



**Driving Performance into 2009 and Beyond**  
Submission Paper regarding  
Employment Services Review

Attention:  
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Minister for Employment Participation

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# Driving Performance

Strong performance among Employment Services providers is driven by financial incentives, the Star Ratings system (performance evaluation), maintaining a strong reputation among employers and communities, adopting job placement strategies appropriate to the local labour market needs, and appropriate resources for job seekers who require support in their journey from welfare dependency to financial independence.

## Driving Performance – Purchasing

Job Network is almost ten years old and the programme has matured since its earlier cottage industry years. Competitive neutrality has allowed religious and non religious ‘for surplus’ as well as ‘for profit’ private labour intermediate organisations to flourish by delivering real value to the public and choice to job seekers and employers. Job Network now has a number of international providers involved and possibly new competitors wanting to enter. Jobfind is proud to have contributed to this success and supports the open and neutral competitive principles on which Job Network was founded.

Yet a major purchasing process every three years is very disruptive to the delivery of Employment Services. The closing of one provider and opening up to another in an employment service area (ESA) can be costly in overheads and staff retention over time, dispiriting to jobseekers and employers and is a disincentive to capital investment. When conducted nationally every three years, taxpayers are entitled to question the value this brings to Employment Services. For some time now, providers have been arguing for a longer contract period. The benefits of a longer contract period would include:

- reduced business risk;
- increased innovation;
- improved staff retention and increased investment in professional development;
- better engagement with employers and a greater emphasis on relationship development and account management; and
- increased timeline for ROI would encourage capital and other investments in infrastructure, technology, premises and facilities.

Jobfind believes it would be more sensible to, first, adopt a five year contract period for the next major purchasing phase. This contract would still be subject to periodic performance reviews and business reallocation to drive performance. The second step would be to transition to the new contract by rolling over existing contracts to high performing providers. This would minimise disruption to job seekers and reward strong performance.

With regards to purchasing for remote communities over vast geographical areas, the contracts and tendering process needs to be redesigned to address those unique difficulties. The tyranny of distance and the challenging social environments in remote areas of Australia such as the Cape York Peninsula and Central Australia mean travel costs, recruiting and retaining staff, as well as accommodating them is very expensive; infrastructure in remote communities is typically substandard; and building trust with remote communities can be a lengthy process before employment and training outcomes are yielded. Recognising and building in these costs to remote services, including innovative guidelines around the Job Seeker Account, must be a priority. So too is the need to redesign remote services to remove individual contracts for each service/programme delivered under the bundled services banner for one labour market and to replace this with one single combined contract for the bundle of services. Over and above this, the Government should also seriously consider the quarantining of remote service contracts from an ESA’s high velocity labour

markets (eg. Cape York from Cairns ESA) and restricting competition to no more than two providers to ensure viability.

**Recommendations:**

- Jobfind supports the continued open and neutrally competitive principles that have made Job Network successful.
- Jobfind strongly advocates a major adjustment to the purchasing of Employment Services by extending the next contract period from three to five years and by rolling over existing high performing contracts into the new purchasing period.
- Jobfind advocates redesigning remote service contracts and tendering to better account for high costs, bundled Employment Services and viability.

## Driving Performance – Star Ratings

Jobfind believes that competition among Job Network providers, carefully and fairly managed by the Commonwealth, is an essential driver of performance. This entails the need to reward and sanction providers with market share.

However, the current framework for Star Ratings, rewards and sanctions, carries with it some of the most disruptive elements of forced distribution models. The current system does not allow for the distinction between relative and absolute poor performance and rewards for strong performance are not adequate. In this charged environment, collaboration between providers to meet employer demands and skills shortages within ESAs is discouraged as Job Network providers who refer suitable candidates for vacancies from other providers do not share Star Ratings outcomes.

By removing the hyper-competitive and disruptive elements of the Star Ratings system, Job Network providers will be encouraged to invest in their personnel and better engage employers and communities.

To this extent, Jobfind welcomes the introduction of annual reviews of business allocation that replaced the recent and highly disruptive six month reviews. But more needs to be done.

