

Address to the  
Australian Society of Rehabilitation  
Counsellors National Conference

by

The Hon Joe Hockey, MP  
Minister for Human Services

Melbourne

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**CHECK AGAINST DELIVERY**

Thank you for inviting me to address the Australian Society of Rehabilitation Counsellors National Conference today.

The theme of this year's conference 'Work and Wellness – Everybody Wins' resonates closely with the Government's Welfare to Work reforms.

One of the primary drivers of the Welfare to Work initiatives is the impact of the ageing Australian population. Over the next decade we will see an increasing shortage of new workers entering the workforce.

Australia must encourage the participation of all working aged people to their maximum potential and seek to retain mature aged workers in the workforce for as long as possible.

At present Australia has more people of working age on welfare and lower employment participation rates than most other OECD countries.

The majority of the 2.6 million Australians of working age on income support are not required to look for work and, despite very low levels of unemployment, too many Australians are dependent on welfare payments.

The Government is investing more than \$2 billion in new and expanded services over four years as part of Welfare to Work:

More than \$550 million will be provided to help people with disabilities into work.

There will be 20,600 additional Disability Open Employment Service places.

Rehabilitation places will increase by 41,600.

The government will be working with industry groups and employers to promote better matching of job seekers to jobs.

DEWR's Workplace Modifications Scheme will be expanded (\$29 million over four years).

The wage subsidy scheme will also be expanded by \$12 million over four years.

A new Wage Assist programme will provide wage subsidies to employers who hire people who have been unemployed for a very long time.

An increase in Mobility Allowance, from \$69.70 to \$100 per fortnight, for people on Newstart Allowance or Youth Allowance who are required to look for work and are unable to use public transport.

An Employment Entry Payment (of \$312) will now also be available to people with disabilities working part time and remaining on income support.

The Department of Human Services has been given responsibility for implementing the new Comprehensive Work Capacity Assessment initiative, which will replace the various existing processes for assessing the work capacity of individuals, including people with disabilities.

My Department is also implementing the new Pre-Vocational Assistance Participation Account, which will support short term interventions such as pain and anger management and allow people to become job-ready quickly.

Currently, when a customer comes to Centrelink to claim income support and their eligibility cannot be determined immediately, they undertake a variety of different and separate assessments.

Current assessment processes make it difficult to achieve a fast connection of customers to services and facilitate early assistance for people with disability, illness or injury.

Current program rules do not allow simultaneous job search, employment assistance or rehabilitation in cases where this is the best pathway.

From 1 July 2006, if Centrelink cannot determine a person's capacity to work at initial interview, they will refer the customer for a Comprehensive Work Capacity Assessment.

This will be a comprehensive review of the customer's ability to work, and will identify any services that could improve the customer's work capacity.

It will have a **work first** focus.

The report will include input from a range of medical and allied health professionals, where appropriate.

If the customer requires support to get into employment, they will be referred to the appropriate service by the assessor.

A Pre-Vocational Assistance Participation Account will also be available.

This will fund short programs of assistance, such as pain management and work conditioning (eg. fitness for work), for people who could be referred to employment assistance if they receive this kind of help.

Priorities for the Department of Human Services will be to provide seamless, timely services: getting the right person, the right service, at the right time.

The Department of Human Services is also working to change the approach of its own service delivery agencies, in particular, Centrelink to encourage the increased engagement of people seeking income support – a ‘work first’ focus.

Vocational rehabilitation and rehabilitation counsellors have an important role to play in this process of reform for several reasons.

Firstly, many people are out of the workforce because of a disability. In fact, 1 in 5 Australians report a disability and of those 4 million Australians about 1.6 million people say that their disability impairs their normal activities. About 700,000 Australians are on DSP. Obviously, many can be assisted to obtain a job with the right help.

Secondly, Australia must encourage older workers to stay in the workforce rather than take the traditional early retirement. However, an unfortunate fact is that disability rates increase with age and we can expect that some older workers will need assistance to manage their disabilities so as to stay in the workforce.

Thirdly, the workplace can be stressful and we are seeing increasing levels of stress and other conditions amongst workers of all ages. Interventions, whether it be by providing safer workplaces or assistance where a job is in jeopardy, will be important.

This is an important initiative – an opportunity to change the way the abilities of people with disabilities are considered by employers and in the community.

This is what Human Services is about. It is about treating customers as individuals with individual needs and demands.

Of course we must reflect this across the field and I would like to mention 2 areas where we are undertaking some extensive work.

### **Medicare claiming**

Firstly, we are looking at enabling Patients to claim Medicare rebates by simply swiping their Medicare and bank cards at their doctor's surgery. Tony Abbott and I are working to explore the development of a new system to modernise the current outmoded and cumbersome Medicare claiming processes.

There are currently 23 ways to claim Medicare, most of which involve complicated paperwork and manual intervention. Our previous electronic claiming initiatives have failed to deliver what the community expects.

