

Hon Dr Sharman Stone MP
Minister for Workforce Participation
SPEAKING NOTES - ACE Conference
'Raising the bar'
Grand Hyatt Hotel, Melbourne
9.30 am, 6 June 2007

Introduction

Thank you for the introduction and can I also acknowledge the welcome to country from the traditional owners, from elder Aunty Doreen of the Wurrundjeri people. I think it is one of the most important things we do - to have a protocol of Welcome from traditional owners and I'm very pleased that one of the things I have been able to do as an anthropologist in the Australian Government was to represent the Government on the Reconciliation Council for about five years. One of the things we said was "Wouldn't it be great to have protocol which was voluntarily offered but was a 'welcome to country' whenever there was a formal or special occasion. So I think for us to be invited by Aunty Doreen was most appropriate and her words were very special.

Of course everybody in this room is here because we are committed and concerned about how to give all Australians a fair go. No matter what your good or poorer fortunes are, or your luck or your pre-conditions are in terms of your own abilities, it is important that everybody in this country has a fair go. It is one of the founding principals of this country and its one we espouse and pay a lot of lip service to. Certainly when it comes to disability, the Howard Government is absolutely determined that you as a person with disability is in fact focussed on as someone with some ability and that you have an opportunity to join the workforce and become financially independent and live a full and vigorous life, which independence bring you.

It is so fantastic to have the international visitors with us. I think ACE has done an excellent job in making sure we tap into the best practise worldwide, because its no good reinventing wheels and I think in Australia we've also got a lot to give and talk about in terms of how we've evolved to this point in terms of helping people with disability. So let me therefore acknowledge Keryl Neville, the chair, Lucy, Pauline, Catherine and the board, ACE and all of the DEN providers who are here and other government and non-government agencies.

Let's talk about where we've come from and where we want to go to with Welfare to Work, the major reform that has occurred in the last twelve months in the Australian Government – it's probably the biggest reforms that has occurred under welfare law and policy in Australia in the last forty or fifty years.

What we did was two things. We changed the access to some welfare payments and we massively boosted the investment in how we supported those people who wished to re-enter the workforce or remain in the workforce – it is a \$3.7 billion program.

We, like all caring nations and as a Coalition Government, will always have a social safety net, an economic safety net for those who cannot provide for themselves and their families.

Now that's a given, that safety net will always be there as far as I'm concerned and if the government said it was going to remove the disability support pension for those who couldn't help themselves or the aged pension or TPI for our veterans and so on I don't think that government would last very long, it's not what we as an Australian society want, so we'll always have a safety net. But what we did was say where in fact should we have the cut off points in terms of access to one type of welfare compared to another.

So for example in the past, if you were a person with a disability and it was judged to be stabilised and permanent as Keryl referred to, then in the past before these welfare reform changes, if you couldn't work full time with your disability then you were placed on the disability support pension. We said, "Look, that's shocking you've got this problem, you can't work full time of at least 30 hours per week, there's the DSP".

We're now saying no. If you present to Centrelink with your treating doctor's reports and other relevant material, then we assess you through the job capacity assessment to determine whether you are able to work at least fifteen hours of work a week in open employment. It may be that it takes at least two years to help you to develop your skills and training and so on to that point, however, if you are at least capable of working fifteen hours a week we're going to help you get a job, obviously at least a part-time job.

Some people would argue, "Look I want a full time job" even though their capacity has been assessed as less, so we've been directing those clients onto Newstart Allowance where they are provided with a whole range of supports as they are in both the DEN capped and uncapped programs.

There were seven hundred thousand people on disability support pension who came onto that pension under the old regime who were grandfathered. They are mostly mature aged males of unskilled background with muscular skeletal disorders. A significant proportion of them were unemployed for many years

before they went onto the disability support pension and I'd like to think that we could help those people as well as volunteers back into the system with a lot of support if they do return to work. We have the provision available where if you lose or leave your job within two years, someone who is volunteered back into work, you would be put back onto your disability support pension along with the other supports that you previously had.

The other Welfare to Work change we made was focussed on parents. That is, where a parent was on a pension in the past (most of our parents on pensions are single mums), then you could stay on that pension until your youngest child turned 16.