**Recommendations:**

- Jobfind's suggestions to the forced distribution model include:
  - Restricting the withdrawal of contracts on the basis of poor performance to the end of the two year rolling period;
  - Sanctioning poor performance during the two year rolling period by suspending allocated caseloads until DEEWR is satisfied with performance;
  - Sanctioning absolute poor performance with business reallocation and sanctioning relative poor performance by suspending caseload allocation; or
  - Rewarding strong performance with an increase of market share, an increase in the number of commenced Intensive Support clients and/or suitable financial bonuses (e.g. Bonuses for each HD client placed into sustainable employment).

# Driving Performance – Employer Engagement

For employer engagement to be effective, businesses need employable candidates to fill vacancies. Jobfind has already mentioned a number of ways to improve employer engagement through a longer contract period and adjusting the Star Rating system.

If PAGES are to continue to meet the Government's objectives, reduce welfare dependency and increase workforce participation then their services need to be weighted towards employability. Factors impacting on employability include aptitude, recent labour market experience and relevant qualifications.

**Aptitude:** In Jobfind's experience, employability of job seekers can be as much determined by their motivation and aptitude as their skills and educational attainment levels. The key is to tailor services, including training, to suit the job seekers' goals in life and in work.

To aid in the tailoring of their services, many Job Network providers psychometrically measure the aptitude and skills of job seekers before matching them to any job. Jobfind uses Chandler McLeod's Employability Skills Profile (ESP) to demonstrate the abilities/aptitude of the job seeker to both themselves as well as to prospective employers who, in turn, appreciate that résumés on their own do not provide enough information about the suitability of job applicants.

**Experience:** Many people on income support come to providers without any recent work history and some without any work experience at all. In addressing this employment barrier, Jobfind finds that even short periods of employment, including seasonal work and menial unskilled work, makes a candidate more employable compared to a candidate who has completed approved and accredited training but has little or no recent work history. Work history can demonstrate work ethic, punctuality, interpersonal skills and other qualities valued by employers.

**Short and Long Term Training:** In Jobfind's experience, the employability of job seekers can be positively impacted by short term (less than six months) training. For instance, Jobfind offers eligible job seekers online learning courses, accessed through the Job Seeker Account, to overcome their employment barriers and achieve sustainable outcomes. Courses range from motivational and business skills, basic computer skills through to advanced computer skills. Completing the training modules demonstrates to employers the candidates' ability to complete tasks and willingness to undertake training and can equip the candidate with the basic skills required for prospective jobs.

Many job seekers do benefit from longer term training and education (more than six months). Currently Employment Preparation for eligible parents, carers and mature aged clients and STEP ERS for eligible Indigenous clients are two programmes in the suite of Employment Services that do access longer term appropriate training, usually training while employed. Indeed STEP ERS with its 60 per cent success rate in placing and supporting Indigenous clients into employment and training with timeframes of outcomes up to eighteen months, is a very sound model that could be applied to many clients from different cohorts. Jobfind also acknowledges the significance of receiving post placement support for long term training and the continuing demand for this type of long term training and mentoring, provided by programmes like STEP ERS, among employers.

Jobfind welcomes the renewed interest in longer term training but a sense of balance is vital: Providers negotiating with job seekers are best placed to tailor employment and training opportunities to job seekers in any given labour market. Shaping the employability in partnership with job seekers has been the key to Job Network's success. It would not be beneficial to employers or to the social inclusion of the long term unemployed to weight the system towards long term training at the expense of relevant work experience and appropriate short term training.

**Incentives, Projects and Communications:** A number of other government initiatives that directly enhance employer engagement include Wage Assist, Employment Assistance Programme and the Workplace Modification scheme. In Jobfind's experience, these incentives are very helpful in giving its candidates an edge in the labour market and in attracting employers to use Job Network.

Jobfind supports DEEWR's continued leadership to engage employers through its Industry Strategies branch. Initiatives to engage industries in recruiting and retaining workers include the Employer Demand Demonstration Projects and the Employment Innovation Fund. Many employers and human resource managers do not even consider the benefits of employing people on income support until it is demonstrated that it can be integral to their workforce planning and flexibility. Jobfind also appreciates the consideration of participating in such projects as a contractual Key Performance Indicator.

Nevertheless, awareness of Job Network services remains low – estimates suggest as little as 30 per cent of Australian employers know of its existence. In fact, the Commonwealth Employment Service (CES) as a brand remains strong in the public mind despite its abolition in the nineties. Low awareness is partly a function of the number of individual programmes. It also reflects the low investment in government communications campaigns over the last ten years to increase awareness of the services delivered by PAGES.

