

Fourth Annual Australian LETS Conference

Hervey Bay 19 August 1995

Opening Address delivered by Barry Smith

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(in the absence of the Minister for Social Security)

I was very pleased to be asked to give the opening address at this LETS conference. As many of you know, I have had a particular interest in LETS for some time.

Not only is it a different way of looking at work, it is a way of maintaining a sense of community and of encouraging participation in the community. This has implications for the long-term future of the social security system and for how we as a community can ensure its contribution to a fair and just Australian society.

Schemes such as LETS point to the fact that the old definitions of 'working life' are changing. More and more we are seeing signs that in the future we will be seeing more people spending time working by themselves or as members of small networks rather than climbing the traditional 'career ladder'. This trend presents us with a challenge to a social security system which has traditionally paid income support on the basis of return to full-time work.

These changes affecting working life have given rise to the proliferation of community based networks and initiatives of different kinds, many of which are aimed specifically at improving the circumstances of people on low incomes. LETS is a good example of this. This sense of community being involved in, and even driving, changes to the way we deal with support for people most in need in our society is an important one to which I will return later.

Social Security policies have also been changing to mirror these changes in our society. Over recent times, there has been a shift away from a 'Work Test' for the payment of income support for unemployed people to an 'Activity Test'.

This has been the most significant policy shift in this area since the introduction in 1944 of a Federal system of Income Support. The change, however, did not take place until the period 1986 to 1981 (?). The main catalyst for this change was the recognition that the state of the labour market meant that it was unreasonable to expect all unemployed people to find work without some Government assistance, at both the macro- and micro-economic level. The work test was based on the assumption that work was generally available to a person looking for it irrespective of background, qualifications or experience, and that a person would only be without paid work for short periods.

The last five years have seen a steady increase in the number and range of activities allowed under the activity test in an effort to combat a steady rise in the average duration of unemployment and the numbers of long-term unemployed over the last decade.

The activity test is an important psychological tool in combating the risk of dependency. Under this system, an unemployed person is able to take action to improve his or her chances of employment, as opposed to the dependence encouraged by the old passive system of unemployment benefit.

The activities allowed under the activity test provide dual benefits. They improve people's material living standards and provide a focus for constructive activity and skill acquisition. Steps have already been taken to encourage initiatives of this kind. In 1993, I decided that LETS' credits would be disregarded for the purpose of the income test on Social Security payments. The White Paper announced a broadening of the range of acceptable activities for people on unemployment payments to include small business formation, co-operative ventures and voluntary work.

Hand in hand with the changing definition of work has come the 'Information Revolution'. Information technology and the much quoted information superhighway opens up a whole range of exciting possibilities for the social security system.

It is absolutely vital that people on low incomes are not left out of the 'Information Revolution'. It is up to government to lead the way in ensuring all Australians participate in the broader life of the community.

'People who are denied employment for long periods are denied the income, social contact and creative outlets that work provides—they are denied an essential element of what it means to be an Australian'. This quote from the federal government's Working Nation paper illustrates our new approach.

One of the limitations of a passive income support system is that it does not empower people—it does not always provide people with the tools they need to change their lives as they would wish.

This government is determined to find ways of making sure all Australians have the tools they need to be full and active members of the Australian community. One of the ways we are attempting to achieve this goal is through a major research project being undertaken by the Department of Social Security—the *Community Research Project*.

I am going to take a few minutes to explain this project to you. It is a project that is very dear to my heart and I believe it has particular relevance to the sort of work you are all doing in your communities.

The basic premise of the research is that there is more to a person's standard of living than the simple provision of income support. It is possible to usefully supplement income support measures by providing people, particularly those on low incomes, with opportunities to take action themselves to improve certain aspects of their living standards.

So, by providing people on low incomes with a resource and information rich environment we hope to give them improved opportunities and improved capacity to take action for themselves. As part of this, we will provide people on low incomes with:

- The opportunity to develop and access a broader range of products and services, and
- Major advances in the provision of, and capacity to access, information.

There are three key research elements to the *Community Research Project*:

1. A *Community Information Network* (referred to affectionately in the Department as CIN - pronounced 'sin'), which will test the effectiveness of a computer based information and communication system in improving particular aspects of the living standards of people on low incomes;
2. *Action Research Projects*, which will test new and innovative services aimed at improving the living standards of people on low incomes through improved access to a range of local or community based opportunities; and
3. Traditional research and analysis including the preparation of a series of discussion papers, the conduct of a national workshop, analyses of existing Australian living standards data and DSS client consultations, which are designed to deepen the Department's understanding of methods by which living standards can be enhanced.