Now you can imagine if you are still on welfare when your youngest has turned 16, you have lost a lot of your employability, prospects, your skills, your esteem is pretty eroded, you are by then typically mature age and it is very hard for a woman to pick up the pieces and get back into employment when she's been on welfare for that long.

There is also a high risk of your children being caught up in generational welfare.

We have changed that and now we are saying to parents on pensions that you will be supported until your youngest turns 6 on the parenting pension. When your youngest turns 6 we'll help you get a job, at least part time, fifteen hours of work a week and along with that we will provide the relevant up-skilling and retraining required. It is interesting to note that about sixty percent of our parents on pension don't have more than Year Ten schooling.

These are the two major changes that we have made under Welfare to Work and to access to these pensions. We happen to believe that they will, and already are making, a substantial difference and giving a fair go to all Australians.

I am also very pleased to announce that in the last twelve months there have been 3.5 percent fewer people of working age on welfare. That means 3.5 percent of the cohort that we had, are now in work, living a new life. Often it's a life changing experience when people are re-accepted back into the workforce and I'm very pleased that we've had that outcome so soon after just 10 months.

Last year DEN members assisted more than fifty-five thousand clients more than in the previous year, so you did some very heavy-lifting, you looked after an additional fifty-five thousand clients over the year.

Around 6,500 DEN capped clients have achieved employment outcomes of at least 26 weeks, and that work was of at least eight hours a week. Of course, in the capped program as you are aware, we have ongoing, unlimited mentoring that we fund and it's up to you as the DEN member to determine how much mentoring in the workplace the person needs once they've got that job.

In the uncapped program of course, where we expect you as a client, to be more independent, because you have greater capacity to work, we have a two year period of mentoring and support that we ask DEN's to provide.

What you as DEN providers have been able to achieve is very encouraging and ACE is very right in saying we should be very proud as a DEN sector - we should be celebrating your achievements, because I certainly as the Minister am constantly going around the country meeting DEN providers but more importantly perhaps in a sense meeting our clients and employers in the workplace where our clients perhaps profoundly deaf, perhaps with MS or a mental health issue and so on, and hear our clients saying, "I've now, got a job, I love what I do, I feel I'm a fully contributing person in this workplace, I'm a valued employee." It is encouraging to see employers supporting them and saying, "I'm looking for their ability, they are a member of the team. Very often they also acknowledge the DEN's support for introducing them to this recruit who is now one of their most valued employees.

As you would be aware, CRS (Commonwealth Rehabilitation Service) was the sole provider of Vocational Rehabilitation Services in Australia and there is another big change in this sector – we will soon have a contested tender process and I want to congratulate a few in this room who have in fact become our new Provider of Vocational Rehabilitation. We have had both large and small organisations put their hand up, both profit and not for profit and from July 1, we will be delivering services through our new vocational rehabilitation service which will include that new mix of providers - it will be a new era in many senses.

Again, I expect you to be very frank and straight forward about how you think vocational rehabilitation fits within the DEN network in terms of our streamlining program that we need to go through before the end of this year to ensure we have a new 2009 tender go out which will be absolutely best practise.

Well of course visitors are always very flattering and kind, but it is the case that our Australian Welfare to Work reforms are being picked up and replicated particularly in Europe. The US is also looking very closely at what we've been doing. Of course, each nation is different depending on the way that welfare system is structured, state and federal relationships and so on.

But as far as I am concerned, we don't necessarily have it perfect right now and we have a lot of work to do. I am very determined that we will not only continue to have one of the best reputations in the world, where we can show our actual job outcomes,(because I'm not happy unless I can say we have X thousand), hopefully hundreds of thousands of people who did have disability, who had a capacity to work at least 15 hours, who are now in the workforce, their kids are proud that they have a mum or a dad in a career that they might also aspire to

and where we are really, seriously getting rid of the stereotypes and negative perceptions that many of our clients have had to endure.

I want to tell you why we've got a long way to go still. These are the statistics of Australia's performance in this area as compared to that of the OECD.

We are ranked thirteenth out of 19 in the OECD on the employment rate for all people with disability - we only have 41.9 percent of people with disability employed compared to the OECD average of forty-four percent.

