Brotherhood
of St Laurence
Working for an Australia free of poverty

Much obliged

Disadvantaged job seekers' experiences of the mutual obligation regime

A FULL TIME JOB

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St Vincent de Paul Society
More than a hand out, a hand up

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Foreword

The Brotherhood of St Laurence and the St Vincent de Paul Society share a common interest in creating a more just and inclusive society.

The Brotherhood of St Laurence provides a range of services to people living on low incomes. These include employment assistance to disadvantaged job seekers, residential and community aged care services, school to work programs for young people, support for refugees and asylum seekers, and family support programs. The Brotherhood has a national reputation for its research and policy work and its advocacy on behalf of people living in poverty.

The St Vincent de Paul Society Victoria Inc. consists of voluntary members and volunteers reaching out to the most vulnerable people in our community. This is done through home visits to those who need a hand or a friend; soup vans which travel the streets each evening providing soup and sandwiches to people in need; and Centres of Charity, also known as ‘op shops’, which provide second-hand clothing and furniture for sale, or free of charge to struggling families.

It is through this direct contact that both the Brotherhood of St Laurence and the St Vincent de Paul Society developed considerable concern about the effectiveness of current social security policy in helping disadvantaged people participate in society, and especially to find paid work. We were pleased to join with the Centre for Public Policy at the University of Melbourne to conduct this research project which involved in-depth structured interviews with 45 people about their experiences of Centrelink rules and processes, and employment services.

The research found that the ‘welfare to work’ system does not work effectively for people with the most severe barriers to employment, and that significant changes are required. We trust that policy makers will consider our findings seriously and engage with us and others in discussing productive ways forward.

Nic Frances
Executive Director
Brotherhood of St Laurence

Syd Tutton
President
St Vincent de Paul Society Inc, Victoria

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List of acronyms

ACOSS	Australian Council of Social Service
ACT	Assertive Community Treatment
ACTU	Australian Council of Trade Unions
ALMP	Active Labour Market Policy
ANOVA	Analysis of Variance
CES	Commonwealth Employment Service
DEWR	Department of Employment and Workplace Relations
ECC	Employer Contact Certificate
FaCS	(Department of) Family and Community Services
IA	Intensive Assistance
JSCI	Job Seekers Classification Instrument
JSD	Jobseeker Diary
NAIRU	Non-Accelerating-Inflation Rate of Unemployment
NSA	Newstart Allowance
OECD	Organisation for Economic Cooperation and Development
PFWA	Preparing for Work Agreement
PSP	Personal Support Program
SSR	Social Security Review
TDR	Treating Doctor’s Report
WfD	Work for the Dole

Executive summary

This report presents the results of a collaborative research project conducted by the Brotherhood of St Laurence, the St Vincent de Paul Society and the Centre for Public Policy at the University of Melbourne, in response to major changes which have occurred in the lives of people living in poverty and especially for those who rely on unemployment benefits. These changes have many dimensions but the one that seemed potentially most important, was that people receiving social security payments now need to do much more to justify their income support payments than before.

These changes have been driven by policy shifts in Australia and by new thinking more generally in the OECD. The core of this new thinking is that income support programs should direct people to work and should use carrots and sticks to maximise their participation in work. As part of the general shift in welfare administration the number and scope of activity test requirements someone in Australia has to meet in order to receive unemployment benefits has expanded significantly since the early 1990s. More recently, the Reference Group on Welfare Reform chaired by Patrick McClure recommended a more flexible, individualised, and more conditional income support system aimed at assisting into work those with the greatest barriers to employment.

How do disadvantaged job seekers experience the mutual obligation regime which is the current expression of active labour market policy in Australia? Is this a system that can in fact respond flexibly to their individual needs? Are the new requirements a source of motivation, empowerment and new hope for these people, or just a new imposition on their time and morale?

To better understand the impact of the new world of activities and compliance demands, we interviewed unemployed people about their experiences with the income support system. We were particularly interested in how they described the usefulness of different activity test requirements and opportunities. Would they see some as more helpful than others?

This study aimed to examine:

- the activities required of unemployed income support recipients, particularly those disadvantaged in the labour market, in order to receive benefits
- the perceived helpfulness of these requirements (the extent to which they see these as helping their chances of gaining employment)
- the relationship between labour market barriers and the perceived helpfulness of the system
- the changes job seekers think would help them get work.

Forty-five people, recruited through the St Vincent de Paul Society and Brotherhood of St Laurence services, were interviewed. These people could be considered very disadvantaged in the labour market. They had been on benefits for an average of two and a half years, and many had a history of homelessness, mental health problems and/or drug use. Many spoke of their desire to find work and the demoralisation associated with long-term unemployment.

We asked about people's experiences and opinion of activity test requirements, Centrelink staff and processes, and Job Network employment services. We developed rating scales of the perceived helpfulness of the 'welfare to work' system and of barriers to employment, and investigated opinions of the system through both qualitative and quantitative analysis.

The results showed that while perceptions about Centrelink, activity test obligations and employment services varied, those individuals with the greatest barriers to employment felt the system was least helpful. People with substantial barriers to employment, as well as other difficulties in their lives, were so engaged in meeting their requirements, that these seemed to have replaced actual job search activities. Many people in this situation expressed great dissatisfaction with, even hostility towards, Centrelink.

Attempts to place Centrelink as the centre of the support system, and the first point to which job seekers will turn for assistance, are undermined by the emphasis on compulsory requirements and punishment. The ‘rule-driven’ (and computerised) approach to some potentially useful activities such as Preparing for Work Agreements also means they are less helpful than they could be.

The results of this and other research suggest that the mutual obligation regime is failing the most disadvantaged job seekers. Contrary to the aims of active labour market policy, the emphasis on compulsory activities appears to generate avoidance and resentment. While people may comply, these requirements are in practice not a means to finding work, but rather a necessity for remaining eligible for benefits.

In effect, then, the system operates for many disadvantaged job seekers not as ‘welfare to work’ but ‘welfare as work’. This is a poor outcome for all concerned: job seekers fail in meeting their goal to find work, and governments bear the continued cost of providing social security payments and an ineffective service system. More effective active labour market policy would:

- place more emphasis on personal engagement and fostering individual’s own goals rather than simply compliance with requirements
- devote more attention to the barriers to employment experienced by disadvantaged job seekers through better assessment processes at Centrelink and training for Centrelink staff
- provide more resources to programs which target disadvantaged job seekers, to enable better access to training, work experience and personal support
- address the lack of rewards for undertaking some forms of paid employment
- acknowledge that for as long as there is a structural shortfall in jobs, those least able to compete will always be at risk of unemployment.

