



Brotherhood
of St Laurence

Working for an Australia free of poverty

Employment Services 2015–2020

Submission to the Department of
Employment
A response to the Exposure Draft

Brotherhood of St Laurence

August 2014

The Brotherhood of St Laurence: assisting jobseekers into work

Established in the 1930s, the Brotherhood is an independent, non-government organisation with strong community links that works to build social and economic participation. Based in Melbourne, but with a national profile, the Brotherhood continues to work for an Australia free of poverty and social exclusion. Through a combination of innovative direct service delivery and research, we aim to bring a fresh perspective to issues of poverty and disadvantage.

Work and learning are key pathways out of poverty. For people who struggle to enter the labour market, such as those who have never worked in Australia or young people seeking their first opportunity, our employment and training programs offer a 'line of sight' to a real job. We work closely with employers to understand their requirements. We then train, place and support people so they can better participate in the economic and social life of their communities.

Our Work and Learning Centres put community and economic participation at the heart of assistance for jobseekers. The Brotherhood, in partnership with the Victorian Government, Northern Futures, Church of All Nations, Gippsland Employment Skills Training, Ballarat Neighbourhood House and Salvation Army Pathways, is helping public housing tenants and other disadvantaged jobseekers to gain employment through Centres in Geelong, Carlton, Moe, Ballarat and Shepparton. Eighteen hundred people have used the Centres; more than 800 have been placed into work and over 400 have completed accredited training.

Workforce Solutions takes a demand-led approach to employment. We work with employers to determine their workforce needs and ensure we prepare and support our jobseekers to meet them. We have placed refugees, asylum seekers, mature-age jobseekers, public housing tenants and young people into jobs with a wide range of employers.

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Recommendations

Objectives of employment services

1. Include as an objective of the employment services system, investment in building the capabilities of disadvantaged jobseekers.

2014–15 initiatives

2. That a non-payment period not be imposed for young jobseekers. Rapid re-engagement, including through access to training and support, should underpin the design of employment services to assist young people who are disengaged from work and study to build their economic participation.
3. To complement the Restart wage subsidy program, ensure skills development and career transition support for mature-age jobseekers, tailored to the local employment market. This should enable mature-age jobseekers to identify transferable skills, build confidence and improve their digital literacy.
4. Ensure intensive, culturally tailored support is available to asylum seeker and refugee jobseekers to aid their speedy transition into the workforce. This should include proper consideration of their needs in the JSCI.

Who can receive services

5. Volunteer jobseekers should be assessed by Centrelink at entry to the employment services system to check their eligibility for benefits and identify barriers to employment.

If, after six months, a volunteer jobseeker remains unemployed, they should be eligible for continued support from an Employment Provider. A further assessment should be conducted at this point to ensure that the jobseeker is matched to the appropriate stream of support.

Enable jobseekers to make an informed choice of provider

6. Require Employment Providers to disclose their specialisations and Work for the Dole arrangements, including the coordinators that they work with and examples of recent projects and upcoming projects that might be available to the jobseeker.

Job Seeker Classification

7. Overhaul the jobseeker assessment process used by Centrelink, and revise the Job Seeker Classification Instrument to ensure jobseekers are correctly classified according to their circumstances.

Employment Provider Services

8. Establish a specialist Youth Transitions Service as part of the next wave of employment services to enable young people who are unemployed to become work-ready and connect with employment opportunities.
9. Require tenderers to demonstrate they can appropriately address the needs of particular cohorts of jobseekers (including Aboriginal and Torres Strait Islander; CALD communities, especially refugees and asylum seekers; mature aged jobseekers) that are strongly represented in a particular employment region. Tenderers should be assessed on their demonstrated

understanding of the barriers faced by particular groups, and their ability to provide employment services tailored to meet their needs.

10. Require Employment Providers to offer careers advice as part of their core services, delivered by suitably qualified staff and connected to local labour markets.
11. Adapt Job Plans to provide an effective platform for a jobseeker and Employment Provider to jointly develop and realise employment and skills development goals.
12. Replace the requirement for up to 40 job searches per month with a more reasonable level of activity to encourage quality job search rather than compliance-driven job search.
13. Reintroduce milestone payments for accredited training at Certificate III or higher where it incorporates at least 100 hours of practical work placement in a real work environment.
14. Allow the Employment Fund to be used for people who complete accredited training that incorporates at least 100 hours of practical work placement.
15. Ensure that jobseekers with limited digital literacy, or without access to the Internet, can effectively engage with their Employment Provider.

Offer training on using the internet for job search to jobseekers with digital literacy needs.

16. Incorporate pre and post-placement support, and access to training, for jobseekers placed into wage subsidy programs, to maximise the opportunity for longer employment.

Participation and compliance requirements

17. Design participation requirements to build capabilities that will support jobseekers to move into mainstream employment. This includes providing access to training, work experience opportunities, job matching to participant aspirations, individualised support and connections with employers.
18. Ensure Work for the Dole includes employability skills training (we suggest 4–8 weeks) to support post – Work for the Dole job search.
19. Ensure ‘Skill in Demand’ training is defined according to local labour market requirements.
20. Mutual responsibilities should be contingent on:
 - a clear understanding of the responsibilities and accountabilities of employment providers, jobseekers and other agencies
 - investment in building the capabilities of jobseekers
 - an approach that prioritises the rapid re-engagement of jobseekers
 - allowing sufficient discretion to avoid penalising those who fail to comply with participation through circumstances outside their control.

Jobseekers who meet employer needs

21. Introduce a system of national and regional broker roles to work with large national and regional employers to broker connections between employment service providers, disadvantaged jobseekers and employers.

Working with other stakeholders

22. Tendering organisations should be required to show how they will deliver a ‘collaborative’ approach in the Employment Regions that are highly disadvantaged as well as to demonstrate a

strong track record in collaborating with other agencies. They should have clear partnering arrangements that facilitate sharing of resources, support for jobseekers (particularly the most disadvantaged jobseekers) and engagement with local community and training organisations, businesses and local governments.

Outcome payments to providers

23. Ensure part-time employment outcomes at 26 weeks attract a pro-rata payment particularly for Stream B and C jobseekers and those who have been out of the labour market for longer than 24 months.

NEIS

24. Design a more flexible and responsive New Enterprise Incentive Scheme (NEIS) model to enable the participation of diverse jobseekers, such as refugees and recent migrants, people with caring responsibilities or people with disabilities.

Employment Regions

25. Specialist providers should be able to directly tender to deliver employment services to specialist cohort groups within an Employment Region, including youth, Indigenous and CALD where these groups make up 25% or more of the region's unemployed.
26. Tenderers should be required to identify where and how they will connect to service jobseekers in more extensive rural and regional areas, including through outreach to smaller regional towns, and how any proposed digital delivery will be managed and supported.
27. Jobseekers should be able to attend their nearest provider regardless of the Employment Region where they reside.

