



*Comments on the  
Exposure Draft of  
Employment and Related  
Services 2005*

Brotherhood of St Laurence  
September 2005



## Background

These comments are provided in response to the Exposure Draft of Employment and Related Services released by the Department of Employment and Workplace Relations in August 2005. We have commented specifically on the Job Network (JN), the Personal Support Programme (PSP) and Disability Open Employment Services (DOES).

## Job Network

The basic framework of the Active Participation Model remains unchanged. This is welcome in that previous contract changes have taken several months to implement and made it difficult to maintain quality of service during the transition period from one contract to another.

We also support the proposed rollover of a proportion of existing contracts since this will minimise unnecessary time and resources spent on re-tendering.

We believe though that some aspects of JN require reform in order to improve its effectiveness for disadvantaged jobseekers. This does not appear to have been addressed in the draft specifications. In addition, features of the welfare to work changes outlined in the 2005 Budget and described in the tender documents are of some concern.

### Budget 2005 changes

There is expected to be an influx of new JN clients due to activity testing of people with disabilities and parents. New funding of \$503.5m has been allocated to JN for the three years from 2006-07. However a reduction in funding of \$397m is forecast for the same period, taking the net additional funds to little more than \$30m per annum. The Budget papers forecast an additional 31,7000 places for people with disabilities, 84,000 places for parents and 20,900 places for mature age jobseekers, a total of 136,000 places over three years with net additional funds of \$107m or around \$790 per place.

The JSCI score used to categorise people as 'highly disadvantaged' will be increased so that jobseekers who now would be eligible for Intensive Support Customised Assistance (ISCA) when they first go onto benefits will now have to wait 12 months.

These changes effectively reduce the average amount available per person making it more difficult for JNMs to work effectively with the most disadvantaged jobseekers and with new clients with disabilities.

### Long-term unemployed

After 2 rounds of ISCA, very long-term unemployed people will not be eligible for another round. Instead they will be either referred for another CWCA, put onto bimonthly contact with JN, referred to a full time Work for the Dole place or for a Wage Assist subsidy of up to \$4500 over 26 weeks for an ongoing job.

The Wage Assist program is welcome, but the very small number (7000 places per year) is inadequate, especially when contrasted with an estimated 25,000 full-time Work for the Dole (WfD) places. Our experience of working with long-term unemployed people is that most want to work but lack recent work experience to be competitive. Wage Assist is likely to be far more

relevant than WfD, and we would suggest some of the funds allocated to full-time WfD would be better spent on Wage Assist.

The Exposure draft suggests that Wage Assist jobs must be ongoing. This is an important requirement as it should minimise opportunistic use by employers to fund a series of short-term positions.

However, it does raise the question of how its use will be monitored. If a job ceases after 6 or 7 months, how will this be monitored by DEWR and what action will be taken? Will eligible jobs have to be permanent or will casual jobs be eligible?

The criteria for streaming clients into full-time WfD outlined on p.132 are deeply problematic. The paper suggests that someone who 'has a history of poor attendance, suspensions or breaches or poor engagement...' would be a potential referral to WfD. This phrase suggests that the only reason for poor attendance is a 'history of work avoidance' but it is more likely that the reason for lack of engagement may be a mental health or substance abuse problem or homelessness. It is possible that JN staff may not detect these, or if they are transferred from one JN to another, that the most recent JN provider is not aware of the context for the behaviour. The criteria should be amended so that more investigation of a person's circumstances is undertaken before they are referred to a full-time WfD place.

For long-term unemployed people, there is also a need for funded work experience placements (or work trials) closely linked to training and employment assistance. Some of the WfD places could be refigured and used to allow JNMs to fund up to six month work experience placements in industry. This could be an option after someone has finished their first round of ISCA without finding employment and could form a Mutual obligation activity for the following six months. These placements differ from Wage Assist as they would be time limited placements and would not be required to be on-going jobs (although they could be). JNs would stay involved to help people move from work experience placement to a proper job. These could also be used to subsidise traineeships, but with the requirement of ongoing traineeship position.