A possible future direction would be to explore a new program model which combines personal support, access to health or mental health services, assistance with housing and greater employment support. Given the formidable difficulties which confront long-term unemployed people, more intensive support over a reasonably long time frame is necessary.

Introduction

This report presents the results of a collaborative research project conducted by the Brotherhood of St Laurence, the St Vincent de Paul Society and the Centre for Public Policy at the University of Melbourne. The study arose from the recognition that major changes have occurred in the lives of people living in poverty and especially for those who rely on unemployment benefits. These changes have a number of dimensions but the one that seemed most important, was that people receiving social security payments now need to do much more to justify their income support payments than before.

These changes have been driven by policy shifts in Australia and by new thinking more generally in the OECD. The core of this new thinking is that income support programs should direct people to work and should use carrots and sticks to maximise their participation in work. As Mead (1997, p.59) put it, 'programs have to be demanding, and to be demanding they have to reduce or deny benefits to clients who do not cooperate'.

As part of this general shift in welfare administration, the number and scope of activity test requirements someone in Australia has to meet in order to receive unemployment benefits has expanded significantly since the early 1990s. More recently, the Reference Group on Welfare Reform chaired by Patrick McClure recommended a more flexible, individualised, and more conditional income support system, aimed at assisting into work those with the greatest barriers to employment. Outlining the principles for reform of the social security system, the committee proposed that:

> Income support and related services will activate, enhance and support social and economic participation, consistent with individual capacities and circumstances. Service delivery will focus on meeting the needs of individuals and on helping them to identify and achieve participation goals. (Reference Group On Welfare Reform 2000, p. 6)

Following the McClure report, in 2002 the government released a discussion paper on simplification of income support payments for people of working age. The need for flexible requirements to focus on individual needs was again emphasised:

> Participation requirements should be tailored to reflect people's individual capacities and circumstances and to assist successful life and labour force transitions. (Vanstone & Abbott 2002, p. 11)

These changes have led to questions about how disadvantaged job seekers experience the current system. Is this a system that can respond flexibly to their individual needs? Are the new requirements a source of motivation, empowerment and new hope for these people, or just a new imposition on their time and morale?

To better understand the impact of the new world of activities and compliance demands we interviewed unemployed people about their experiences with the income support system. We were particularly interested in how they described the usefulness of different activity test requirements and opportunities. Would they see some as more helpful than others? Could they identify positive effects in these requirements? Would the experience of these new compliance demands be different for those with greater, multiple or lesser barriers to labour force participation?

Active labour market policy

Active labour market policy (ALMP) has a pedigree stretching back almost 20 years in Australia and longer in some other countries. It is now the (almost) unquestioned paradigm for social policy regarding unemployment. The essence of ALMP is that policy and services should not just support unemployed people financially while they look for work, but should also endeavour to influence their behaviour towards greater job search efforts or equip them with new skills and capacities. A key focus is on getting unemployed people ‘moving’, even if this momentum is initially an administrative achievement:

> The general principle of moving the long-term unemployed from one ‘activation’ system to another—avoiding inertia, and when one thing has not worked, trying something else—is probably sound from the point of view of its impact on unemployed people. However it creates additional issues of continuity, coordination and coherence which merit careful consideration. (OECD 2001, p. 176)

Some of the driving influences behind the development of active labour market policies are described below.

Renovating the economy

The idea that social security can play a part in retooling the labour force for new economic conditions has been a strong influence informing these changes. In other words the benefit and job search systems can help achieve structural adjustment of the economy by redirecting ‘surplus’ workers towards new forms of employment. The Social Security Review (SSR), headed by Bettina Cass in the late 1980s, was arguably the earliest policy impetus towards a more strategic use of the social security system. The government faced (the now familiar) dramatic changes to employment: an increase in service jobs and the continuing loss of manufacturing jobs, increasing female participation, a greater incidence of part-time work, and persistent structural unemployment. Cass (1988) made an explicit argument about the need for the social security system to assist the unemployed to respond to the dramatic restructuring of the Australian economy and labour market through retraining.

Much of the SSR approach was informed by developments in Europe, particularly Austria, Sweden and Norway, and can be seen as part of a transformation in public policy towards economic and social protection. While Australia had traditionally relied on a high tariff barrier to protect its industries from cheap foreign competition, European countries had aimed for a more competitive economy with flexible structural adjustment of industries. The Hawke Government was determined to reform the Australian economy; and social security reform was a key strategy.

Cass argued that the income support system had three functions in relation to unemployed people:

- to support job search
- to facilitate labour flexibility in a restructured economy
- to redistribute income to those with greatest barriers to the workforce.

She called for better links between labour market programs and income support, in order to smooth the road to re-employment. In order to promote training and reskilling, Cass proposed that the ‘work test’ be replaced by an ‘activity test’:

> The concept of an activity test extends the boundaries of the work test to include participation in activities, particularly training programs, which will increase skill levels and potential employment chances. (Cass, 1988, p. 283)

According to this formulation, the activity test would be satisfied by participation in training and part-time work as well as search for full-time work. Other changes included liberalising withdrawal rates (the rate at which benefits are reduced as people gain paid work) to promote part-time work, which was believed to be a common step to full-time work. Cass also suggested that levels of payments for long-term unemployed should be increased, the ‘free area’ increased, and that beneficiaries be allowed to accrue their unused ‘free area’ (in effect an ‘earnings credit’ scheme).

The SSR also introduced the concept of ‘reciprocal obligation’. This meant that, on the one hand, government would do more to assist unemployed people to get jobs (for example, by expanding labour market programs and introducing wage subsidies). On the other, unemployed people could then be expected to make greater efforts to help themselves, and it was therefore fair to require more of beneficiaries as part of the activity test (Finn 1997; Considine 2001).

Renovating the labour market

Although it is beyond the scope of this report to canvass the vast economic literature around unemployment, we will give a brief account of the most influential theory of unemployment over the last decade, the theory of the non-accelerating-inflation rate of unemployment (NAIRU) (Layard, Nickell & Jackman 1991), based on equilibrium models of the economy.