Overview

The Australian economy is undergoing rapid change. Structural changes are resulting in large-scale job losses, particularly in lower skilled manufacturing jobs. Jobs growth is chiefly in knowledge and service areas—care and social assistance occupations, retail trade, construction, accommodation and food services. The premium placed on education and skills is rising. Employers are increasingly looking to recruit workers who are already qualified, skilled and experienced, or who are connected with them through their personal networks. We are facing a significant mismatch between employers’ needs and the people who are looking for work.

Those without the required skills, experience and qualifications are in danger of being locked out of work for the long term. At highest risk are early school leavers; those who do not have the experience, qualifications or skills required in the Australian labour market; members of newly arrived communities; mature-age jobseekers; and those living on the urban fringe or in regional or remote locations with poor training and employment opportunities. For those who do find work, underemployment and precarious employment are becoming increasingly common due to the growth in casual and seasonal work relative to full-time opportunities. Securing stable, ongoing work has become much harder as structural economic change has been accompanied by a relative decline in full-time permanent jobs.¹

Young people are particularly vulnerable. Earlier generations of young people could walk into a job without finishing school. Today it is much harder to do so. Our 15–24 year olds are currently experiencing unemployment at almost three times the rate of those aged over 25 years, up from around twice the rate in earlier years. The number of young people experiencing long-term unemployment has tripled since 2008.² By May 2014, the expected duration of unemployment for young people was above 33 weeks³, more than twice as long as before the start of the global financial crisis (GFC). There is also a growing number of young people who can be described as the ‘invisible unemployed’: they are not studying, not in work and not looking for a job.⁴

With an ageing population and the proportion of people of workforce age in decline, we cannot afford to leave large numbers of people ill-equipped to fully participate in and contribute to the mainstream economic and social life of our national. Creating opportunity for those people who are at risk of getting stuck in a lifetime of disadvantage is crucial to boosting our economic prosperity.

Building an effective employment services system is pivotal to our nation’s economic and social future.

Australia needs to invest in the capabilities and skills of jobseekers, particularly those facing the greatest labour market disadvantage, so that they are able to respond to the challenges and take up opportunities the modern economy has to offer. There is a need to strengthen the design of the proposed employment service offerings and participation requirements to enable jobseekers to build the capabilities that will move them closer to employment.

The proposal to impose a waiting period for receipt of income support is especially concerning. Not only will it impose unacceptably harsh and dangerous consequences on the young, and our broader community. It will also move these jobseekers who are facing a very tough labour market, further away from getting the support they need to build their employability. Rapid engagement is critical. The longer a young person is disengaged, the harder it is for them to move into work. The view that receipt very meagre levels of income support payments acts as a disincentive to work does not stack up. Indeed, less than half of the quarter of a million young Australians aged 15 to 24 who are

currently unemployed receive a Centrelink allowance. Given that young people make up over 40 per cent of our unemployed, face distinct learn or earn requirements and are at a delicate life transitions point, there is a strong case for a separate national Youth Transitions Service to provide employment services for our young people.

Also critical is the need for our employment services system to become much more adept at responding to employer needs. While some aspects of the proposed model are designed to bring employment services closer to employers, there are significant opportunities to take this further. The introduction of demand-led approaches to assisting disadvantaged jobseekers to meet local labour market needs would be particularly effective.

The larger employment regions proposed create a number of challenges. First, they do not promote specialist provision, which represents a missed opportunity for the employment services system to be geared to support particular groups of jobseekers in a targeted way. In particular, specialist provision would be particularly effective for young people and those from culturally diverse backgrounds, including refugees and asylum seekers. Second, the larger employment regions work against service provision by smaller, localised providers. Local organisations are uniquely positioned to harness the skills, altruism and opportunities of local employers, service and sporting clubs and community groups that can be critical to supporting disadvantaged jobseekers into work. They are likely to be shut out of service provision.

Finally, the employment services system needs to strike an appropriate balance between investment in the capacity of jobseekers on the one hand, and the responsibility of jobseekers to participate and take up reasonable opportunities on the other. There is considerable scope to improve the proposed mutual obligation arrangements through an emphasis on participation requirements that directly improve an individual jobseekers employment prospects, and an approach to compliance that prioritises rapid re-engagement and enables sufficient flexibility to take account of individual circumstances, rather than being overly punitive.

Comments on the Exposure Draft

Objectives of employment services (2.2)

The Brotherhood supports the proposed objectives for the new employment services system to better meet the needs of employers, increase job outcomes for unemployed Australians and reduce service prescription and red tape. We believe there are opportunities to strengthen the proposed architecture to assist in meeting these objectives, which are discussed further below.

A further proposed objective is to increase jobseeker activation by removing the option of passive welfare and introducing stronger mutual obligation requirements. The Brotherhood supports mutual obligation, but believes that Australia already has a very robust set of conditionality measures and sanctions imposed on jobseekers. Participation requirements need to focus on building capabilities that will support jobseekers to move into mainstream employment. This includes providing access to training, careers advice linked to the local labour market and jobseeker interests and capabilities, real work experience opportunities, individualised support and connections with employers.

Missing from the objectives of the new employment services is an explicit aim to invest in building the capabilities of jobseekers facing disadvantage in the labour market so that they have the capacity to take up the opportunities the economy has to offer.

Recommendation 1

Include as an objective of the employment services system, investment in building the capabilities of disadvantaged jobseekers

2014–15 Initiatives (2.5)

Stronger participation incentives for jobseekers under 30 (2.5.1)

The Brotherhood has serious concerns about the proposed changes to mutual obligation for jobseekers under 30 years.⁵

The BSL supports the underlying goals of the proposal—to ‘encourage greater participation in work and other activities and make the welfare system fairer’ by setting ‘firm expectations for young people’ and providing an ‘incentive for affected people to be self sufficient or to undertake further education or training’.⁶ However, the proposal to prevent younger jobseekers from accessing income support for significant periods is unlikely to achieve these aims and will have harsh, unintended consequences for many young Australians and their families.

While we affirm the aim to encourage young people to be ‘independent’, and demonstrate responsibility and initiative, we are concerned that the proposed changes will work against these outcomes. During the waiting period, jobseekers will be required (without income) to look for work, attend appointments with employment services providers and accept any offers of suitable employment. However, research regarding the impact of non-payment periods (associated with the imposition of penalties) suggests that lack of income can affect the capacity of young jobseekers to meet requirements and look for employment, particularly in relation to accessing public and private transport. The proposed changes will place an increased burden on those low-income families who

are unable to offer financial support and will place those young people without family support in significant financial hardship.

Finally, evidence suggests that effective employment programs for young people require early intervention and rapid re-engagement.⁷ Key to this is rapid re-engagement is early intensive support through the Employment Services system, including access to income support, access to training and access to wage subsidies.