**Recommendations:**

- Jobfind supports an effective suite of strategies to demonstrate and improve the aptitude, experience and qualifications of job seekers that are relevant to the demands of the labour market.
- Jobfind believes providers negotiating with job seekers are best placed to tailor services for job and training opportunities.
- Jobfind supports the STEP ERS as a training and post placement programme for Indigenous job seekers and advocates a more universal 'STEP ERS' programme be introduced (NESA advocates a STEP-UP programme).
- Jobfind supports the continued access for Wage Assist, EAP and Workplace Modifications to engage employers.
- Jobfind welcomes the continued leadership of DEEWR in engaging employers through its Industry Strategies branch.
- Jobfind highlights the need for national communications campaigns to raise awareness and demand for PAGES.

## Driving Performance – Training and Education

In inviting providers to contribute to its review, the Federal Government is specifically canvassing the sector's views to ensure incentives for training are appropriate and improve the employability of job seekers (including incentives for long term training and education). Jobfind believes that Employment Services have been under-utilised in bridging the gap between the skills rich and the skills poor and in meeting the apparent skills shortages in the Australian labour market.

With regards to the correlation between financial incentives, performance review and training, the outcome fees and the Star Rating system do not adequately recognise educational outcomes. As a driver of performance, a greater weighting towards educational/training outcomes would be an effective mechanism if the Government decided that this was among its higher priorities.

With recent machinery of government changes, the new Federal Government is very well placed to better align employment services with training and apprenticeship services. Jobfind notes that half of the new training places by a Rudd Labor Government will be earmarked for Diplomas or Advanced Diplomas, while another two fifths will target Certificate IV qualifications; it also notes funded

training positions will be bundled together and allocated to strengthen the 10 Industry Skills Councils.

People on income support who want to train into skilled positions are likely to benefit more if Employment Services were represented on the Industry Skills Councils. Demonstration and collaborative projects under the auspices of ISCs with Job Network and related services could help access and improve workforce participation and relevant skills development and reduce long term welfare dependency.

One area the Government might consider to improve the employability of Australians on income support through education and training is through linkages between school leavers and Employment Services to increase school retention and access to training. If properly considered, programmes could provide more financial incentives to help support Youth Allowance recipients in school to stay in school or parents on income support to keep their children in school. (One effective programme within Job Network, the Indigenous Youth Employment Consultants, currently targets support towards vulnerable students to achieve those outcomes).

There are many adults in the community who could better participate if their basic education needs were supported. One such area requiring investigation is the adequacy of adult language, literacy and numeracy (LLN) service delivery. The inadequacies fall in two areas: first, Indigenous language services in Centrelink, in the Job Capacity Assessment programme and in the LLN programme (to which other providers refer the clients) all of which require greater investment in translation, interpretation and proficiency in LLN. Employment Services would also benefit from greater incentives to achieve LLN outcomes. This is essential if entrenched Indigenous disadvantage is to be overcome.

Second is in migrant services, namely the Adult Migrant English Programme (AMEP) administered by the Department of Immigration. AMEP currently requires adult migrants and refugees without proficiency in English to sign up within a year of arriving, then clients can finish the programme by completing 510 hours or by reaching proficiency in English (whichever comes first). That results in only a few hours of contact a week, which is totally inadequate if these clients are to access either training or suitable employment.

The Commonwealth may also consider reviewing the use of 457 Visas administered by Department of Immigration. Businesses need to access temporary skilled workers from overseas to keep their businesses operational and growing. However, too many look to the 457 Visas in preference to adequately training their existing workforce or recruiting their trainees and apprentices from Employment Services. The granting of these visas could be more conditional on workforce recruitment and training within Commonwealth supported services.

#### **Recommendations:**

- Jobfind welcomes a renewed emphasis on balancing the needs for long term training and educational outcomes for jobseekers.
- Jobfind advocates greater recognition of education and training outcomes in financial and Star Rating incentives to reflect the Government's priorities.
- Jobfind seeks Government support for the effective representation of Employment Services among ISCs to promote the skills and opportunities of Australians on income support.
- Jobfind recommends the 'mainstreaming' of educational objectives to Job Network and other programmes with youth participants to increase school retention and better link school leavers to training and employment opportunities.
- Jobfind advocates the tightening up of requirements on Adult Migrant Employment Program participants including participation in the first three months of arriving to Australia, regular LLN assessment and more frequent contact with AMEP and Employment Services.
- Jobfind recommends reviewing the use of 457 Visas including access becoming conditional on workforce recruitment and training within Australia.