In essence, this theory holds that three main structural flaws in market economies generally prevent the demand for and supply of labour from balancing and hence clearing the market.

First, in an ideal economy, wages should decrease in order to create more employment until unemployment is reduced (it would not be zero since some people would still take time to find a job). However wages do not actually decrease in this way. One reason is that employers would lose experienced and valuable workers if they reduced wages, and would incur greater costs in attempting to replace them than they would save from lower wages (the 'efficiency wage' hypothesis). Another reason is that the process of wage setting usually involves unions, who represent those currently employed, rather than the unemployed; they naturally argue for greater wages for their members during bargaining processes, even if this means continued unemployment (the 'insider/outsider' problem).

Second, the NAIRU is also influenced by how actively the unemployed search for work. The more effort people make to find jobs, and the less choosy they are about what jobs they will take, the lower the overall unemployment rate. However, the existence of social security benefits creates a 'moral hazard' which reduces the necessity to work, and hence, it is argued, reduces the effort which people put into job search (Layard, Nickell & Jackman 1991).

Layard, Nickell & Jackman argue that the economy can be divided into a primary sector with well-paid secure jobs and a secondary sector comprising lower paid low skill catering, cleaning, maintenance, retail and construction jobs. They argue that the secondary labour market does not experience efficiency wage and insider problems, since employers do not have to invest much in training staff and there is an adequate supply of people with the skills necessary for these jobs. Union membership and collective bargaining processes are also less prevalent in these areas, so that in theory, wages could decrease until enough jobs were available for those that wanted them. They claim that 'if people are unemployed, it is generally because they have decided against these jobs' (1991, p. 11).

Third, there may be a structural imbalance in the economy whereby the skills of the unemployed do not match those required by industry. In this case, a high number of job vacancies can co-exist with a high level of unemployment. This is similar to the argument used by Cass (1988) in the Social Security Review.

This set of assumptions has led many economists and policy makers to believe that the unemployment of the last decade resulted primarily from excessively high wages and labour market rigidities (e.g. Dawkins & Freebairn 1997; Nickell 1997; Blanchard & Wolfers 2000; Burtless 2002). Similarly, high marginal tax rates have been argued to represent financial disincentives to take part-time or casual work (Beer 1998).

Part of the attempted solution has been to reform industrial relations policy to 'free up' market wage rates. For example, the 'five economists' in 1998 argued for cuts in real wages for low-paid workers, in conjunction with an earned income tax credit to ensure that these workers were not materially worse off (Dawkins 1999).

The other main policy thrust from this perspective has been to ‘improve the effectiveness of the unemployed’ (Layard, Nickell & Jackman 1991, p. 472). Two strategies follow: reducing the attractiveness of benefits and improving the skills of unemployed people.

Making receipt of benefits less attractive has been achieved by cutting their value or duration, or by requiring greater activity as part of the eligibility conditions. Following this logic, in Australia, unemployment benefits increase in line with the Consumer Price Index, whereas pensions are linked to increases in male average total weekly earnings. Expanding the activity test requirements also fits into this model.

Training has aimed to help unemployed people develop better job search and application skills, and in some circumstances, to gain skills in occupations where there are more vacancies. Subsidies to employers may help to make unemployed people more attractive than other applicants.

Finally, temporary employment programs (the state as employer of last resort) may help people gain experience, develop work skills and increase the likelihood of finding other work, since employers may prefer to hire someone already working.

There is considerable debate about the validity of the assumptions outlined above, and some evidence directly contradicts them. For example, in the USA during the 1990s, minimum wages increased at the same time as unemployment was reduced, contrary to the predictions of the NAIRU theory (Card & Kreuger 1994).

Renovating the benefits regime

The ‘new paternalism’, promoted most notably by Lawrence Mead (1997), has been an influential stream of thought in the USA (Deacon 2002) but has also resonated with Australian decision makers. Paternalism includes the key features of competence, direction, harmony of interests and supervision. Mead defined it as:

> Social policies aimed at the poor that attempt to reduce poverty and other social problems by directive and supervisory means. (Mead 1997, p. 2)

At the heart, according to Mead, the problem with the poor is a lack of competence. Poor people have the same aims as anyone else (to get a good education, find work) but they do not know how best to go about it. The role of the state then, as an understanding, wise but firm father figure, is to decide how people should go about meeting their own ambitions.

Consequently, paternalism is presumptive and directive—it involves government deciding what is in the individual’s best interest and then creating pressures for them to behave accordingly. It does not simply provide incentives for various courses of action and leave individuals to make decisions for themselves, but also directs activity as a condition of receipt of benefits. This direction usually takes the form of a requirement to accept paid work, but it can also be applied to measures to discourage recipients having more children, shifting to disadvantaged neighbourhoods or continuing a drug habit.

Paternalism asserts the authority to judge an individual’s best interests on their behalf and often in spite of their stated preference, but it also assumes that there is a harmony of interests between society (represented by government) and poor people themselves. Thus paternalism differs from other approaches involving direction where there may be a divergence of aims between the regulator and the regulated.

Supervision is a critical ingredient of the administration of paternalism. Individuals are presumed not act in accordance with their own interests, so their behaviour must be closely supervised and directed to ensure that they do. Close supervision and early intervention ideally pre-empt the need to use more severe sanctions, although the latter are also permitted.

While it may be assumed by the administering body that the directions given to the individual are in accord with his or her own life aspirations, the problem is that the poor may not recognise this and hence fail to behave accordingly. Governments must therefore be willing to withdraw payments (as the ultimate sanction) in order to force people to do what is good for them.

Precisely because a paternalist approach requires greater supervision and direction of individuals, it poses greater challenges to public management. The role of the state is to become more involved in people's lives, not less, and this means a greater attention to administrative procedures and staff skills. However, as Mead argues, this means a greater risk of harm:

> The danger is that the wrong people could be subjected to requirements and too many people could be penalised (Mead 1997, p. 25)

It may also pose a threat to values of the poor. Some people may feel demeaned by having behaviour enforced—and such treatment may reduce their willingness or ability to act for themselves.

In Australia, paternalism is most evident in the recent reforms to social security payments for parents. When their youngest child turns six, parents will now be required to attend compulsory interviews to 'help' them plan how they will develop their employment potential. Activity test requirements will apply to those whose youngest child turns twelve.