It is of significant concern that the proposed waiting period for income support may cause additional young people to disengage from the income support and employment services system altogether, adding to the numbers of ‘invisible unemployed’.⁸

We are also concerned with the fundamental assumptions that underpin these proposed changes.

- First, the policies assume that young jobseekers can fall back on a ‘family safety net’ for financial and other support—yet our research and experience suggests that for the most disadvantaged young people, this safety net simply does not exist.
- Second, the policies assume that young jobseekers who are not disadvantaged do not face barriers to labour market participation or need support for career planning. However there is a growing body of evidence that all young people face challenges navigating the world of work within the changing labour market.
- Third, the policies are premised on the understanding that the current income support and employment services systems adequately identify young people who are vulnerable or face particular forms of disadvantage—yet our research and experience tell us that many young people are incorrectly classified.

Recommendation 2

That a non-payment period not be imposed for young jobseekers. Rapid re-engagement, including through access to training and support, should underpin the design of employment services to assist young people who are disengaged from work and study to build their economic participation.

Restart Wage Subsidy

Around 24 per cent of very long term unemployed jobseekers are aged over 50 years. Those aged over 55 years experience an average duration of unemployment of 71 weeks compared to 41 weeks for jobseekers aged 25–44 years.⁹ There are many in this age group who have given up looking for work and are no longer participating in the labour market. Nearly three times as many lower skilled mature-age people are not in the labour force compared to those with higher level skills.¹⁰ A 2012 report noted some of the issues for mature-age jobseekers including out-of-date job search skills, age discrimination and skills mismatches in the present labour market.¹¹

The Brotherhood welcomes plans for the Restart wage-subsidy program to encourage the employment of people aged over 50 years. However, these subsidies will not be paid until the person has been employed for six months and then in instalments over 18 months of employment. In order to make older jobseekers more attractive to employers, an investment in supporting mature aged jobseekers with job search skills, confidence building and digital literacy is also critical.

Further, mature-age jobseekers who find they need to re-train owing to broader structural labour market changes may require careers planning advice and access to training.

Recommendation 3

To complement the Restart wage subsidy program, ensure skills development and career transition support for mature-age jobseekers, tailored to the local employment market. This should enable mature-age jobseekers to identify transferable skills, build confidence and improve their digital literacy.

Refugee and asylum seeker jobseekers

The Hugo Report found that humanitarian refugees are not being fully utilised in the labour market, with a significant mismatch between skills and occupation.¹² It highlighted that refugees would like to embrace work opportunities in regional areas, use their entrepreneurial qualities and undertake volunteer work as part of a significant contribution to society.

Recent policy changes reflected in the draft tender for Employment Services mean that asylum seekers holding work rights, and refugees who arrive by boat with temporary protection visas, will be able to access Employment Services. These groups will face the same participation requirements as all other jobseekers. It is critical that this group of jobseekers are appropriately classified as highly disadvantaged, and that they are able to access intensive and culturally appropriate support, including language, literacy and digital literacy training, that is needed to aid their transition into the Australian labour market. The BSL's experience demonstrates that with the right support, asylum seekers can contribute to the productive capacity of our nation.

Recommendation 4

Ensure intensive and culturally tailored support is available to asylum seeker and refugee jobseekers to aid their speedy transition into the workforce. This should include proper consideration of their needs in the JSCI.

Who may receive services (2.6)

The Exposure Draft severely restricts access to employment services for jobseekers not receiving income support and those not facing participation requirements.

Voluntary jobseekers attract Stream A funding and can receive a minimal level of service, which they are only able to access once. At the end of six months, it appears that no further support will be provided.

It will particularly impact on young jobseekers, over half of whom are not receiving Centrelink payments. To ensure we do not unfairly disadvantage jobseekers who are willing to work but struggling to gain employment, we suggest they are assessed by Centrelink as soon as they apply for volunteer participation to check their eligibility for benefits. Further, at the end of the six month volunteer period, any jobseeker who is still unemployed should be assessed by Centrelink to determine if they are eligible for income support at that point. If they are not eligible for benefits but still unemployed, they should be assessed as eligible to receive further assistance from an Employment Services Provider.

Recommendation 5

Volunteer jobseekers should be assessed by Centrelink at entry to the employment services system to check their eligibility for benefits and identify barriers to employment.

If, after six months, a volunteer jobseeker remains unemployed, they should be eligible for further support from an Employment Provider. A further assessment should be conducted at this point to ensure that the jobseeker is matched to the appropriate stream of support.

Enabling jobseekers to make an informed choice of employment services provider (2.7)

Jobseekers should be provided with pertinent information to inform their decision about which Employment Provider to use. This should include the level of experience and service tailoring Employment Providers offer for particular jobseeker cohorts, such as mature aged jobseekers, those from culturally diverse backgrounds and youth.

Given the participation commitments required through the Work for the Dole Scheme, Employment Providers should be required to disclose the Work for The Dole Coordinators they work with and provide examples of recent projects and upcoming projects that might be available to the jobseeker. This may increase the chances of a jobseeker choosing an Employment Provider with connections to areas that match their job aspirations.

Recommendation 6

Require Employment Providers to disclose their specialisations and Work for the Dole arrangements, including the coordinators that they work with and examples of recent projects and upcoming projects that might be available to the jobseeker.

Jobseeker classification (2.8)

The Exposure Draft continues the use of the existing Job Seeker Classification Instrument (JSCI) albeit the collapsing of the current four streams into three. A more comprehensive screening and assessment process is required to ensure jobseekers receive appropriate assistance from employment service providers. Previous studies have revealed a 10 per cent inaccuracy rate for registering new jobseekers.¹³ Specialist providers have been found to seek reclassification for 25–50 per cent of their clients.¹⁴

At present, many initial assessment interviews are conducted by telephone. Whilst often convenient for jobseekers and cost efficient for Centrelink, it can lead to incorrect streaming due to a reluctance to disclose issues like mental illness, homelessness, family violence, or lack of English language/comprehension to a person they are speaking to for the first time. Assessment could still be undertaken by telephone but those administering the instrument need to be extensively trained in cultural awareness and how to elicit information rather than simply checking boxes. Where *any* non-vocational barriers are identified, a face-to-face screening should be arranged.

The current JSCI also fails to account for particular forms of labour market disadvantage facing particular groups such as refugees and recent migrants, people experiencing homelessness, and mature-age people. The Brotherhood has found that many refugees and recent migrants attending our employment programs have been classified as Stream 1 jobseekers, despite the fact that most had very low or no English language skills, no experience in the Australian labour market, and no or low vocational skills or qualifications many of which had not been obtained in Australia. A revised approach would better identify jobseekers requiring support and improve access to Employment Services.

Recommendation 7

Overhaul the jobseeker assessment process used by Centrelink, and revise the Job Seeker Classification Instrument to ensure jobseekers are correctly classified according to their circumstances.