The *Community Information Network* is designed to test, in a practical way, the effectiveness of a computer based information and communication system in improving the living standards of individuals, particularly those on low incomes.

A major aim of the network is to ensure people do not miss out on the Information Revolution by giving free public access to computer based information and communications, and developing information technology skills among people on low incomes.

CIN began operation in June this year and will run as a pilot until December 1996 in a number of selected locations around Australia.

It is accessed by Personal Computers which have been placed in a variety of locations including community and neighbourhood centres, community and

welfare shopfronts, public libraries, health centres, schools, private homes, DSS and other Government offices and all Action Research Project locations.

A number of core products are already available via the Network. Already, people can get information on Social Security payments and services; information on services provided by a range of other Government agencies; information on local assistance and services (for example information on local discounts and concessions available to people with Seniors Cards); and access to an electronic communication system that will enable people to both send and receive messages and information from one another by electronic mail either privately or posted publicly for anyone to see.

This is just the beginning, more products and applications are being developed and will be added over time. Feedback is being encouraged and actively sought so that new products and facilities can be developed to meet user needs. Naturally, the impact of CIN is being evaluated progressively over the life of the product and regular information will be released to keep you up to date on progress and outcomes. One of the most exciting things about the Community Research Project is that it is a very practical demonstration of how the community and Government can work together to improve the society in which we live.

As part of the Project, the Department of Social Security is funding a range of projects in South Australia, Tasmania and Queensland.

One example is the *Labour Exchange and Trading Scheme Project* which aims to reduce costs and improve access to the informal labour market for people on low incomes. As part of this project a hard copy register of the labour and/or services available in the community will be established; this will also record the number of resulting labour exchanges. The CIN will be used to develop a computer network to enable communities to start Labour Exchange and Trading Scheme (LETS) Systems with a minimum of resources.

It is planned to integrate interested existing LETS schemes into State-wide registries to maximise exchange opportunities for LETS participants.

In another example, a community contact project will provide people on low incomes in a small country town with the opportunity to develop projects which enhance the collaboration between community groups and formal organisations. The main objective of the Project is to see whether putting a community contact point into a town which is currently lacking community services and supports, will encourage the development of facilities and improve the sense of community and cooperation in the town and surrounding area.

Use of the CIN and associated software will provide community groups and individuals with the opportunity to investigate what resources and initiatives are available and developing outside their town. The project hopes to use the

interactive nature of the system to tap into the knowledge and skills of resource people in larger centres. Already a commitment has been made by a resource person to visit the town and help residents to establish a LETS scheme.

In Tasmania, the Women's Learning Community Information Network Project will provide women in rural and isolated areas with an opportunity to collaborate on issues and support services that are common to their community. Up to 20 Tasmanian farm 'communities' will be linked via the CIN to enable them to test the impact of this information and communication system on their families' living standards.

Participants will be provided with training in the use of the CIN and given encouragement to exploit its potential by creating their own bulletin boards, holding on line 'discussions', exchanging cost saving and coping information, etc.

The data which will result from the Community Research Project will be essential in the development of social policy for the future. It will give us a better understanding of how to assess living standards and how to design services to ensure each Australian has a chance to participate in his or her community.

Access to this information may contribute to the further development of a social security system that offers services which better complement the provision of cash income support.

In addition the Community Research Project evaluation process will endeavour to identify services that could complement the current range of social security programs and establish the comparative efficacy of the community-based model of service delivery.

The results of the research, therefore, have the potential to contribute to, or suggest change, in existing service provision models. The Project may also identify whether or not there is a role for an income support agency such as Social Security in the development or delivery of these services.

Whatever the outcomes, the important thing is that the Project is being conducted hand in hand with the community. Members of the community, particularly those most affected by changes to Social Security policy, the low income earners, are a vital part of the Project. Their input will determine much of its success.

The Community Research Project recognises that a national Social Security system is not just services delivered by the Department of Social Security. It is the sum of the support provided by Government and the community.

LETS is obviously an important part of the work that is being undertaken. It is exciting and innovative work that has a key role to play in the future of our Australian society.

I wish you all well in your conference deliberations. I hope you take something away with you from the conference which helps you to contribute to your community and I look forward to seeing the results of your work.

Thank You.