED) OF VULNERABLE AND NEEDY PEOPLE TO A FORM OF WHAT IS ALMOST OFFICIALLY-SANCTIONED VOYEURISM. LOOK ON A CENTRELINK FORM AND YOU WILL FIND SOMETHING LIKE THIS: "…LIMITED PERSONAL INFORMATION COLLECTED FROM YOU MAY BE USED TO CONDUCT CUSTOMER RESEARCH RUN BY THE COMMONWEALTH DEPARTMENT OF HUMAN SERVICES, CENTRELINK OR BY RESEARCH ORGANISATIONS ON THEIR BEHALF. YOUR PARTICIPATION IN CUSTOMER RESEARCH IS VALUED, HOWEVER, IF YOU DO NOT WISH TO TAKE PART, PLEASE CALL THE CUSTOMER RELATIONS NUMBER ON FREECALL™ 1800 050 004 (REFER TO THE FACT SHEET CUSTOMER RESEARCH AND YOU FOR MORE INFORMATION)."³¹ PEOPLE COME TO WELFARE AGENCIES LOOKING FOR SUPPORT AND ASSISTANCE; NOT TO BE RESEARCH PARTICIPANTS. GENERAL CONSENT SHOULD NOT BE PRESUMED AND, THE ONUS SHOULD BE ON THE DEPARTMENT TO OBTAIN INDIVIDUAL CONSENT, RATHER THAN EXPECTING PEOPLE TO RING THE CUSTOMER RELATIONS LINE.

Pillar Three: Engaging with employers

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

Employment focus - making jobs available

Page 95 to 100 of the Interim Report considers what initiatives result in businesses employing more disadvantaged job seekers. In shaping the future directions for making jobs available the Reference Group would like feedback on:

churn"

³¹ See e.g.: http://www.broadleys.com.au/downloads/centrelink%20authorisation%20form.pdf as at 16 July 2014 (refer to page 2 of 6)



- How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
- How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

AS SOMEONE WITH A PERMANENT DISABILITY, I FIND PUBLICLY SUBSIDISED JOB GENERATION SCHEMES PATRONISING, JINGOIST AND WASTEFUL; AS SOON AS THE SUBSIDY GOES, THE JOB WILL DISAPPEAR WITH IT. PLEASE STOP TRYING TO CREATE NON-JOBS AND ECONOMIC DEAD ENDS WITH TAXPAYERS' MONEY. IT IS A WASTE OF EVERYBODY'S TIME AND MONEY. IT ALSO PROPS UP AN NGO SECTOR, WHICH SHOULD BE ALLOWED TO RISE ON IT FALL ON ITS OWN ECONOMIC MERITS, RATHER THAN HIDING BEHIND A VIRTUAL TARIFF WALL OF GOVERNMENT GRANTS. THE ONLY TRULY SUCCESSFUL INITIATIVE WILL BE ONE THAT DOESN'T RELY ON A SUBSIDY (INDUSTRY WELFARE) TO WORK. EQUALLY, THE PROBLEM WITH SO-CALLED SOCIAL ENTERPRISES IS THAT THEY ARE NON-TAX PAYING ENTITIES. I STRUGGLE WITH THE CONCEPT OF SOCIAL AWARENESS SO OFTEN EQUALLING TAX-FREE STATUS, FOR REASONS ALREADY WELL OUTLINED.

Improving pathways to employment

Page 101 to 107 of the Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models. In shaping the future directions for improving pathways to employment the Reference Group would like feedback on:

- How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
- How can vocational education and training into real jobs be better targeted?
- How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

For a further discussion of this matter, see mu submission to the Treasury on the *Definition of Charity*. This definition needs to be rationalised so the Government does not forgo so much tax revenue, and many charities which are in truth "quasi-public-sector entities" (given their dependence on State funding are called to true account. Refer to http://www.treasury.gov.au/~/media/Treasury/Consultations%20and%20Reviews/Consultations/2013/A%20statutory%20definition%20of%20charity/Submissions/PDF/Johnston%20Adam.ashx as at 16 July 2014; also see my submission (and related papers) regarding the tax treatment of charities provided to Linda Lavarch's 2013 Review, in Annex 2



While the OECD May think much of Job Services Australia, my view of it and its related specialist disability agencies is far more circumspect. If these bodies hold up well against international comparison, then the bar must be sixfeet under the ground, so to speak. I am not trying to overstate the point; service providers and what they provide is dreadful. It is appreciated that these "services" are free to the unemployed (who are obliged to access them), which may well speak not only to the fact that jobless people have limited income, but also what would happen to many services in a user-pays scenario.