Employment Provider Services (2.9)

Young people

Australia urgently needs a new approach to assist young jobseekers to build their qualifications, skills and experience to obtain a job in the modern economy. The JSA system has yielded poor results for young people, particularly for early school leavers and those facing other barriers to employment. Our persistently high youth unemployment rate currently accounts for around 40 per cent of our national unemployment.¹⁵ We need to turn this around. Young people are absolutely critical to Australia's future economic prosperity. Given the economic imperative for Australia to increase productivity and workforce participation levels,¹⁶ it is of utmost importance that young people are given every opportunity to make a successful transition to the labour market.

While young people currently face particular challenges in securing work. The entry-level jobs that are available are increasingly casual, temporary and part-time.¹⁷ This means that many young people entering the labour market for the first time have little opportunity for training or progression, do not have leave entitlements and are more vulnerable to job losses.¹⁸ Many current workforce development strategies do not allocate time or resources for practical experience and on the job training for new workers and instead look to employ only workers with proven skills and experience.¹⁹ Young people's lack of previous work experience places them at a disadvantage in the labour market.

Clear research and experiential evidence exists about effective early intervention approaches to assisting young people into work or further study. Effective programs to support youth transitions incorporate rapid re-engagement, targeted skills development, hands-on experience in real workplaces, individual coaching, careers advice that is matched to individual aspirations, links to employers and labour market opportunities.²⁰ Many of these aspects are absent from the proposed new model for employment services. This service gap will be exacerbated by the closure of the national Youth Connections program at the end of this year, which will leave Australia without a dedicated national program to assist disengaged young people to return to learning or navigate pathways into work.

The BSL recommends the establishment of a national Youth Transitions Service to provide a more effective response to the needs of young people aged between 17 and 24 years who are seeking

work.²¹ The details of this approach have been set out in a submission to Government earlier this year. The Youth Transitions Service would deliver a structured program based on clear expectations of participation, including mutual obligation responsibilities for young people receiving government income support. The Youth Transitions Service would intervene before there is a prolonged separation from the labour market. The table below sets out the elements of this approach:

How the Youth Transitions Service will prepare young people for work	
Taking rapid action	<ul style="list-style-type: none"> Active engagement in employment preparation and placement on becoming unemployed
Careers and vocational guidance	<ul style="list-style-type: none"> Realistic career advice and guidance which responds to local labour market conditions Informed decisions about the vocational education system to avoid the trap of being churned through mismatched training courses that do not lead to jobs
A plan for action	<ul style="list-style-type: none"> Individual learning and employment action plans with concrete actions and responsibilities for the young person to meet
Coaching	<ul style="list-style-type: none"> Coaching by trained staff to support and develop a young person's employability Addressing young people's barriers and perceived impediments to work
Providing work 'tasters'	<ul style="list-style-type: none"> A roster of workplace visits Learning from those already in work Identifying interests and skills Learning about what employers want from their workers
Building employability and vocational skills	<ul style="list-style-type: none"> Training programs to develop job readiness and the skills needed to identify, secure and retain a job Foundation skills including literacy, numeracy and IT skills (where needed) Reinforcing personal skills such as team work, communication, customer and business awareness
Connecting young people to mentors	<ul style="list-style-type: none"> Matching young people with volunteer mentors, such as the emerging cohort of retired baby boomers, to promote intergenerational exchange Access to networks and employment opportunities
Supported work experience	<ul style="list-style-type: none"> Structured unpaid work experience (tied to accredited training) connected to career goals Building an understanding of workplace expectations and culture
Connecting with local employers	<ul style="list-style-type: none"> Strong connections with local employers about their labour requirements Gaining local business and labour market knowledge Work experience, work tasters and employment opportunities Support for employers to take on young people Enable young people build their networks into the world of paid work
Support to find and retain employment	<ul style="list-style-type: none"> Assistance to find full-time and part-time jobs Field support and mentoring to help young people retain their job Entry into further labour market programs if work skills still need to be developed Use of wage subsidies where these would boost a young person's employability

Recommendation 8

Establish a specialist Youth Transitions Service as part of the next wave of employment services to enable young people who are unemployed to become work-ready and connect with employment opportunities.

Jobseeker cohorts and the importance of specialist provision

A 2010 report noted that the best design for Employment Services is a ‘system that allows a flexible and multifaceted approach in working with disadvantaged job seekers (and that) facilitates appropriate responses to the specific needs of the job seeker’.²²

The Exposure Draft indicates a preference for tenders that geographically cover the whole Employment Region and does not appear to encourage or reward specialist provision. This may mean that tailored service delivery for the most disadvantaged cohorts is jeopardised. It would be a great shame to lose services that demonstrate a strong understanding of the barriers faced by particular groups of jobseekers, that provide specialist staff attuned to particular needs and that have built integrated responses through collaborating with other services and community agencies.

There needs to be specific elements in the tender response that require tenderers to demonstrate if they can adequately cater for particular groups of disadvantaged jobseekers in the region they are tendering for. Further recommendations around specialist provision in Employment Regions are set out below.

Recommendation 9

Require tenderers to demonstrate they can appropriately address the needs of particular cohorts of jobseekers (including Aboriginal and Torres Strait Islander people; CALD communities, especially refugees and asylum seekers; mature-age jobseekers) that are strongly represented in a particular employment region. Tenderers should be assessed on their demonstrated understanding of the barriers faced by particular groups and their ability to provide employment services tailored to meet their needs.

The standard employment services offering

The Brotherhood supports the move to more flexible servicing arrangements in the proposed new model. However, there are a number of critical elements missing from the list of services Employment Providers are required to deliver to support people to become work ready.

Careers advice within the employment services system

Careers advice needs to be integrated into the employment services framework. A recent report by the Australian Workplace Productivity Agency (AWPA) highlighted the importance of effective career advice services ‘both for young people who need to build aspirations for the future and understand the possibilities open to them, and for mature-age people who need to build confidence for career transitions’.²³ Genuine vocational guidance also requires consideration of jobseekers’ interests and capabilities, the local labour market, the conditions and type of work in different industries, and support jobseekers to make informed decisions about training, study and career pathways. Careers guidance should be a fundamental aspect of the development of an effective job plan.

Recommendation 10

Employment providers should be required to offer careers advice as part of their core services, delivered by suitably qualified staff and connected to local labour markets.

Meaningful Job Plans (2.9.5)

Rather than simply providing a mechanism for documenting jobseekers' obligations, the Job Plan should be a tool to support jobseekers to build their employability skills and help them to navigate the labour market in the short and longer term. This is particularly important given the increasing likelihood that the labour market jobseekers will enter predominantly involves short-term, casual or seasonal employment, making it challenging for people to remain in steady employment or stay off income support.²⁴

The Job Plan should:

- be flexible and jointly developed between jobseeker and the Employment Provider.
- be informed by vocational guidance and careers advice.
- provide a framework for employment and skills development goals.