While Centrelink moved to electronic claiming back in 1991 – more than ten years ago, Medicare payments remain as almost the last of any Government payment using cash and cheques.

There are plenty of doctor's practices that I've been to where the doctor didn't have a computer on their desk – however – ALL of those practices did have an EFTPOS device on the front counter. The new system we are exploring will seek to use EFTPOS devices or any other existing IT systems in doctors surgeries.

We are endeavouring to ensure that patients who pay in full will receive their rebate within 24 hours.

We will also seek to ensure that Doctors who bulk bill would also receive their rebate from the Government within 24 hours. This is dramatically faster than any current claiming system.

There are plenty of benefits to flow from this – It's convenient, a time-saver and makes better use of our offices.

People with busy family and work lives shouldn't have to spend their valuable time lining up in Medicare offices to conduct a simple transaction.

In the future, Medicare offices will deliver a full range of family assistance services, as well as a growing range of other services in addition to existing Medicare services. This is part of making people's lives easier when they access Government services.

So what is the process from here?

An interdepartmental committee has been formed to develop a fully costed proposal.

I will be approaching financial services and other organisations to discuss, on a no commitments basis, the delivery of the new system using EFTPOS or similar existing technologies.

Tony Abbott and I also intend to consult with doctors and peak groups to discuss strategies to minimise any possible impact on doctor's charging practices and to ensure the new system removes red tape for doctors and patients.

## **Smart Cards**

As the first Minister for Human Services I see quite clearly the interaction between Australia's health and welfare systems.

It appears to me that there may be a higher level of fraud than has been admitted to date stemming from inappropriate use of concession cards. I note that one estimate of concession card related fraud against one State Government was over \$100m per annum.

I, like any taxpayer, would like to have greater confidence that the Australian Government is not also losing out from misuse of concession cards.

I'm sure that you, as representatives of the rehabilitation industry, would want to ensure that those that deserve it are the people that receive government assistance – and not others. The Howard Government spends a great deal of money to assist the most vulnerable in our society – including your clients.

I am concerned that the issue of concession cards by one part of my portfolio (Centrelink) is impacting on the amount of money spent on health services by another part (Medicare Australia).

We need to ensure people are not siphoning that money off when they are not entitled to it.

You may have seen the court case recently where a man was caught with 15 Medicare cards in his possession. We need to prevent this sort of fraud occurring.

The Government pays the cost of PBS prescription drugs (often hundreds of dollars) except for a maximum of \$28.60 for most patients. However, those holding a concession card pay no more than \$4.60. So every misused concession card is a direct hit to the taxpayers bottom line through our expenditure on the PBS.

80% of the PBS is spent providing cheaper medicines to concession card holders.

So I believe that significant effort needs to be devoted to better management of concession cards to ensure that only those entitled to the greater Government subsidies receive it.

I believe the only real answer is to have a smart card with a chip in which you can turn off and on the concessional status.

There are a range of service delivery improvements being pursued by my agencies in Human Services. Being able to do your dealings with Government from home or work 'online' is another increase in convenience for our customers that we need to pursue.

I hope to see the day in the near future where all PCs sold in this country come equipped with smart card readers.

If that occurs, and you log on with your Government issued smart card to help prove who you are, agencies like Centrelink will be able to deliver more services for you online – potentially meaning you never need to visit a Centrelink or Medicare office ever again.

When I look at how we can do this better and smarter, a Government services smart card seems to be part of the answer.

In a rare example of bipartisan politics, the Labor Party agrees that we should head down this path. While I will disagree with Julia Gillard on most things, I do agree with her view that we need a smarter Medicare card.<sup>1</sup>

The credit card companies are applying pressure to the financial institutions to introduce smart cards for the simple reason that it can drastically reduce the amount of credit card fraud. I've seen data that shows the reduction in financial fraud in other countries when Governments and banks both work towards the same goal.

Malaysia has smashed the credit card fraud rings operating in that country through exactly that process.

We've been talking to the major banks about the intended pace of their rollout of smart cards. While we're told that most of their EFTPOS readers and ATMs are smart card capable, there is still some reluctance to invest in the rollout. This may change as the banks get a better handle on fraud issues.

So I think we need to move in that direction.

The Labor Party, in a rare moment of sanity, seems to agree.

Credit card companies are pushing to reduce fraud – so they agree.

The privacy groups we have consulted see that a smart card can help you manage your personal information better and more securely than existing systems.

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<sup>1</sup> Julia Gillard – Daily Telegraph, 22 April 2005.

Our market research says that 93% of Australians want to carry one single government card that records your emergency contact details.

I have asked my Department to work hard with other key Departments to make sure we have a robust business case to introduce smart cards for Australians to access health and welfare services and benefits from the Australian Government.

I hope that next time I speak to you we will have this better system in place for you to protect your privacy, your information and your access to the government services to which you are entitled.