Personally, I have been in tertiary and vocational education settings; both need reform. In the end, you can launch as many targeted programmes as you like (or more correctly, those your budget will allow). The moments of truth will be 1) Who is hired to run them? 2) Does the target audience respond? 3) Is there genuine follow up? and; 4) What happens when the programme finishes? I have applied to initiatives like PACE and "Stepping Into" on the recommendation of my principal employment agent (at various times). Usually, the answers to my 4 earlier questions are 1) The usual NGO suspects; 2) Yes, but usually with: "Oh my Gaud! Here we go again!; 3) No, but I wonder where the money goes?; 4) Another period of unemployment

Supporting employers

Page 108 to 110 of the Interim Report considers what can be done to support employers employ more people that are on income support including better job matching, wage subsidies and less red tape. In shaping the future directions for supporting employers the Reference Group would like feedback on:

- How can an employment focus be embedded across all employment and support services?
- How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
- How can the administrative burden on employers and job service providers be reduced?

AS STATED ABOVE, I NEITHER BELIEVE IN SUBSIDIES TO EMPLOYERS, NOR THAT THERE IS MUCH VALUE IN MANY EMPLOYMENT SUPPORT SERVICES.

Pillar Four: Building community capacity

http://www.pc.gov.au/ data/assets/pdf file/0016/136501/subdr164-access-justice-attachment.pdf as at 20 July 2014

³³ See e.g.: footnote 26, above. In my first submission to the *Access to Justice Inquiry* (and subsequently as a witness) I spoke of my experience with the New Enterprise Incentive Scheme (NEIS), which resulted in my obtaining a nationally accredited certificate in small business. This was something the Law Society Registry later refused to recognise. Such outcomes can be the source of much frustration, as you try to retain contact with the workforce, while retaining and developing skills on a limited income. Also note my comments on university reform available at



Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

Role of civil society

Page 112 to 116 of the Interim Report considers the role of civil society in building community capacity. In shaping the future directions for the role of civil society the Reference Group would like feedback on:

- How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?
- How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
- How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

As stated earlier, I am deeply troubled by a reliance on charity and philanthropy being central to the employment of disadvantaged peoples. Perhaps, if giving was not linked to beneficial tax outcomes, I would more easily see its motivation as genuine.³⁴

Role of government

Page 116 to 120 of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

- How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
- How can the income management model be developed to build community capacity?

 $\frac{\text{http://www.treasury.gov.au/}^{\text{media/Treasury/Consultations}\%20 and \%20 Reviews/Consultations/2011/Review\%20 of \%20 not $-\text{for-profit}\%20 governance}\%20 arrangements/Submissions/PDF/Johnston\%20 Adam.ashx as at 20 July 2014}{\text{media/Treasury/Consultations}\%20 and \%20 Adam.ashx as at 20 July 2014}{\text{media/Treasury/Consultations}\%20 Adam.ashx as at 20 July 2$

³⁴ See e.g.: footnote 31, above. Also note my comments to Treasury on the *Review of Not-for-Profit Governance Arrangements* at



The point that the interim report fails to make is: at some point government must acknowledge there is a limit to what any programme can do. From my perspective, while I completed the NEIS course, any suggestion that I was going to sign the NEIS contract was laughable. As a solicitor, I concluded that many of the terms were oppressive and prescriptive. Given the level of prescription about how and when the business would produce goods or services (as well as details about when returns must be generated), you felt less like an independent contractor and more like an employee, minus many terms and conditions of bona-fide employment. Particularly when the Business Enterprise Centre produced the standard-form contract (about whose terms you could not seek amendment) in the last few days of the course, I felt duped.