The Job Plan should reflect an appropriate balance between measures to strengthen the capacity of jobseekers, and the responsibility of jobseekers to reasonably take up opportunities to build their capabilities and secure employment. Job search and other mutual obligation requirements specified in the Plan should set realistic targets which meaningfully relate to the jobseeker's capabilities and goals.

Recommendation 11

Adapt Job Plans to provide an effective platform for a jobseeker and Employment Provider to jointly develop and realise employment and skills development goals.

Realistic job search requirements (2.9.6)

The Exposure Draft positions active job searching as 'central' to the Employment Services 2015 Model. The Brotherhood considers that the current job search requirements are reasonable and adequate. At present, jobseekers can be required to apply for up to 20 jobs per month; however the number can be varied according to a range of circumstances. Considerations such as a jobseeker's skills and interests and current labour market conditions are central.

Research regarding the introduction of the Job Seeker Diary found that its impact was greatest where labour demand is strong; where recipients don't have an extensive history of unemployment payments; and in regions where the rate of unemployment is relatively low.²⁵ These are not the current labour market conditions. It is therefore difficult to see the value of increasing the number of job searches required.

The proposed imposition of an increased number of job searches to 40 will place an extraordinary burden on employers as well as jobseekers and may further the negative perceptions held by some employers of the mainstream employment assistance system. We know already that nearly a third of employers recruit through their own networks rather than formally advertising positions. This requirement will potentially lead to more roles being recruited through employer networks rather than through open advertisement, consequently reducing accessible vacancies for the disadvantaged jobseeker cohort.

Recommendation 12

Replace the requirement for up to 40 job searches per month with a more reasonable level of activity to encourage quality job search rather than compliance-driven job search.

Access to training

There is an increasing emphasis on qualifications as a prerequisite for work, and a growing demand from employers for higher skills. It is predicted that 70 per cent of the new jobs created by 2017 will require at least a Certificate III qualification, with more than half requiring a diploma qualification or higher.²⁶ The Productivity Commission recognises the value of vocational training to engage young, hard to reach and disadvantaged learners who remain an underutilised resource.²⁷

While the Brotherhood agrees with the need to avoid training for training's sake, it is critical that the Employment Services system can build the skills and capabilities of jobseekers to meet employer needs and to ensure jobseekers remain employable in the longer term. The new model appears to reduce flexibility and options available to support jobseekers' vocational skills development and delays the point at which a jobseeker can have training costs met through the Employment Fund. It also appears to reduce the level of funds available for investment in training and has removed any incentive for Providers to facilitate jobseekers' engagement in training and education by removing payments for these outcomes.

Coupled with increasingly restrictive state VET eligibility rules, this may severely restrict the capacity of jobseekers to participate in training and build their skills whilst unemployed. For example, the Victorian Training Guarantee limits training subsidies to the commencement (not completion) of two courses annually. English language courses are included in this quota, heavily impacting on the capacity of CALD people, particularly refugees, to obtain the vocational skills and English language levels needed for Australian workplaces. Further, a learner can only attract subsidies for the commencement (not completion) of two vocational training courses at the same qualification level in their lifetime. Learners over 20 are therefore required to 'upskill' to attract subsidies; and learners must pay the full fees for any additional courses.

The Brotherhood is seeing an increasing number of jobseekers, including young people, who have exhausted their subsidised training entitlements but who have significant skills gaps, including in language and literacy, and cannot demonstrate the skills that prospective employers want. Older workers who have outdated qualifications and need to retrain may also be excluded from getting the training they need.

Employment Providers will need to have the flexibility and resources to rapidly address situations where training would assist a jobseeker into work, but they have already exhausted their subsidised training places.

Practical work placements

In workplace surveys, employers routinely rank work experience as one of the most important attributes when recruiting staff.²⁸ Employers are looking for staff who are work-ready, with strong personal skills like initiative, motivation, good communication and the ability to fit into the workplace. This particularly affects young people whose lack of previous work or work experience places them at a disadvantage in the labour market.

These skills and the experience employers are looking for can be developed through training if it is combined with 'real' work experience.²⁹ The Brotherhood's experience has demonstrated that building practical job placements into vocational training programs strengthens learners' job-readiness and improves their employment prospects. It also creates a stronger nexus between training content and employer needs.

The changes proposed, including the removal of any payment for training outcomes, may create perverse incentives for Employment Providers to discourage those without skills or qualifications to engage in accredited training despite the long term benefits, including the greater likelihood of sustained employment in a chosen career path rather than short term employment, where jobseekers have to return to benefits again and again.

It is important that the Employment Fund can be used, or a milestone payment made, to support participation in accredited training courses that incorporate practical work placements as well as customised employment focused training. For vocational training courses of Certificate III or higher, which by nature are industry-directed and vocation-specific, the Brotherhood suggests a minimum of 100 hours of work placement be required to build learners' practical experience.

Recommendation 13

Reintroduce milestone payments for accredited training at Certificate III or higher where it incorporates at least 100 hours of practical work placement in a real work environment.

Recommendation 14

Allow the Employment Fund to be used for people who complete accredited training that incorporates at least 100 hours of practical work placement.

The impact of technology

The proposed new design includes a reduction in face-to-face support, with an increased emphasis on self-help and online services, and use of remote communication methods such as FaceTime and Skype.

There is an increasing digital divide in Australia. Those most at risk of digital exclusion include people with low incomes; Aboriginal and Torres Strait Islander people; elderly people; and people with disabilities.³⁰ ABS data from 2011 shows that only 55 per cent of Australian households in the lowest income quintile are connected to the Internet.³¹

It is critical that people are not shut out of engaging with services that are increasingly embracing online delivery. It is also critical to provide jobseekers with the skills and confidence to use technologies, particularly for effective job search, and ensure they are able to access them.

Recommendation 15

Ensure that jobseekers with limited digital literacy, or without access to the Internet, can effectively engage with their Employment Provider.

Offer training on using the internet for job search to jobseekers with digital literacy needs.

Wage Subsidies

The BSL commends dedicated wage subsidies for young people, older jobseekers and the long-term unemployed. Targeted wage subsidies can compensate employers for the gap between a worker's productivity and their wages, although longer job retention can be an issue related to wage subsidies.³² Temporary subsidies may have long-term positive effects on individual labour market prospects if employees are supported to close this gap through learning on the job.³³

Our experience in working with these groups indicates that intensive support is also often required to enable more disadvantaged jobseekers to retain employment over time. Such support includes:

- job-readiness training, particularly for jobseekers with limited previous work experience, such as young people, long-term unemployed, refugees and migrants (who may lack familiarity with Australian workplace culture)
- ongoing post-placement support to maximise the chances of a continuing employment relationship
- a focus on positions that offer the real prospect of ongoing employment
- the opportunity to participate in quality training related to the job.