Integrating work and welfare

A contemporary of Mead in the USA, David Ellwood, suggested that long-term receipt of welfare contradicted two values of work and personal autonomy. He argued that:

> Americans do not believe that society ought to guarantee that every healthy person has a minimum income. What they do believe is that everyone who is willing to work ought to be able to make it in America and achieve some real measure of independence. (Ellwood 1988, p. 126)

For Ellwood, the only real chance for the poor to escape poverty was through work, since no government would ever gain political support to pay adequate welfare payments. He also argued that most poor people themselves despised the welfare system and would prefer to be independent of it. This assumes that greater independence can be achieved through paid employment, a claim which is obviously easiest to sustain where such work results in decent levels of pay and safe working conditions.

Ellwood argued that the conservative approach to force people to work did not take into account that many people do find work, but the job they find does not pay enough to get out of poverty. On the other hand, he criticised liberals in the American context who argued that people should be supported to find work through education and training, since if this support did not result in paid employment, poor people fell back into long-term welfare. Ellwood's own focus was 'to make work pay', and to ensure that people got into adequately paying work, even if this meant providing publicly financed jobs as a last resort.

Ellwood proposed a series of reforms, including universal medical protection, a higher minimum wage and an expanded earned income tax credit. A key change was that Aid for Families with Dependent Children (AFDC) should no longer be permanent, but should be converted into a transitional system designed to provide significant but short-term financial, educational and social support for people trying to cope with a temporary setback. This support could last from 18 months to 3 years, but ultimately those who had exhausted transitional support would be expected to undertake minimum wage jobs, if necessary provided by the State.

Renovating the citizen-self

Social policy always expresses some model of the self and some ideal of the citizen. In the current era these two issues come together in a concern about risk, independence, and individuation. During the 1990s, Giddens argued that risk is not just negative, but also represents opportunity for innovation:

> It is at the same time the energising principle of a society that has broken away from tradition and nature … A positive engagement with risk is a necessary component of social and economic mobilisation. (Giddens 1998, p. 63)

New risks include those associated with increased breaks in employment continuity, uncertainties of casual employment, possibility of becoming a sole parent, need for retraining more than twice in a lifetime (Braithwaite, Gatens & Mitchell 2002).

Nobody can escape risk but there is a basic difference between passive experience and active exploration of risk. Some risks we want to minimise as far as possible, but others are desirable (for example risk involved in investment decisions). Like some economists, Giddens claimed that the welfare system posed a moral hazard by providing an incentive to decrease work efforts, and that it prevented or at least diminished the need to respond to risks.

Braithwaite, Gatens & Mitchell (2002) proposed three main ways in which risk can be engaged: first by reduction or preventing the risk in the first place (e.g. by a full employment policy to reduce the risk of unemployment); second by mitigation or reducing the worst effects of a risk event once it occurs (especially predictable risks such as old age or sickness); and third by devising ad hoc strategies for unpredictable risks (e.g. through discretionary assistance). Similarly, these strategies can be seen as primarily the responsibility of individuals and families, the government or the market.

Giddens argued that the cost of too great a focus on prevention was economic sclerosis, and failure to adapt to a changing environment. Rather than simply providing financial payment, welfare policies should invest in human capital wherever possible, and encourage more risk-taking through incentives:

> People need protection when things go wrong but also [need] the material and moral capabilities to move through major periods of transition in their lives. (Giddens 1998, p. 100)

Gidden’s views are consistent with the position that social security should contribute to economic restructuring and the free market economists’ argument that the labour supply needs to be more flexible. However, a distinctive feature of Giddens’ approach is that social security policy should not just equip people for a different job, or to take whatever job is going, but should build the capacities of individuals to respond to risk by flexible adaptation.

Much of the discourse around ‘capacity building’ and ‘enterprise education’ in Australia reflects Giddens’ philosophy. Specifically, one way in which social security recipients are expected to become more reflective and enterprising is by completing an activity agreement upon application for benefits. In theory, applicants are supposed to identify activities to help them develop employment skills and to seek out opportunities and resources to this end.

Sense of community

The communitarian influence has also been a strong one (Deacon 2002). Communitarians such as Etzioni in the USA deride what they see as the ‘extreme individualism’ associated with liberal democratic societies. They believe connections between people and the sense of belonging to a community have been lost in a selfish consumerist culture where people are encouraged to think first and foremost about themselves and their own interests. This is of course, a common criticism directed at economic rationalism in Australia.

For the communitarians, the flip side to creating a greater sense of community and belonging is the need to re-establish community norms and standards of behaviour: if 'no man is an island' then equally 'no man is a law unto himself'. A moral sense of duty to obey obligations is paramount, but this is precisely what has been lost.

With its roots in religious culture, another feature of the communitarian approach is the belief that a 'moral sense' is more likely to flourish between individuals as part of a community than when imposed by government. People can find ways to circumvent the law if they feel no moral shame in disobeying it, but obligations to kith and kin are far stronger.

Concerning welfare policy, communitarians emphasise the balance between rights and responsibilities of those claiming benefits, and argue that the extreme focus on entitlements has undermined social solidarity. A greater role for obligations at the community level would help ensure both social cohesion and personal responsibility.

In Australia, the introduction of 'mutual obligation' by the Coalition government in 1998 uses an implicit communitarian position, much of which is continued in the McClure report three years later. Noel Pearson has put the communitarian argument strongly in his condemnation of the effects of the entitlement ethos among Cape York Aboriginal community (Pearson 2002). While Pearson argues that his position applies only to the community he represents, his views have been taken as a broader attack on the welfare system (Pearson 2000).

Key themes in active labour market policy

From the above overview, we can distil some basic dimensions of the active labour market policy debate.

Most contributors stress the need for the workforce, including unemployed workers, to adapt to changed environments. This is partly due to labour market changes, and sometimes driven by concerns about welfare caseloads and arguments about the creation of an 'underclass' detached from the world of work.

Following the need for adaptability, another emphasis is on individual responsibility for building capacity or employability. The role of the state varies: economic renovators and paternalists emphasise a greater role for government in assisting or directing, while communitarians advocate more devolution to communities. One criticism of the active labour market approach is that it may devolve risk and responsibility for change to individuals and away from both governments and corporations. Another common criticism is that the focus on the supply side of the labour market ignores the fact that there is insufficient demand to employ the available workforce.