Apart from small number of Wage Assist places, it is disappointing that the government has not acted to implement the recommendations of the House of Representatives Standing Committee on Employment and Workplace Relations and Workplace Participation to develop programs 'which combine personal support, paid work experience, pre-vocational training, employment assistance, traineeships and post-placement support' (Recommendation 6). We believe that without this type of integrated assistance, the prospects of assisting job-seekers with multiple employment barriers to gain work are limited.

## Personal Support Programme

We believe that PSP is an important program with many strong features which include:

A focus on those with severe barriers to employment and addressing underlying barriers as first step in improving employability

An emphasis on strong partnerships with local agencies to provide a wide range of support services

Lower caseloads than Job Network which allows more intensive and relevant intervention

Consideration of both social and employment issues, which reflects the experiences and aspirations of clients, many of whom would like to work at the same time as facing major employment barriers (both vocational and non-vocational).

However, there are also several factors which limit the effectiveness of PSP. Despite recent increases in funding, the low level of resources means providers are unable to pay for some services or courses needed by clients. It also means PSP providers are financially stretched, with some suggesting that they can only survive via subsidies from their host agency.

Currently, staff have limited access to ongoing professional development, raising concerns about their ability to upgrade skills and knowledge in response to the needs of the PSP client group. We suggest that DEWR invest in maintaining and improving the capabilities of providers by providing targeted staff development opportunities or contracting other agencies (such as peak organisations) to provide staff development

There is also too big a gap between the focus on non-vocational barriers and pathways into employment. While there is a notional 6 month overlap period between PSP and JN, this does not always appear to operate effectively in practice since clients are removed from the PSP caseload and replaced. While some providers do maintain contact and continue working with clients over this period, in other instances, they provide little ongoing support. This could be improved by strengthening the links between PSP activities and employment as suggested below.

Over the medium term (three to five years), we believe PSP should be expanded to become an integrated personal support and employment program for the most disadvantaged. Higher levels of funding per participant similar to those available to clients of ISCA are necessary. Employment assistance should be provided concurrently with personal support over a sustained period (say two years) and varied over time according to the individual's needs.

In the short term (the next contract period), we believe it is important to promote greater co-management between PSP and JN for the 6 month transition period. High caseloads and the fact that once referred to JN, a new client is added to the caseload, are the major impediments to this identified by PSP providers. Clients referred to JN should therefore remain part of the PSP caseload and providers required to provide continued servicing for the six month period.

It would also be useful to explore ways in which JN outcome payments and possible Job Seeker Account funds could be used more flexibly, including sharing with PSP providers. This would provide greater incentive for continued PSP involvement and reflects the fact that there is often not a clear-cut distinction between vocational barriers (addressed by JN) and non-vocational barriers to employment (addressed by PSP).

A minority of clients require more than the two year access to PSP. We therefore suggest that the contract provisions allow each PSP provider to provide an additional 6 months of service to those clients who need it (for example to a maximum of 10 per cent of clients).

## Disability Open Employment Services (DOES)

Generally, the draft specifications appear to be slight variations on the current model. We have some questions about issues which do not appear to be covered in the paper.

It appears that if someone has not found a job in two years, they will be exited from DOES. What options will be available to this group? Are they eligible to re-enter the program at some future date and after how long? Clients exiting PSP after two years are eligible to re-enter the program after a period of twelve months.

On p. 80, paper states that DOES providers are required to attempt to contact a jobseeker who does not attend an initial interview two times and to notify Centrelink if no contact is made. There is no indication in the paper about requirements of DOES if someone does not attend interviews after the initial interview. Will the same attempts at contact and reporting to Centrelink be required?

Some people with disabilities are able to find work but not able to sustain it. If someone discontinues employment before the six months is up, will they remain as part of the DOES caseload? Similarly if they remain in work for longer than six months but are being provided with intermittent support will they need to have another CWCA completed and a new referral made, or can they re-enter the DOES caseload automatically.