# Early interventions

The reduction in the number of long term welfare dependent Australians is not only a goal of governments and community groups but an abiding passion for all Job Network providers and their on-the-ground personnel. Fewer people on income support and more jobs for Australians is a great social outcome. It is an achievement which the Employment Services sector should be very proud of.

However, as the proportion of Australians with non-employment barriers in Job Network's national caseload increases, reaching the balance between mutual obligations, human capital development and financial incentives for these Australians in need of support is no easy task. Jobfind believes earlier interventions will require more and smarter resources as well as more timely assistance.

## Earlier Interventions – Single Points of Delivery

Leaving aside current service gaps, this Review is an opportunity to consider the conceptual framework of service delivery for Employment Services.

Jobfind believes it is possible to strengthen the performance of Employment Services with single points of delivery. Already remote services are delivered through the bundled services approach. Providers of bundled services are expected to become one-stop shops for Job Network and other services such as Personal Support Programme and Work for the Dole across vast geographical expanses.

This is a smarter way of supporting job seekers than experienced by regional and metropolitan job seekers. In these labour markets, the current experience of job seekers who need both their employment and non-employment barriers addressed is to endure a multiplicity of referrals (with waiting lists) for personal support, training and assessment. Through integrated service provision and a 'one-stop shop' approach, longer periods of welfare dependency can be avoided.

By streamlining access to generalist and specialist expertise across programmes – job readiness and access, work capacity building, personal support and enterprise development – the benefits to taxpayers are also apparent with the reduced purchasing costs and the more efficient allocation of resources through better risk assessments and flexible tailored interventions.

Above all, a single point of delivery would diminish confusion among job seekers requiring specialist support as they make their way towards greater economic and social participation.

In its *Workforce for the Future (September 2007)*, the National Employment Services Association (NESA) has outlined a conceptual framework to retain the broad expertise in PAGES in a streamlined manner that is worth serious consideration.

### **Recommendations:**

- Jobfind encourages the Government to seriously consider a new single point of delivery for job seekers on income support.

## Earlier interventions – JSCI

The Minister for Employment Participation has specifically invited providers to consider the role of the Job Seeker Classification Instrument (JSCI).

The JSCI is an objective measure of a job seeker's relative labour market disadvantage; it is designed to immediately identify job seekers who, because of their individual circumstances, are likely to become long-term unemployed. These job seekers are classified as 'highly disadvantaged' in the labour market and are eligible for early referral to Intensive Support customised assistance (ISca).

In the 2005-06 Federal Budget, the JSCI was adjusted so that ISca became a narrower assessment tool to measure the level of disadvantage of activity tested Australians on income support. At the time it was argued the probability of job seekers becoming long term unemployed had diminished with a stronger labour market. (Over and above, an additional factor estimating the level of labour market disadvantage of Indigenous job seekers in non-metropolitan areas was introduced.) The sector recognised it as a cost savings measure.

Jobfind believes that this was a short sighted move: job seekers who had previously qualified for services no longer qualified for services by virtue of reclassifying their labour market disadvantage. For instance, DSP clients newly engaging with Job Network are no longer automatically classified as Highly Disadvantaged, and therefore, are not automatically eligible for ISca services. The financial incentives which drive performance among providers could have accelerated those clients into the labour market and into sustainable jobs. The simplest solution would be to restore the previous JSCI criteria, as the current test simply diminishes services for those who most need them.

Proper and timely assessments of the working capacity of clients are also crucial to getting the right support to Australians on income support. In Jobfind's experience, the application of JSCI to job seekers at Centrelink is neither consistent nor adequate. Job Network Members are making professional judgments that work capacity is far lower than Centrelink has assessed and subsequently refer clients to Job Capacity Assessors (JCAs) who assess capacity against the Job Seeker Classification Supplement Index. Again, waiting lists among JCA and their assessments are frustrating Job Network Members in both activating caseloads and in recognising barriers to employment. The case for higher standards from and greater investment into assessments by Centrelink and JCAs is strong.

### **Recommendations:**

- Jobfind recommends the JSCI return to its pre July 2006 assessment criteria while maintaining the additional criterion for Indigenous non-metropolitan job seekers.
- Through greater professional development, Jobfind advocates high standards in assessing work capacity and relative labour market disadvantage by Centrelink and JCAs.
- Jobfind recommends more resources be put into JCAs to tackle waiting lists.