Finally there are questions about the mechanisms by which governments ensure that job seekers act in accordance with government intentions. Direction and obligations are central for paternalists and neo-liberal economists, while for others they are a last resort. Some focus more on expanding opportunities, assuming that unemployed people will take them up since they are motivated to work or improve their chances of working. Correspondingly, those who emphasise obligations also tend to stress the need for penalties for failure to meet them, whereas those who emphasise the expansion of opportunities stress the importance of rewards for taking these up.

Politically, advocates of ALMP have positioned themselves as alternatives to both traditional progressive and conservative policy advocates. Giddens, Mead and Ellwood all posed their ideas as variants of 'third way' policies, and argued that there was substantial public support for such a position.

There is some evidence that such public support exists in Australia. For example, a survey conducted for the federal government (Roy Morgan Research 2000) found substantial support among the general community for requirements of unemployed people to seek work and to undertake activities to improve their chances of finding work. Notably, there was greater support for requiring people to undertake activities which would improve their chances of working (i.e. a paternalist position) than for requiring unemployed people to ‘give something back’ to the community (i.e. a communitarian position).

Active labour market policy in Australia

Since the establishment of unemployment payments, eligibility has included an obligation to seek work (the ‘work test’). To receive income support in the form of unemployment benefits, people had to be unemployed, available for work and willing to accept reasonable job offers (Carney & Hanks 1986). Applicants also had to register with the Commonwealth Employment Service (CES).

In 1986, in response to concerns that work testing was not being enforced strongly enough, the CES was required to report when someone’s registration with them had lapsed, prompting the Department of Social Security to suspend their benefits. In order to maintain their registration job seekers were required to list two jobs applied for in each fortnight (OECD 2001). During the same period the rules concerning the type of work a beneficiary could refuse were also tightened: the applicants were first permitted to search only in their own field of expertise, and later required to take posts in a wider field once they had failed to find their job of choice.

The introduction of the OECD ‘active society’ paradigm by the Social Security Review prompted other changes during the late 1980s and early 1990s (Cass 1988). In 1989, all long-term unemployed people aged between 21 and 54 were subject to intensive interviews, and the following year this was extended to all long-term unemployed people. The ‘work test’ was also broadened to become an ‘activity test’ which could include part-time, temporary and casual work (OECD 2001).

In 1991, Unemployment Benefit was replaced by two other benefits: Job Search Allowance for those under 18 or who had been unemployed for less than 12 months, and Newstart Allowance for those over 18 who had been unemployed for more than 12 months. Newstart Allowance beneficiaries had to undergo intensive interviews and enter into a formal agreement which included a ‘contractual obligation to undertake an agreed course of action’ (OECD 2001, p. 167). They could also undertake full-time training or voluntary work for up to 8 weeks per year without losing entitlement. The agreement was eventually extended to all applicants for unemployment payments.

Currently new applicants are required to sign an initial Preparing for Work Agreement (PFWA) when applying for benefits, and another PFWA when they are referred to an Intensive Assistance employment service contracted by the government to help disadvantaged job seekers find work. These changes were both introduced in July 2000, but were broadly based on the Newstart agreements introduced nearly a decade before.

Exemptions from the activity test were introduced in 1995 for beneficiaries in certain defined circumstances. This included those participating in training or a broader range of study, or doing voluntary work. In the same year, both partners in a couple were required to establish their eligibility separately (previously payments were made to a couple on the basis of the eligibility of the head only).

Starting in 1996, people were required to list more detailed employer contact information on their fortnightly continuation forms, and the use of Employer Contact Certificates increased. Jobseeker Diaries were introduced, requiring job seekers to keep a diary for a certain period of time (currently 12 weeks) and to list up to ten jobs applied for per fortnight.

In 1997, the Work for the Dole scheme was introduced for 18–24 year olds, and in 1998, the government introduced the notion of ‘mutual obligation’ which effectively replaced the ‘reciprocal obligation’ introduced as part of the Working Nation reforms of the early 1990s. Reciprocal obligation referred to the obligation of job seekers to make more effort to help themselves if they received more support in the form of training or work preparation from government. Mutual obligation took this a step further: it was now the income support payment (not the add-on services such as training) that created the obligation to 'give something back' to the community, in various forms such as voluntary work, participation in a Work for the Dole program, Green Corps, the Army Reserve, part-time work or training.

In 1997, a new benefits delivery agency, Centrelink, was created to replace the service delivery function of the Department of Social Security and some assessment functions of the Commonwealth Employment Service. The CES was abolished and the first round of contracting out of employment services under the Job Network was undertaken (Considine 2001).

Penalties for failing to meet requirements (breach penalties) have also been through substantial changes. In 1991 penalties for failing to reply to correspondence or attend interviews were increased (OECD 2001). In 1994, the current distinction between 'activity test' breaches (e.g. related to refusal of work, poor job search behaviour) and 'administrative' breaches (e.g. failing to provide information to the Department of Social Security) was introduced (Moses & Sharples 2000). From 1995 penalties were applied at rates governed by the length of time a person had been on benefits, increasing the penalty for those who had been longest without work.

In 1997, breach penalties were further revised and their duration increased. Administrative penalties resulted in cuts to benefits of 16 per cent for 13 weeks, and three categories of activity test penalty were introduced: a cut of 18 per cent for 26 weeks for the first breach in a two-year period, a 24 per cent cut for six months for the second breach, and no payment at all for 8 weeks for the third breach (Eardley & Matheson 2000).

During the period 1997–2001, the number of breaches rose dramatically, from 120,718 to 386,946 (ACOSS 2000; ACOSS 2001). Other studies suggested that the impact of breaching was falling most heavily on the most disadvantaged job seekers. For example, Hanover Welfare Services, a welfare agency which works with homeless people in Melbourne, found almost one-third of its clients had been breached in the previous 12 months (Hanover Welfare Services 2000). Similarly, the Salvation Army found that around one-quarter of its emergency relief clients had been breached. Even more concerning, it found that 11 per cent of those who were breached, said they had to turn to crime to survive (Salvation Army 2001).