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If the contract was implicitly designed as an evaluation tool, then in my opinion, it verges on the unconscionable. As a disability pensioner, I could always legitimately argue that I was better off on that payment, than the NEIS allowance. This was and remains true; many others would not have been as fortunate. I took my completed business plan, and made a hasty retreat. Lodging a complaint with the Department of Employment, while we differed on some matters, they nonetheless accepted my feedback.³⁵

Role of local business

Page 121 to 123 of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

- How can communities generate opportunities for micro business to drive employment outcomes?
- How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

³⁵ See "In confidence documentation – Welfare Reform": RE: Complaint: Your reference: 61985409



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In answering this question, I can only draw on personal experience. While not having run a mutual, one has sat on the board of a large charity. This caused a significant change in my view of the charitable form; particularly when it becomes a corporate entity and begins to look, feel and sound like a government agency. This is not the sort of body to engage or support local communities. Rather, "(the) charitable organisations in which one has felt most at home, and felt the most confidence in the integrity of members have been the radio co-op operating out of a tin shed and the local toastmasters club meeting in the local bowling club. The best 'governance regulators' in places like these are members themselves. Everyone knows everyone else; everyone is a volunteer and everyone knows money is tight; so you are careful with equipment. The organisation's purpose is clear and you don't need to conduct a 'corporate planning day' to work out 'what the vision is;' such indulgences could not be afforded anyway. These small, 'grassroots' organisations are the real charities in my view." O doubt, government agencies would be often concerned that giving money to small organisations has a higher risk profile. And while this may be true in many cases, I still question government's growing willingness to fund (and commensurate dependence on) the charitable sector. As stated in the "Simpler architecture" section, no-one

Access to technology

Page 124 to 125 of the Interim Report considers access to affordable technology and its role in building community capacity. In shaping the future directions for access to technology the Reference Group would like feedback on:

HAS YET SATISFIED ME THAT CITIZENSHIP IS BEING ANYTHING OTHER THAN DENUDED BY THIS PROCESS.

How can disadvantaged job seekers' access to information and communication technology be improved?

³⁶ My submission: *Review of Not-for-Profit Governance Arrangements,* op. cit., p.13 of 14



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I interpret this question far more widely. Technology should not be limited to information and communication. In Australia, we have largely failed to innovatively design work for many groups, including women, the disabled and others. We have either taken a "subsidise activity route" or an "adapt the physical environment/workplace route". As both my citations argue, both inquiries missed vital opportunities to ask important questions about how, when and why so many people continue to work as if we are living in the Early to mid- 20^{th} century? Why do we still sit in traffic jams, to go to offices, factories and stores (some to do more sitting), only to all try and return home at the same time; generating another traffic jam. I might be unemployed, but there are days I definitely don't miss the office!

FURTHERMORE, IF YOU ARE SERIOUS ABOUT WANTING TO HELP PEOPLE WITH DISABILITIES INTO WORK, THEN STOP WASTING MONEY ON EMPLOYMENT AGENCIES AND REORIENT POLICY TO TECHNOLOGY. FOR EXAMPLE, THERE ARE EXO-SKELETONS THAT WILL HELP PEOPLE WALK AND ONE HAS JUST BEEN APPROVED BY THE FOOD AND DRUG ADMINISTRATION (FDA) IN THE US. ³⁹ I TRIED FOR SOME YEARS (AND FAILED) TO GET A SIMILAR IDEA LAUNCHED IN AUSTRALIA. ⁴⁰ IT SEEMS THAT THOSE WHO DO MANAGE TO LAUNCH SUCH IDEAS, SO OFTEN HAVE TO GO OVERSEAS TO ACHIEVE IT. ⁴¹ TO REDRESS THIS FAILURE, THE FOCUS SHOULD NOT BE ON PATCHING UP A PAYMENTS SYSTEM OR INTRODUCING A NEW DISABILITY WELFARE REGIME WHICH MASQUERADES AS AN INSURANCE MEASURE. THE FOCUS MUST BE ON INITIATIVES LIKE THE SCIENTIFIC RESEARCH FUTURE FUND, ANNOUNCED BY FEDERAL TREASURER, THE HONOURABLE JOE HOCKEY MP IN THE 2014 BUDGET. ⁴² THIS WILL BRING RESULTS WORTHY OF THE INVESTMENT OF BOTH PUBLIC AND PRIVATE FUNDS.