## Earlier Interventions – Improving Job Network

The current fee structure and service eligibility which was adopted for different labour market conditions does not adequately compensate for the services delivered in today's labour market. Commencement interviews are more complex as are assessments. The challenge for Job Network members is exacerbated further when considering that fees have not kept up with CPI increases.

A significant group of job seekers are eligible for Job Search Support Only (JSSO). Many of these job seekers are, for a variety of reasons, not eligible for income support payments at the present time

including, for example, mature aged job seekers considered self funded retirees, young people (21-24), job seekers with employed partners and others who often after long periods of disconnection become eligible for service and are then harder to assist. Bringing forward assistance for this group would contribute to workforce participation and provide a valuable pool of labour for employers.

NESA estimates as many as seventy per cent of job seekers remain unemployed beyond the initial three month period of service eligibility. These Job Search Support (JSS) clients receive the same single forty-five minute interview and the ongoing use of self-help job search resources but are not eligible to progress to any further service. Jobfind estimates that around forty-two per cent of its total caseload is JSS. About twenty-three per cent of these have current exemptions and the rest are 'activated'.

A certain percentage of the JSS caseload is engaged in other non-job search programmes to fulfil participation requirements such as Work for the Dole and Personal Support Programme. The implications for Job Network members are that forecasting job seeker flows is difficult and costly in administration. For job seekers, the implications result in inefficient servicing. In fact, some have expired exemptions but providers and agencies (through EA3000) do not efficiently share information to re-activate those job seekers with timely referrals to Job Network providers.

There are a number of ways of dealing with these problems with access to services that job seekers are otherwise missing out on. This may include access to Job Search Training (JST) for current JSS clients. Other financial incentives along the entry points of the Active Participation Model (APM) could be brought forward. For example, entry points for job seekers could include Intensive Support at six weeks unemployment instead of three months and Intensive Support customised assistance 1 (ISca1) at six months instead of twelve months.

One powerful tool to move job seekers who are vulnerable to longer periods of unemployment is Job Search Training (JST). Currently a considerable number of job seekers miss out on this service until they are three months unemployed. Access to this service should be reconsidered at an earlier timeframe in the job seekers' duration of unemployment.

Another service whose access could be extended is the Work Experience Programme (WEP). WEP eligibility could be extended to all Job Network clients who are eligible for Job Search Training (three months or more unemployed) as well as CWC, CDEP and PSP/JPET clients. Similarly JSS clients would also benefit while participating in other programmes outside of Job Network by sharing outcome fees and Star Ratings.

Temporary exemptions to participation requirements are an important part of the social security system as they provide time for clients to recover from episodes of illness or to stabilise their accommodation, child support and other arrangements in times of crisis. However, the granting of consecutive temporary exemptions could indicate either avoidance or the inappropriateness of the payment the candidate might be receiving for some clients. The reasonable review of these clients receiving consecutive exemptions by JCAs would go a long way towards ensuring those able to work are actively engaged in job seeking.

In short, the opportunity for the Federal Government to revise the outcome fees, eligibility of services and assessment process is great for the 2009 programme.

#### **Recommendations:**

- Jobfind advocates serious consideration to the fee structure and service eligibility, including:
  - Overdue adjustments to CPI increases in the 2009 contract;
  - Adequate fees for more time consuming commencement interviews and assessments given the complexity of caseloads;
  - More resources for JSSO clients as a workforce participation measure;
  - Incentivising providers and employers with more attractive JPO fees for JSS clients;

- Bringing forward financial incentives and services along the entry points of the APM, especially JST to JSS clients;
- Dual servicing for JSS clients in other programmes;
- Greater access to the WEP to JSS clients in other programmes; and
- Tackling consecutive temporary exemptions with more comprehensive, regular assessments by JCAs.

## Earlier Interventions – Job Seeker Account

Earlier interventions to reduce long term dependency go hand in hand with innovation; in turn, innovation requires greater latitude with tailored services and assets for which the Job Seeker Account (JSKA) is utilized. JSKA is a notional account for each job seeker from which services and assets aimed at overcoming joblessness can be purchased. Jobfind supports the policy thrust behind the JSKA; however in Jobfind's experience, the range of tailored services, assets and training available through the JSKA is not sufficiently extensive and can sometimes be too prescriptive. The inflexibility entailed in both the criteria and the administration of the JSKA has led to a needless under-spend of its budget administered by DEEWR. Returning closer to the original intentions of the JSKA would reduce administration and improve outcomes for job seekers.