We are ranked third of 14 countries in the employment of people with a severe disability - so we have 31.4 percent of people with severe disability compared to twenty-four and a half percent for the OECD average.

We are the lowest of sixteen countries as a percentage of people on disability related pensions, around eleven percent of disability in employment, so are the lowest country in terms of employment, that's only eleven percent of our people on DSP's who are also employed.

We are also the highest of the sixteen countries as a percentage of people on DSP's who were not looking for work, not active in job searching - that was eighty-six percent of our people on DSP's not looking for work and eleventh of 20 countries on the disability recipient rate. with some five percent of the working age population receiving a DSP.

That's why we think, given the Australian economy, right now, where it has never been easier, given we've got workforce shortages across so many sectors, that there's never been a better time to get a job in Australia. These sectors are often right for our clients they include of course hospitality, tourism, retail, services sector and transport and so on. Those sectors are at the moment screaming out for additional workforce.

So let's talk about raising the bar.

So what have we done to help you get more people into work?

In the budget before last, we saw a \$3.7 billion injection under Welfare to Work. In the last budget we put in some additional measures because you told us we needed them and it was very self evident we needed to boost, for example, DEN capped places, an extra thousand DEN capped places. DEN capped programs are now running at about ninety-two percent capacity. We have also added another fifteen hundred capped places for vocational rehabilitation services.

For PAGES the future presents both opportunities and challenges. PAGES, Providers of Australian Government Employment Services, have been evolving for the last five - seven years. I want to ensure that under my watch this sector

evolves further, to become best practise. You have been telling me loudly and clearly and I've been listening very hard for the last 18 months that I've been Minister, as to how we can make those improvements.

We already made a number of improvements of course, but there's no definitive list and I'll never say I've got to the bottom. For example, we have a CEO forum that looks in particular at Red Tape. We have \$3.7 billion under Welfare to Work, which means that the taxpayer wants value for money and they want to be assured that contracts are managed effectively. Well that's fine on the one hand - on the other hand though how do we make sure that you are not tangled up in Red Tape and contract compliance requirements that take your focus off getting a person with a disability into a job and keeping them there. So we've got to have a balance and you've been telling me loudly and clearly about how we can better improve the way that you go about your business, reporting your outcomes, letting us know how you are going in terms of your spend and so on.

We've got the working group of CEO s' from a range of PAGES including DEN, and we have really tackled a range of Red Tape issues. One of these includes the disability census. It was horrendous what you had to do before, half the data was probably never used, and so we said we're going to reduce the number of census questions by at least a third and we've done that and we hope that that has made a substantial difference.

We're also getting more required client data from other sources such as EA3000 and Centrelink without bothering you personally and as I say, I welcome your feedback in the other particular ways we can streamline DEN, Red Tape and the bureaucracy in particular.

We've had a few references to star ratings already, we've got this extraordinary situation in Australia where, we don't ask you when you put your hand up to become a DEN provider, we don't ask you to compete on price. I think that would be very bad for our clients if we did. If I had you saying, "Look we're a cut-throat provider, we can do it with the smell of an oily rag, you know, give us the tender," that wouldn't necessarily guarantee value for service really when you look at the outcome for the client.

We don't use competition based on price, so how are we able to therefore produce a culture of improvement and competition in terms of new entrants being able to enter into the market and the best providers being able to grow if that's what they want to do. Well the answer to this is 'star ratings'. We introduced star ratings many years ago and it was developed by the University of South Australia. It has been evaluated a number of times since then and it's been found to be very effective and a useful way to check ratings, comparative ratings and performance or rankings. Of course, we are on track to release confidential star ratings to DEN member in August 2007 and it will be an introduction of star ratings to this sector for the first time.

When you get these first star ratings in August 2007 you can consider the assessments and discuss these with your contract managers. These are very much a process of dialogue.