There also need to be clear expectations placed on employers to provide a supportive work environment and to develop the skills of placed jobseekers.

It is proposed that wage subsidy payments are not made until a person has been employed for six months. This deferred incentive may create a barrier to the program's uptake. There is a danger that subsidies could be invested in casual or other precarious employment options, which are unlikely to provide access to on-the-job training and courses for skills development.³⁴

Recommendation 16

Incorporate pre and post placement support, and access to training, for jobseekers placed into wage subsidy programs to maximise the opportunity for longer employment.

Participation requirements and compliance framework (2.10, 2.11 and 2.14)

A quality and responsive employment service and meaningful participation requirements are essential elements in the mutual obligation equation. The design of the employment services system needs to strike an appropriate balance between investment in the capacity of jobseekers on one hand and the responsibility of jobseekers to take up reasonable opportunities to build their capabilities and secure employment on the other.

Recommendation 17

Design participation requirements to build capabilities that will support jobseekers to move into mainstream employment. This includes providing access to training, work experience opportunities, job matching to participant aspirations, individualised support and connections with employers.

Work for the Dole (WFD)

Work for the Dole features strongly as a participation requirement for most jobseekers in the proposed new employment services arrangements. Research has demonstrated that earlier iterations of Work for the Dole have fallen short of effectively supporting participants into future employment. Research has also found that the programs had a 'large and significant adverse effect on the likelihood of exiting unemployment payments', a 'lock in' effect whereby jobseekers reduced their job search efforts for the duration of the program.³⁵

Research on earlier iterations of Work for the Dole also found that participants did not build the skills they needed for the type of work they hoped to obtain, in part because the program focus was on building generic skills through projects undertaken in not-for-profit organisations.³⁶ Research looking at young people’s experiences found programs were not tailored more specifically to participants’ career aspirations and there was often a mismatch between the type of skills development available through Work for the Dole and the demands of the labour market.³⁷

While the BSL commends the emphasis in the Exposure Draft that WFD activities must focus on providing jobseekers with work-like experiences, skills that are in demand in local labour markets, and with training that is directly relevant to the specific activity’, we have concerns about how this will be implemented and enforced in practice and how jobseekers will be matched to particular activities in a way that takes into consideration their skills, background or circumstances.

Further, while jobseekers may engage in other activities to fulfil their obligations, Work for the Dole is the *default* activity for jobseekers aged up to 49 unless they ‘have already commenced participation in another approved activity at the time that they become subject to the annual WFD requirement’. This is likely to be unclear for many jobseekers and limits the options for them to engage in the most suitable mutual obligation activity.

Priority needs to be given to a broad range of participation strategies that enable jobseekers to build the skills mainstream employers are seeking. This will require access to training, real work experience opportunities matched to participant aspirations, individualised support and connections with employers.

To help overcome some of the previous weaknesses identified in Work for the Dole programs we suggest better provision for supporting jobseekers to better prepare for post – Work for the Dole employment through the inclusion of job search, transferable and employability skills training as part of Work for the Dole programs. Employability skills training could be funded from State Government training initiatives through Learn Local provision or Foundation Skills.

Recommendation 18

Ensure Work for the Dole includes employability skills training (we suggest 4–8 weeks) to support post–Work for the Dole job search.

While it is welcome that people can meet their annual participation requirements through training in a ‘skills in demand’ area, we believe this training should be interpreted with regard to local labour market needs. If training is defined as a nationwide or even statewide shortage area, rather than a local skill need, then providers could be effectively hamstrung from being able to meet specific needs of employers in their local area.

Recommendation 19

Ensure ‘Skill in Demand’ training is defined according to local labour market requirements.

Stronger compliance framework

The draft design for the next phase of employment services strengthens the penalties for non-compliance. Despite our support for the principles of mutual obligation, the BSL is concerned that these policy measures will have harsh, unintended consequences for many young Australians and their families.

These changes risk creating severe hardship for some jobseekers, particularly those who struggle to meet their obligations due to circumstances beyond their control.³⁸ Individuals facing homelessness, mental illness, domestic violence and parenting responsibilities, as well young people and Aboriginal and Torres Strait Islanders, have been found to have circumstances which make compliance difficult, and are disproportionately breached and receive undue penalties.³⁹

It is reasonable for the system to have consequences for those who wilfully disregard their end of the bargain. This approach, however, should be contingent on:

- a clear understanding of what service providers and jobseekers are committed to and accountable for
- investment in building the capabilities of jobseekers
- an approach that prioritises the rapid re-engagement of jobseekers
- allowing sufficient discretion to avoid penalising those who fail to comply through circumstances outside their control.

The Employment Services system should provide a balance between the investment in jobseekers' capacities and the expectations imposed on jobseekers. A reasonable element of any active labour market policies is clearly articulated consequences for those who wilfully disregard their end of the bargain. The BSL has expressed concerns above that some of the measures being introduced, particular for jobseekers under 30 and stronger penalties, fail to meet the appropriate balance test.

A compliance framework should:

- clearly articulate responsibilities for both jobseekers and Employment Services
- ensure that penalties do not affect jobseekers who fail to meet requirements due to circumstances outside their control
- afford appropriate discretion to decision makers and abide by nature justice principles.

The stronger participation requirements for jobseekers under 30 in Streams A and some Stream B jobseekers requires them to complete a job plan, apply for 40 jobs per month, accept offers of suitable work, accept Work for the Dole placements and, where necessary, attend monthly appointments with their employment provider. Any failure to comply could result in the extension of the payment preclusion period.

Inherent in this is an assumption that Stream A jobseekers are job-ready, have support from their families and with minimal intervention should be able to find employment. However, in areas of strong competition for decreasing entry level vacancies this can be difficult to achieve even for those who have the least barriers.

Stream B jobseekers, who are acknowledged to have barriers that make it difficult to find employment, need to be case managed upon registration. Stream B jobseekers are subject to similar potential payment preclusion even though they have apparently similar features to Stream C jobseekers who are not subject to the requirements.

There are a number of such contradictions in the compliance framework set out in the Exposure Draft that are already likely to increase rather than decrease red tape as providers struggle with the administrative burden involved in determining their obligations around compliance due to the complexity and variability of these compliance arrangements.