### **Recommendations:**

- Jobfind recommends the Government consider a range of initiatives to improve the Job Seeker Account, including:
  - Earlier access JSKA for JSS and other clients;
  - Expanding the criteria for services for locationally disadvantaged clients, including servicing outreach sites, vehicle repairs for clients and the pooling of notional accounts for transportation assets to access Employment Services and labour markets for clients;
  - Access to the JSKA for comprehensive commencement interviews, language and interpreting services and in the assessment of client needs; and
  - More flexibility in purchasing services and assets to overcome non-employment barriers such as referrals and support from complementary programmes such as PSP.

## Earlier Interventions – Other Programmes

The number of smaller complementary programmes in Employment Services could substantially improve earlier interventions against long term welfare dependency by addressing access and linkages to programmes and agencies.

One way to achieve this goal is to consider collapsing some of those programmes into mainstream servicing. For instance, the work of the youth-specific Job Placement Employment and Training Programme (JPET) parallels the work of Personal Support Programme (PSP); the activities of the Green Corps and Drought Force parallels the activities of Work for the Dole; and the Disability Employment Networks (DENs) operate along similar lines to disability specific Job Network members (for example, JN and DEN services could be tendered as bundled services).

Waiting lists among certain programmes are extending periods of unemployment as clients unnecessarily linger between referrals and appointments between agencies and programmes. This includes waiting lists among Job Capacity Assessments (JCAs), Vocational Rehabilitation Services, PSP/JPET and DENs. Better resourcing through either more allocated and fully funded places or by investing in demand-driven (uncapped) programme funding could address this effectively.

Of all the complementary programmes, PSP has grown in significance more than perhaps any other. This reflects the higher proportion of job seekers with non-employment barriers on caseloads. PSP should be earmarked to become an uncapped programme with a number of added features including dual servicing with JNMs before and after transitioning from the programme and access to the JSKA. A modest increase in the participation requirements on clients (such as approved voluntary activities, accepting training positions or part time CWC activities) after twelve months in the programme should also be given careful consideration. Furthermore, all PSP/JPET clients transitioning into Job Network should automatically be classified as Highly Disadvantaged. (Currently those PSP clients who have completed two rounds of ISca miss out Intensive Support).

In the case of Work for the Dole, there is a strong argument to support a name change to this valuable work capacity programme as the current name stigmatises clients in the labour market: Jobfind suggests 'Skills for the Future'.

**Recommendations:**

- Jobfind recommends the Government seriously consider collapsing some programmes to streamline service delivery and tendering processes. This includes:
  - the collapsing of CWC programmes (Work for the Dole, Green Corp and Drought Force) into one newly branded programme (Skills for the Future);
  - the merging of PSP and JPET into one demand-driven programme; and
  - the incorporation of DEN funding and expertise into Job Network.
- Jobfind advocates that PSP/JPET clients transitioning back into Job Network are automatically classified as Highly Disadvantaged and the Government give careful consideration to additional participation requirements for such clients.
- Jobfind recommends dual servicing and reasonable shared outcomes between Job Network and other services, especially PSP/JPET, for those not eligible for ISca.

## Earlier interventions – Workforce Participation

Australia's social security system is targeted and generous; it is a genuine safety net for vulnerable Australians. Most Western countries find their social security systems an indispensable part of the fabric of their societies; they also see their functionality as comprising an important role in maintaining and improving workforce participation and social inclusion. Australia is no exception.

Australia has a high number of working age people who have the capacity to engage in the labour market but are not effectively assessed to test their capacity and availability. After all, suitable, sustainable employment with appropriate support is the most effective vehicle to increase social inclusion and to reduce poverty.

Jobfind believes the Government should seriously consider advancing the workforce participation agenda by extending participation requirements to more working aged Australians on income support. These include those on:

- Disability Support Pension (DSP);
- Parenting Payment (PP) recipients with children not of school age; and
- Mature Age (55 plus) Newstart Allowees (NSAs) who are not required to job search (although this cohort is only required to accept suitable work, a notable proportion of mature age job seekers on active caseloads believe they are exempt from accepting suitable employment. Jobfind attributes this to Centrelink's poor communication of participation requirements to mature age job seekers.)