To give an example, we just released the Job Network tender, reallocations of business about a month ago. If we'd simply taken a formula approach and said all those under the 2.5 star rating lose some work, then we would have reallocated about 30 percent of the business. In fact, we only reallocated 8 per cent - that's right 8 percent of the business. So it's not just based on formula. It's very much a consultative process and you are provided with feedback by your contract manager and through a series of other feedback mechanisms before you get to the contract or the work reallocation stage. This of course is on about 12 monthly. Melisa Golightly, the Deputy Secretary for Employment, DEWR, will be talking later in more detail about the star ratings and how they will work.

So I guess I'm a little bit bias, but I happen to think that DEN is one of the better providers in the world and I've looked hard at other countries in terms of moving people with disability into work and to help them through their mentoring to stay in work.

But there are some examples around Australia where often there is an extra need in terms of engaging employers, even in places like Western Australia where unemployment is down to about 2 percent. We have a number of special projects around the country and I want to mention a few to you particularly involving DEN's where we are getting whole groups of people with disability into a job.

Let me tell you about Western Australia, 20 vision impaired job seekers are being trained into jobs in the IT and call centre industry in Perth; this is a DEWR funded program. Now this is being supported by Western Australian DEN providers who of course are putting forward the potential recruits for this business and this is a great opportunity for vision impaired people.

In the meat processing industry in Rockhampton Queensland, 5 job seekers with disability have been placed into work, several more into training. Again, that success has been due to a local DEN member working very closely with the employers and again changing mindsets about people with a disability but also changing the mindset of what it is really like to be employed in a meatworks. There is a view that meatworks is very bloody and nasty and smelly and dirty, in fact modern meatworks are very different places.

In Canberra there is a project that the Institute of Technology is running where 16 people with disability have completed training and are now moving into the hospitality industry - just an example of a few of where we are in fact targeting,

one employer with a group of people may identify as ideal for their particular work scenario.

Half of the jobs in Australia are never advertised. So the message to PAGES is that you need to find yourself local employers who are looking for recruits, ask them to specify exactly what the job spec is; the conditions of work; salaries; whether its part-time or seasonal; on-going and so on. If the employer advises you that they have 7 places and they want to employ people in hospitality or retail etc, it is then important to point out to them that 'yes' you can supply them with recruits, with those specifications that they've asked for, because we will provide pre-employment training so that they can go into those positions.

That training will be provided with government supporting the cost. We will also offer those employers with work experience recruits, because there might be some risk, the employer might say, "I've never employed someone with a hearing disability before or someone in a wheelchair." If that is the case then take this person on with work experience and the government will pay for the insurance for that individual during that time.

It may be that a wage subsidy is required to help the employer make up their mind about that individual in the first instance, if that is the case, we'll help pay for that wage subsidy.

Should modifications be required, then as you know, the government will also fund that.

So what we as a government are saying is that whatever it takes, let's help our people have a go, a fair go, and you as the DEN providers are the go betweens for employers. You know what is available to provide the relevant support and you provide the job ready recruits or someone you can prepare to be more job ready if its a new skill that they require.

I want to mention Job Access - the information services portal for employers and for people with disability themselves, includes information on our AUSLAN program where we will also of course help if you have a hearing impaired person waiting to get into their new job, settle in; provide orientation and so on. Job Access has both the phone line and web site support.

In conclusion, I take this opportunity to also launch the new ACE web site, the re-vamped web site. You will hear more about that, I'm proud to launch the fresh new website. Let me say to you that web sites have to be disability friendly of course but they are the modern technology in terms of most people accessing data fast.

Let me repeat to you again we have seven hundred thousand Australians on disability support pensions in this country who were on that pension before we

changed the welfare to work access rules. We hope those 700 thousand people understand that there is support for them if they wish to volunteer back into the workplace, volunteer back to work through DEN.

Let me say that there is a bit of a myth and a rumour around that if you are a volunteer amongst that grandfathered group that you're going to get your pension taken off you –it is a sad myth and like a lot of myths and legends in this country. If you are a person who has a disability, you've been on the DSP, you are on the DSP and you volunteer back into work, then yes, unless you have a valid review, we will have to do another job capacity assessment just to work out which program is best for you. We would be liable if we didn't do that, to work out how to best support you.

In closing, I wish you well for the next three days – I hope that the workshops and networking opportunities provide you with a wealth of information, so that you can go back to your clients and deliver the best possible service.

Thank you.

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