Recommendation 20**Mutual responsibilities should be contingent on:**

- **a clear understanding of the responsibilities and accountabilities of employment providers, jobseekers and other agencies**
- **investment in building the capabilities of jobseekers**
- **an approach that prioritises the rapid re-engagement of jobseekers**
- **allowing sufficient discretion to avoid penalising those who fail to comply with participation through circumstances outside their control.**

Jobseekers who meet employer needs (2.12)**Better meet the needs of employers**

The BSL knows the current JSA system does not adequately address the needs of employers. We welcome the focus on a stronger, demand led approach to assist jobseekers facing disadvantage to gain employment. Demand led approaches can reduce transaction costs for employers and jobseekers, build social and business networks, and lower labour market risk for employers and jobseekers, with labour market intermediaries taking on the role of ‘shock absorber’.⁴⁰

We note that the Exposure Draft focuses strongly on the use of wage subsidies (to make jobseekers attractive to employers), outcome payments (to leverage providers towards a stronger focus on post-placement support and engagement with employers) and an Employment Fund that can be used for post-placement support and customised, pre-employment training geared to what employers want to see in their prospective job candidates. We make further comment on these specific components elsewhere in this paper. However we note that there is still a significant gap in the response to larger national employers.

Employment brokers

The Exposure Draft calls on employment providers to ‘collaborate’ to service larger employers effectively. It notes that tenderers will be required to demonstrate how they intend to collaborate and will be held to account for this, but there is no clear indication in the Exposure Draft as to how outcome payments would be ‘shared’ in such collaborations, particularly in the context of a competitive model.

We support key elements of the policy paper *Partnerships to secure jobs for disadvantaged Job seekers* recently published by the BCA, ACOSS and the ACTU.⁴¹ The paper called for changes to the employment services system to facilitate employer engagement with employment service providers, many of which have been addressed in this Exposure Draft. However, we note that the recommendation for national and regional employment brokers to promote and coordinate partnerships and to connect employers with disadvantaged jobseekers and give large employers one point of contact in their area has not been addressed in the Exposure Draft.

Industry Employment Initiative (IEI)

Our own experience working with large national employers has shown that a single point of contact is critically important to their engagement. The BSL, in collaboration with Social Ventures Australia, Mission Australia, Jesuit Social Services and the Business Council of Australia has

developed a national demand-led employment model known as the Industry Employment Initiative. We have found that national employers, with recruitment needs across multiple sites and states, are eager to play an increased role in providing sustainable employment opportunities for highly disadvantaged jobseekers. With significant numbers of job vacancies they have the potential for real impact. We are targeting entry-level opportunities with a small number of national employers for young people who have been unemployed for 12 months or more. In designing this pilot program which has been funded through philanthropic sources, we have found that employers would prefer as few contact points as possible, or a ‘one-stop-shop’ type of approach. Further they want candidates who are work-ready and understand the job role and workplace requirements.

Recommendation 21

Introduce a system of national and regional broker roles to work with large national and regional employers to broker connections between employment service providers, disadvantaged jobseekers and employers.

Working with other Stakeholders (2.13)

Fostering collaborative approaches in communities with high unemployment Australia’s current employment services model does not encourage collaboration and there are no financial incentives built into the new model to facilitate collaboration. Large employment areas coupled with a competitive, multi-provider approach work against collaboration and locally responsive integrated approaches.

Collaborative approaches to building skills and tackling unemployment are needed in areas with high unemployment or entrenched disadvantage. Key elements for such an approach include:

- a strong and diverse local collaboration with each partner contributing their own resources, strategic capabilities and networks to support the common objectives
- engagement with local employers, business leaders and business organisations to ensure a demand-led approach to accessing opportunities for volunteering, work taster, work experience, work placement and ongoing employment
- involvement of local skills and training organisations to link training to employer requirements
- engagement with relevant levels of government to foster local economic development to create local employment opportunities
- collaboration with community organisations to ensure that disadvantaged jobseekers receive support to address wellbeing issues that might act as barriers to employment.

Innovative funding and governance approaches that give primacy to localism exist, and offer a tangible means by which governments can support genuine local solutions while achieving impact at scale. The BSL’s use of a collaborative prime-provider model⁴² to leverage and strengthen the capacity of local communities and agencies provides a practical illustration of this approach. We have used this approach for the delivery of our successful initiatives, such as HIPPY, Saver Plus and Work and Learning Centres. As the lead community agency, we take responsibility for organising and managing service delivery through specialised providers with strong local connections. This model provides an effective and efficient platform to deliver high quality

national programs utilising community organisations with existing connections to the community, local businesses, and service and welfare organisations, while also harnessing local contributions.

Recommendation 22

Tendering organisations should be required to show how they will deliver a ‘collaborative’ approach in the Employment Regions that are highly disadvantaged as well as to demonstrate a strong track record in collaborating with other agencies. They should have clear partnering arrangements that facilitate sharing of resources, support for jobseekers (particularly the most disadvantaged jobseekers) and engagement with local community and training organisations, businesses and local governments.

Outcome Payments to Providers (2.15)

We support the stronger focus on longer-term outcomes through the proposed system of outcome payments at 4, 12 and 26 weeks, the reduction in red tape for employers, and the introduction of regional loadings. However the simultaneous reduction in fees for other services risks the capacity of providers to effectively meet jobseekers’ needs and employers’ requirements.

A 2013 report on the UK Work Programme found that intense cost pressures, ambitious performance targets, diverse claimant groups and inadequately calibrated and differentiated payment levels had led to widespread and systematic ‘creaming’ and ‘parking’⁴³. The proposed design of this system is building in similar features, including small up front payments, a stronger weighting of resources towards outcomes, and insufficiently differentiation between jobseeker cohorts, that runs the same risks.

In the past, providers would utilise fees for training and other services to improve the employability and vocational skills of jobseekers. While the intention in the design of the Exposure Draft is obviously that providers invest in jobseekers in order to achieve outcome payments and invest in building relationships with employers to better understand their requirements, this is likely to result in ‘creaming’, whereby providers skim those jobseekers most likely to achieve 26 week outcomes and ‘parking’ of those least likely to achieve an outcome with few resources available to train or support them, apart from participation in Work for the Dole. Given the proposed removal of younger people from the income support system for six months of every year, this likelihood has tangible and frightening consequences for those ‘parked’. We have made recommendations above that aim to address these risks.

Part-time outcomes

The BSL proposes that partial outcome payments be available for part-time employment outcomes at 26 weeks for jobseekers in Streams B and C and those who have been out of the labour market for longer than 24 months. The ABS has noted that the labour market is changing with a long term trend towards more part-time employment⁴⁴. In addition, particular groups of jobseekers are more likely to gain part-time employment as part of a transition back into the labour market. Over time, these opportunities are likely to improve their job-readiness, networks and confidence and in the longer term may lead to full-time or more sustainable employment. Some evaluation studies have reported that individuals on benefit with earnings from part-time work are more likely to subsequently leave benefits completely, although the evidence is not conclusive⁴⁵.

Current full-time employment outcomes achieved by JSA providers for particular groups are as below. It demonstrates that for many jobseekers, the path back to employment is through part-time work.