BY CONTRAST, THE NDIS (AND SIMILAR PROGRAMMES, LIKE "SPECIALIST" EMPLOYMENT SERVICES) ARE REINVENTIONS OF THE SAME OLD, FAILED, WELFARE AND SUBSIDISED (LARGELY POINTLESS) ACTIVITY SCHEMES. I HAVE SEEN THESE THINGS COME AND GO THROUGHOUT MY LIFE; THEY NEVER CHANGE AND THEY NEVER IMPROVE, BUT THEY DO ANNOY. SOMETIMES I THINK OF THESE "SERVICES" AS THE ADMINISTRATIVE EQUIVALENT OF CONSTIPATION AND PILES; TWO NOT UNFAMILIAR COMPLAINTS EXACERBATED BY PHYSICAL HANDICAPS. IT CONCERNS ME THAT WE KEEP REINVENTING MANY OF THE INITIATIVES AND PROGRAMMES OF THE PAST, WHILE FORGETTING TO LEARN FROM THE MISTAKES OF THE PAST. FOR ME, GOVERNMENT OUTSOURCING OF THE DELIVERY OF GOODS AND SERVICES TO THE NGO SECTOR IS AN ACT BLIND TO HISTORY. YOU ONLY HAVE TO LOOK TO THE MCCLELLAND ROYAL COMMISSION INTO INSTITUTIONAL RESPONSES TO CHILD SEXUAL AND PHYSICAL ABUSE, TO SEE SOME OF THAT HISTORY, IN ALL ITS HORROR. 43

³⁷ See for example, my submission to the Productivity Commission's *Paid Maternity Leave Inquiry* at http://www.pc.gov.au/ data/assets/pdf file/0018/80442/sub063.pdf as at 20 July 2014

³⁸ See e.g.: my submission to the Senate Legal and Constitutional Affairs Committee, *Inquiry into Proposed Amendments to the Disability Discrimination Act* (2009) at http://www.aph.gov.au/DocumentStore.ashx?id=52150cdb-cecf-4337-bb59-17c1497066c9 as at 20 July 2014

³⁹ See e.g.: News - *This exoskeleton has been approved for personal use,* ScienceAlert Staff, Tuesday, 01 July 2014, http://www.sciencealert.com.au/news/20140107-

^{25786.}html?utm source=feedburner&utm medium=email&utm campaign=Feed%3A+sciencealert-latestnews+%28ScienceAlert-Latest+Stories%29 as at 20 July 2014

⁴⁰ See generally, "Annex 3 – Hybrid Assisted Limb (HAL) Project" – refer to the file "sub53.pdf" to explain the contents of the Annex.

⁴¹ See for example, the webpage of Australian paraplegic speaker and campaigner Amanda Boxtel, now based in the US and Canada, with her walking machine: http://www.amandaboxtel.com/index.html as at 20 July 2014

⁴² See Budget Speech 2014-15, Tuesday, 13 May 2014, http://www.joehockey.com/media/speeches/details.aspx?s=129 as at 21 July 2014

⁴³ See "Annex 4 – Confidential". The contents are self-explanatory.



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Community Resilience

Page 125 to 126 of the Interim Report considers how community resilience can play a role in helping disadvantaged communities. In shaping the future directions for community resilience the Reference Group would like feedback on:

- What strategies help build community resilience, particularly in disadvantaged communities?
- How can innovative community models create incentives for self-sufficiency and employment?

REFER TO THE SECTION "ROLE OF LOCAL BUSINESS" ABOVE. IN MY VIEW, MANY OF THE SAME CONCEPTS APPLY.