In response to this, a group of agencies agreed to commission and fund an independent examination of the breach system. The Independent Review of Breaches and Penalties in the Social Security System reported in March 2002, finding that:

> While the current system often functions in an appropriate manner, there are many occasions on which its operation in relation to particular job seekers can be reasonably described as arbitrary, unfair or excessively harsh. There are also many occasions when it diminishes people's capacity and opportunity to continue seeking work and become less dependent on social security. (Pearce, Disney & Ridout 2002, p.12)

It also concluded that breaches were imposed too frequently, and that penalties for breaches were often too severe and caused 'unnecessary and unjustifiable hardship' (Pearce, Disney & Ridout 2002, p.13).

Following this review, advocacy by community organisations and resulting media attention, changes were made to the sanctions regime. The number of breaches began to decline in 2001–02 (Senate Community Affairs Legislation Committee 2002). This slight softening of administrative breaching is exemplified by the change from July 2002, which stipulated that beneficiaries who failed to attend an interview with Centrelink were to have their payments suspended and reinstated if they had a reasonable excuse, instead of receiving a breach penalty automatically as previously.

Currently, in order to receive Newstart Allowance (NSA), job seekers must:

- actively look for suitable paid work
- register with at least one Job Network member
- accept suitable work offers
- attend all job interviews
- attend Centrelink offices when requested to do so
- agree to attend approved training courses or programs
- not leave a job, training course or program without sufficient reason
- correctly advise Centrelink of any income earned
- enter into and comply with a Preparing for Work Agreement
- lodge fortnightly continuation forms
- apply for up to 10 jobs per fortnight
- participate in a ‘mutual obligation’ activity after a certain amount of time on benefits
- have certificates signed by employers approached about jobs, if required
- complete a Job Seeker Diary with details of job search efforts
- not leave their current residence to move to an area with a higher rate of unemployment (Department of Family and Community Services 2003).

There are exemptions from some requirements for people in specific circumstances. Job seekers registered with an Intensive Assistance provider under the Job Network (targeting long-term unemployed) are not required to submit fortnightly continuation forms, and the number of job search contacts required is also reduced. However, they must complete a separate Preparing for Work Agreement that specifies that they will attend the service on a regular basis (usually every two or four weeks). Failure to attend triggers a report from the employment agency to Centrelink, which may result in an activity breach penalty being applied.

Beneficiaries who are ill may be exempted from activity test requirements if they provide a medical certificate and a Treating Doctor’s Report. In theory, homeless people can be exempted from activity testing. The policy guidelines (3.2.9.40 Special Circumstances Activity Test Exemption) state that:

> In determining whether to grant an exemption for homelessness, the primary consideration should be whether a person’s living circumstances are stable enough to allow them to meet their activity test obligations. A person may not be able to do this if they are living on the streets, in a hostel or refuge or moving from house to house every 2 or 3 days. On the other hand, a person who is living or residing temporarily with relatives or friends should be able to meet their obligations.
>
> Before granting an exemption on the grounds of homelessness, consideration should be given to the person’s individual circumstances and whether it would be more appropriate to reduce a person’s requirements to a level that they are able to meet … If an exemption is granted, it should be limited to the time required to arrange stable accommodation. (Department of Family and Community Services 2003)

Further changes have been introduced following the 2001 Federal Budget (Commonwealth of Australia 2001) and enacted in early 2003 after some amendments to the relevant legislation. These include:

- the extension of activity testing to parenting payment recipients with a youngest child over 12 years of age
- the expansion of the Personal Support Program for people with severe barriers to labour market participation (previously the Community Support Program) from 15,000 to 45,000 places by 2004–05
- a new literacy and numeracy training supplement of $20.80 per fortnight to meet incidental costs of participation in training
- the introduction of the ‘working credit’ scheme to enable people receiving income support to retain a greater proportion of their earnings from occasional temporary work

- the employment by Centrelink of Personal Advisers to assist specific groups (such as parents, older people and indigenous people) to return to work.

The Australians Working Together Bill was introduced into Parliament in 2002 to make the legislative amendments required for some of these initiatives. During the debate, the government agreed to amend first breach penalties for those in receipt of Newstart. It proposed that people who receive a breach for the first time, but comply with the relevant requirement within 4 weeks, would have the penalty reduced to 8 weeks' duration. In effect, this would mean a reduction from around $900 to $270 (Cherry 2003).

In summary, despite some recent changes, the current Australian version of active labour market policy is distinguished by: an emphasis on obligations and compulsion; severe penalties for non-compliance with requirements; and compared with European countries, a low level of financial investment (OECD 2002). We will refer to the current system as the 'mutual obligation regime' to identify the specific Australian implementation of general ALMP principles.

Experiences of job seekers

Since the social security system has in effect been redesigned to become a behavioural change mechanism, a key question is what impact it has on individuals. Some writers argue that several features of the new paradigm may be counter-productive or damaging:

> Regimes that insist on certain standards of performance and punish individuals for not reaching such standards are unlikely to produce individuals who have a sense of mastery or confidence in their capacity to function independently. Such regimes more commonly produce high dependency, fear of failure and a poor capacity to manage shame, manifested most notably in aggression toward self or others. (Braithwaite, Gatens & Mitchell 2002, p. 241)

What then do job seekers make of the current system? A recent survey, conducted by a private consulting company contracted to the Department of Family and Community Services, investigated the opinions of people receiving Newstart or Youth Allowance about activity test requirements (Wallis Consulting 2001). Around 49 per cent of those surveyed agreed that 'unemployed people should have to do more than just look for work in order to stay on benefits', and more than 80 per cent agreed that job seekers should have to do activities that will improve their chances of finding work. This study did not investigate respondents or opinions in any depth since it was based on a telephone survey using a structured interview schedule. It also did not report on experiences of different groups. We were interested in exploring the experiences of job seekers in more detail, with a particular focus on those with substantial barriers to employment, since the mutual obligation regime needs to be able to assist this group of job seekers more than any other.

How well does mutual obligation work?

Despite a decrease in unemployment over the last decade, mounting evidence suggests that the current mutual obligation regime does little to assist long-term unemployed people. The likelihood of leaving payment is reduced for people who have been unemployed longer, who are subject to mutual obligation activities or Work for the Dole, and who participate in Intensive Assistance (Wallis Consulting Group 2001).

As mentioned above, the dramatic increase in breach penalties during 1997–2001 appeared to be falling heavily on disadvantaged job seekers such as the homeless, those with mental health or substance abuse problems. The Salvation Army report suggested that breach penalties may be forcing some people into crime (Salvation Army 2001).