Given current labour market conditions and improved employer attitudes, Jobfind believes the timing and the need for greater workforce participation would be extremely worthwhile.

## **Recommendations**

- Jobfind would recommend the following features be reflected in the social security laws and guidelines:
  - DSP recipients be regularly tested for work capacity and eligible for participation requirement along the lines of those Newstart Allowees now assessed with partial capacity;
  - PP recipients with children aged three or above be assessed for educational levels, including language, literacy and numeracy levels, and be required to undertake part time suitable and appropriate training and education (jobsearch could remain voluntary); and
  - All mature aged Newstart Allowees be required to jobsearch; and
  - Maintain the existing jobseeker compliance regime of suspending payments until reengagement for participation failures and eight week non-payment periods for serious participation failures.

# Time and Administration

Within the Employment Services sector, there is a great deal of confusion, even bitterness, about the role of administration, especially with compliance monitoring.

At one end, NESA presents the situation as a sector overwhelmed by ‘micro-management’ by DEEWR at the expense of business viability; at the other, DEEWR insists that compliance monitoring is about national consistency, accountability and quality for services for which fees are paid.

Jobfind believes that the onus of responsibility is much closer to DEEWR’s point of view. Accountability and quality assurance require systematic monitoring, due diligence and internal auditing. This is just as true for transactions between private and listed corporations as it is for entities who bid for government tenders. Administration and compliance monitoring is a necessary burden for providers who are funded to find suitable work or activities for those on income support, including some of Australia’s most marginalised or vulnerable individuals.

Job Network is no longer a cottage industry. Sophisticated record keeping and internal auditing are reasonable expectations towards those handling government contracts. Not adequately knowing one’s contracts is no excuse. Principles set in DEEWR’s Contract Management Framework and Quality Assurance and Compliance Framework reasonably outline those expectations; complaints can be escalated from Account Managers to the National Office; and contracts can be varied within the limits of programmes. That is, conflict resolutions are adequate.

In Jobfind’s experience, government officials welcome frank feedback and constructive suggestions to improve service delivery as they are as keen as providers for programmes to enjoy success and avoid missed opportunities on behalf of job seekers.

By highlighting the shortcomings arising from administrative requirements, the sector diminishes its achievements and reflects inaccurately on its capacity to tailor services to job seekers and employers. After ten years of success, the sector is healthy and officials have grown tin ears to ‘the system is broken’ idiom.

The confusion and antagonism should be replaced with the mature acceptance of DEEWR’s role in compliance monitoring and a more constructive partnership to increase the integrity and effectiveness of Employment Services.

## **Recommendations:**

- Jobfind supports the current principles in compliance monitoring outlined by DEEWR.
- Jobfind calls for a constructive partnership between DEEWR and providers in tackling any shortcomings arising from administration.

# Time and Administration: Participation Reporting

Participation reporting needs to be accurate and well documented in order to encourage active participation.

Current participation reporting needs to be more consistent. Expectations and communication between agencies – providers and Centrelink – are too often misaligned, leading to unnecessary

paperwork. In Jobfind's experience, the quality of participation reporting is improved where Area Participation Solution Teams operate.

**Recommendation:**

- Jobfind supports the implementation of Area Participation Solution Teams across all ESAs.

## Time and Administration: EA3000 Reporting

When EA3000 – the electronic interface between DEEWR and providers - is working, it's great; when it is not, it is disruptive and costly in time and administration: Regrettably EA3000, EA3000 reporting and BDF Downloads are not meeting businesses and operational requirements and this is diverting valuable time away from our efficient servicing of job seekers and employers.

Job Network Members suffer major disruptions to their businesses due to the lack of availability of the BDF downloads. Many Job Network Members have made considerable investment in third party software, to enhance their business and enable more sophisticated reporting and data capturing - as well as enabling better service delivery to job seekers and employers. The BDF weekly download is an integral part of this process. Given that businesses are unable to conduct accurate forecasts and that delays are draining financially as well as corrosive to the morale of frontline staff, the time to invest in a reliable and efficient EA3000 has arrived.

**Recommendation:**

- Jobfind advocates immediate investment into DEEWR's EA3000 IT platform to minimise business and operational costs to the job seekers and the taxpayers.

# Acknowledgements

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