Cohort	% employed full-time after 3 months	% employed part-time after 3 months	% employed total
All jobseekers (Streams 1–4)	15.5	26.3	41.9
Aged 50+	9.8	25.3	35.2
Unemployed 12 to <24 months	9.8	27.2	37
Indigenous	10.1	15.2	25.2
Stream 3	6.4	26.3	32.6
Stream 4	7.2	15.8	23

Source: Department of Employment Labour Market Assistance Outcomes March 2014

Recommendation 23

Ensure part-time employment outcomes at 26 weeks attract a pro-rata payment particularly for Stream B and C jobseekers and those who have been out of the labour market for longer than 24 months.

NEIS (4)

A more flexible and responsive New Enterprise Incentive Scheme (NEIS)

Micro business and small business can provide important employment pathways for people facing barriers to labour market participation. NEIS provides accredited small business training, advice and mentoring to unemployed people receiving income support. It provides effective assistance to jobseekers who want to develop a small or micro business and achieves high employment outcomes of up to 83 per cent⁴⁶ and the concurrent NEIS Allowance payment makes the program appealing.

The BSL believes this form of training and support can provide an important pathway for some unemployed people and supports its continuation under the next Employment Services contract from 2015. However, we are concerned that NEIS, unless it becomes more flexible, may not be accessible to jobseekers facing particular barriers, with migrant and refugee women, single parents, people with disabilities and Aboriginal and Torres Strait Islander people under-represented in the program.

The BSL has developed ‘Stepping Stones’, a micro-enterprise program culturally adapted for refugee and migrant women in Melbourne. The program has shown that these women can succeed in developing micro-businesses, if provided the right kind of support. Stepping Stones is delivered part-time to accommodate the women’s family commitments and participation in other forms of training and part-time employment. It includes ESL support, culturally appropriate resource materials, and the provision of individualised support to overcome other barriers, such as those related to health, family violence and child care. A recent evaluation found that 96 per cent of graduates improved their financial management skills, their business networks and their English skills, while 46 per cent started a small business, 26 per cent gained paid work or better jobs, and 26 per cent entered further education and training.⁴⁷

A more flexible and responsive NEIS program would encompass:

- a standard part-time training option (this is only available through special request)
- embedded ESL support within the NEIS training program and culturally appropriate training materials (for appropriate groups)
- individualised support and referrals for more disadvantaged learners
- the option of more regular (i.e. fortnightly) mentoring, for those that require more than the minimum of five mentor support visits currently stipulated
- industry-specific workshops to complement the training and further induct newly arrived migrants and refugees into the Australian industry context
- opportunity for providers to tailor training for different cohorts (i.e. women, migrants and refugees), in acknowledgement of specific barriers these groups face and/or additional induction to small business in the Australian context.

Recommendation 24

Design a more flexible and responsive New Enterprise Incentive Scheme (NEIS) model to enable the participation of diverse jobseekers, such as refugees and recent migrants, people with caring responsibilities or people with disabilities.

Employment Regions and Employment Providers (7)

Significantly larger Employment Regions, a requirement that providers cover the whole region and the removal of separate specialist provision will mean smaller providers currently operating within a smaller Employment Service Area will need to have the capital to invest in the new infrastructure and resources needed or else subcontract to a larger provider. Growing to cover an entire region may be prohibitive for existing smaller providers even though they may have strong track records and existing networks and relationships. Further subcontracting may diminish the capacity for innovation and localised responses that specialist and localised providers are often uniquely capable of delivering.

Locking out smaller providers potentially ignores the valuable role that local organisations play in the delivery of social services and innovative capacity-building programs. They are uniquely positioned to harness the skills, altruism and resources of the local community. Furthermore, with the removal of specialist provision targeted to particular cohorts, this may have an adverse effect on access to appropriate services for jobseekers in particular areas. We believe that where these specialist groups comprise a significant component of the unemployed cohort, specialist providers should be able to tender directly to service these groups.

The increased size of Regions (especially in Regional areas) combined with less prescription in the services to be delivered and a reduced numbers of providers servicing jobseekers may result in increased use of Information Technology as a means of service delivery. Tenderers should be required to identify where and how they will connect to service jobseekers who may not have access to the technology or skills that will enable this connection to occur.

There are risks with larger rural Regions where delivery through larger contractors that can cover a whole Region may lead to services being concentrated in regional centres. For those without transport or access to public transport, being required to attend a provider at some distance may place them at continual risk of breaching their participation requirements. Similarly, there needs to

be some flexibility for jobseekers to register at their nearest Employment Provider regardless of whether the provider is within the Region that the jobseeker lives. An example is the township of Bacchus Marsh, currently in the Westgate ESA and serviced by three JSAs. The new boundary will mean that Bacchus Marsh will be in the Western Melbourne Region. If the jobseeker is required to register within the region they live it will potentially mean a further 20 kilometre trip to the nearest (current) Employment Provider office in Ballan or Lerderderg.

Recommendation 25

Specialist providers should be able to directly tender to deliver employment services to specialist cohort groups within an Employment Region including youth, Indigenous and CALD where these groups make up 25% or more of the region's unemployed.

Recommendation 26

Tenderers should be required to identify where and how they will connect to service jobseekers in more extensive rural and regional areas, including through outreach to smaller regional towns and how any proposed digital delivery will be managed and supported.

Recommendation 27

Jobseekers should be able to attend their nearest provider regardless of the Employment Region where they reside.

¹ Buddelmeyer, H, McVicar, D & Wooden, M 2013, *Non-standard 'contingent' employment and job satisfaction: a panel data analysis*, paper presented at the 2013 HILDA Survey Research Conference, University of Melbourne, 3–4 October, p. 2.

² In April 2014 more than 50,500 young people had been on the unemployment treadmill for more than a year—nearly 19 per cent of unemployed young people. Australian Bureau of Statistics (ABS) 2014, *Labour force April 2014*, Cat. no. 6291.0.55.001, ABS, Canberra, data cube UM3.

³ ABS 2014, *Labour force April 2014*, Cat. no. 6291.0.55.001, ABS, Canberra, data cube UM3.

⁴ Using June 2012 data, it is estimated that around 30,000 young people under the age of 20 may fall into this group. Their absence from the labour market cannot be readily explained by other factors. Sweet, R 2014, Private correspondence; see also Sweet, R 2014, Address to the Balmain Institute, unpublished.

⁵ See our detailed response to the proposed legislation
<http://www.bsl.org.au/pdfs/BSL_subm_Senate_Social_services_amendments_Budget_measures_Jul2014.pdf>

⁶ Explanatory memorandum, Social Services and Other Legislation Amendment (2014 Budget Measures No.2) Bill 2014, p. 35.

⁷ OECD 2010, *Off to a good start? Jobs for youth*, OECD Publishing, Paris.

⁸ BSL 2014, *Investing in our future: opportunities for the Australian Government to boost youth employment*, Brotherhood of St Laurence, Melbourne.

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- ²⁰ Sweet, R 2012, *A curate's egg: good practice in school-to-work transitions*, Sweet Group, Kirribilli.
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