ACOSS cited figures showing that long-term unemployment (measured as the number of people on benefits for more than 12 months) had remained persistently high despite a decrease in the unemployment rate, and argued that the system was not helping the most disadvantaged (ACOSS, ACTU et al 2000). Recent figures showed that the number of job seekers on benefits for more than a year rose during 2002 to 393,100 people (ACOSS 2003), and was higher than the figure for 1996.

Similarly, the recent Department of Employment and Workplace Relations evaluation of the Job Network concluded that Intensive Assistance (which targets disadvantaged job seekers) provided negligible benefits for job seekers taking part, and that the likelihood of being in employment three months after completion was increased by only 0.6 per cent (Department of Employment and Workplace Relations 2002).

Within Centrelink, one reason for these poor outcomes appears to be poor processes for assessing barriers to employment and appropriate activity test requirements or exemptions. A study by Hanover Welfare Service found that:

> The current interview procedures are failing to engage this group of disadvantaged job seekers in a way that will facilitate full disclosure of all relevant circumstances to making an informed assessment of their ‘job readiness’ and capacity to participate in employment assistance programs (Parkinson & Horn 2002, p. iv).

These poor assessment processes appeared to result from several factors, including lack of privacy in interview situations, limited time available for interviews, lack of skills, and sometimes poor attitudes of Centrelink staff to homeless people, and confusion between Centrelink roles of providing income support and individualised assistance. As a result, relatively disadvantaged job seekers were either not exempted from requirements when they should have been, or not provided with the level of assistance or services they required (Parkinson & Horn 2002).

These data raise considerable doubt about the effectiveness of the mutual obligation regime in assisting the long-term unemployed into work. Why is this the case? The present study investigated the perspectives of job seekers themselves in order to answer this question.

Study aims

This study aimed to examine:

- the activities required of unemployed income support recipients, particularly those disadvantaged in the labour market, in order to receive benefits
- the perceived helpfulness of these requirements (the extent to which they see these as helping their chances of gaining employment)
- the relationship between labour market barriers and the perceived helpfulness of the system
- the changes job seekers think would help them get work.

Method

Sample

Individuals were recruited through St Vincent de Paul Society volunteers who had had some contact with people through their emergency relief program, and through Brotherhood of St Laurence employment services. We aimed to include people with a range of experiences and length of unemployment who were receiving Newstart Allowance or Youth Allowance (Unemployed). Interviews were conducted between March and August 2002. Most people interviewed were living in the inner urban areas of Melbourne and the outer metropolitan area of the Mornington peninsula.

Measures

We conducted initial open-ended qualitative interviews with six people on Newstart Allowance to explore the main issues relevant to them and their experience of unemployment payments. From the results, we developed a structured interview schedule to explore the main research questions. This schedule was trialed with four people and amended slightly. The final interview schedule (Appendix A) included ten sections which covered experience of:

- frequency of contacts with Centrelink
- illness while receiving Newstart Allowance
- Preparing for Work Agreement
- fortnightly forms
- Jobseeker Diaries
- Employer Contact Certificates
- employment services
- Work for the Dole
- problems with payments
- breaches and appeals
- Centrelink's understanding of people's situation
- barriers to employment

Face-to-face interviews were conducted in a private location, either a meeting room in a public building or the person's home. With the participants' permission, all interviews except two were taped. Interviewers also took notes for each question. Interviewees were paid $40 for costs of participation.

Analysis

Each interview was transcribed from the tape recording (or from the interviewers' notes where no tape was made). Answers to closed questions were initially calculated and reported as frequencies for each activity test question. Percentages were rounded to the nearest whole number and hence may not add to 100. Open questions were thematically analysed, and both the themes and relevant examples reported.

Perceived utility scale

The interview schedule included eleven 4-point scale questions which asked the person to rate how much each requirement had helped them consider what they had to do to find work. Response categories were 'yes, a lot', 'yes, a fair bit', 'no, not much' and 'no, not at all'.

We used the responses to 10 questions to create a scale of the perceived helpfulness (or utility) of the 'welfare to work' regime. Scores for the Work for the Dole were not included, as only two people had attended a WfD program. The items included were:

- ability to include own activities in PFWA
- feeling of pressure to agree with PFWA
- helpfulness of PFWA
- helpfulness of fortnightly continuation forms
- helpfulness of the Jobseeker Diary
- helpfulness of Employer Contact Certificates
- satisfaction with Centrelink's dealing with illness
- understanding shown by Centrelink staff
- helpfulness of employment service
- contribution of the employment service improved job prospects

Scores for the 10 helpfulness questions (which varied from 1 to 4, with the scoring for one question reversed) were added to create a total raw score (t). Since not everyone had experienced each aspect of the system, we recorded the number of questions relevant to that person (x). A total satisfaction score was then calculated by dividing the person's score by the maximum possible score for the number of questions relevant to that person (t/4x). We then computed the final score for each person as a percentage.

The higher the score, the greater the perceived utility (or helpfulness) of the system to that person.

Barriers to employment scale

Based on both quantitative and qualitative data obtained from the interviews, we first assigned values to the presence or absence of barriers for each person as shown below:

- history of homelessness (no=0, yes=1)
- mental health problem (no=0, yes=1)
- literacy problems (no=0, yes=1)
- drug or alcohol abuse (no=0, yes=1)
- interpersonal communication difficulties (none=0, minor=1, major=2)
- non-English speaking background (no=0, yes=1)
- age (under 50=0, 50 or over=1)

The 'barriers to employment' score was calculated as the sum of the seven items, so that a higher score indicated more barriers to employment. The highest possible score was eight indicating substantial barriers to employment.

Statistical analysis

Relationships between each of the two scores and other variables were analysed using t-tests or one-way ANOVA for differences between groups, and Spearman's rho to measure correlations with ordinal variables and with each other.

Results

Sample characteristics

Characteristics of the people interviewed are shown in Table 1. The average age of the group was 38, and it can be seen that most were born in Australia, 60 per cent were male and that a majority lived by themselves or in a shared house with non-relatives. The mean length of time on benefits was 2.6 years (s.d. 2.6 years).

Table 1 Characteristics of people interviewed

	Frequency	Percentage
Gender		
Male	27	60
Female	18	40
Country of birth		
Australia	36	80
Other ESB	5	11
NESB	4	9
Living situation		
Alone	16	36
Partner only	6	13
Children only	5	11
Parents	3	7
Partner and kids	2	4
Shared	10	22
Other family	1	2
Not stated	2	4
Age		
20–29	10	22
30–39	16	36
40–49	10	22
50+	9	20
Time on benefits		
Less than one year	10	22
One and less than two years	12	27
Two and less than three years	13	29
Three years or more	10	22
Total	**45**	**100**

Barriers to employment

The job seekers in this study experienced a range of personal difficulties which posed barriers to employment. We explored three areas in some depth: the person's recent housing history, recent health status and other issues such as literacy or drug use they thought posed a barrier to employment or job search.

Housing experience

While two-thirds of those interviewed were currently in stable housing, almost half had a recent history of homelessness or transient accommodation. This involved frequent moves over the previous two years and staying with friends, family and in rooming houses, crisis centres and refuges. Experiences of this 'precarious housing' were often deeply distressing:

> I never thought in my fifties I'd be living in my car and on the Centrelink payment. A few years ago I owned my own home and had a business … I was married for 25 years. (Age not supplied, female, 1.3 years)
>
> In mid 2000 I entered a refuge for the first time … and knowing that I was homeless was very scary. (29 years, female, 3 years)

Many comments illustrate the profound change in circumstances which occurred when a person became unemployed. For some, this was completely unexpected, but for others it was a recurrent feature of their lives.

While homelessness was often a result of unemployment, in turn it often contributed to staying unemployed. Several people spoke of the suspicion they received from employers when they said they lived in a rooming house, or when any of a number of residents might answer the phone:

> I've been here (a rooming house) seven years—seven years too long … Potential employers are a bit suspect about your situation when they ask you whether you've got a phone and you have to say yeah but it might be answered by anyone and they say, 'Oh really, what kind of place are you living in? (63 years, male, 3 years on Centrelink payments)

Others talked about frequent moves of address and said they could only find temporary work as a result.

Health concerns

Twenty-seven people stated that they had a current mental health problem of some sort (Table 2). This included references to experiencing depression or anxiety, seeing a counsellor or psychiatrist, or taking psychotropic medication. Twenty-two people reported physical health problems, which included injuries resulting from traffic or work-related accidents and chronic disorders such as heart disease or rheumatoid arthritis.

Table 2 Type of health problem experienced

	Frequency	Percentage
Mental only	13	29
Physical only	8	18
Both mental and physical	14	32
None	10	22
Total	45	100

Some health issues were interrelated. For example, some interviewees used alcohol or other drugs as a way of dealing with the symptoms of their mental illnesses or stressful situations. Two people attempting to overcome a heroin habit were on a methadone program which requires attendance at a pharmacist every day. They found that this restricted their capacity to work at the same time:

> I'm on the methadone program at the moment … I'm just waiting to find one [methadone outlet] that has better opening hours … for me to get a job. (38 years, male 1 year)

Others mentioned difficulties caused by their illness or by medication side-effects:

> I have difficulty sometimes reading and writing … that's only on a concentration level. It's caused by bromide over a period of time … the price you pay for being on medication—there's always going to be side-effects. (38 years, male, 5 years)
>
> I've been diagnosed with bipolar … sort of extreme tendencies. It makes it difficult for me to feel like I'm on top of this stuff and not to look at Centrelink as some negative force. (31 years, female, 0.3 years)

Many spoke of the negative effects on their mental health due to prolonged unemployment:

> I drink far more than I did three years ago. I'm probably not quite as positive as when I initially left university but that's as much related to not obtaining interviews … I was surprised at how much the employment market had changed [between 1992 and 1999] … for the first six months, I simply couldn't get an interview. (42 years, male, 1 year)
>
> You start to get a bit disheartened after you've been unemployed for more than a year … you start to think well I'm not worthy … low self esteem … It's a vicious circle. (25 years, female, 7 years)

Other barriers

The people interviewed had been on benefits for an average of about two and a half years. Many thought that being unemployed itself posed a barrier to work because employers were reluctant to employ someone currently unemployed:

> The only barrier I could see is discrimination because I've been out of work for so long. They don't trust you in the sense that you'll be able to cope with the work … label you as no hoper sort of thing. (35 years, male, 2 years on Centrelink payments)

Several people over the age of fifty believed that their age itself posed a barrier, that employers preferred younger applicants and discriminated against older people:

> My case manager turned round and said it's useless looking for work … he said you'd get back dozens of letters saying 'too old', 'too old'. I said, 'Isn't that discrimination?' He said there's nothing you can do about it but I've still got to go put my form in every fortnight, I've still got to look for work, Centrelink still stop your payment if you don't look for work. (63 years, male, 3 years)

Some had been retrenched from previous jobs and had not been able to get back into work. Others had trained in occupations for which demand had diminished or disappeared.

Activity test requirements

Dealing with illness

While about 20 per cent of respondents indicated they were unemployed because of ill health, 64 per cent said they had been ill at some stage while on benefits. Many said their illness was recurrent or chronic.

Eighty per cent of those who had been ill had obtained a medical certificate to gain an exemption from activity testing while they were ill. We asked those who had been ill whether they were happy with the way that their illness had been considered by Centrelink. Table 3 shows that just over half were happy with the way their illness was considered by Centrelink. This group commented on the procedure being fairly straightforward. They were generally referring to the advice given by Centrelink staff on matters of submitting the appropriate forms such as medical certificates and doctor's reports, and required time frames.

Table 3 Satisfaction with how Centrelink dealt with illness

	Frequency	Percentage
Yes, a lot	6	24
Yes, a fair bit	9	36
No, not much	6	24
No, not at all	4	16
Total	25	100

Around a third were dissatisfied, and felt that their illness had been wrongly or insensitively handled. Some found the process of filling out and submitting both Treating Doctor's Reports and Medical Certificates, in order for their payments to continue, very complex and stressful:

> A lot of backwards and forwards to take the forms to your doctor … I filled out the forms and medical certificate and then [was] told I wasn't eligible.[Centrelink Staff] gave everything back to me and put me on 12-weekly payments instead. Four days later I get a letter saying fill out the doctor's report for my medical certificate … [I'd] already done this once—too much mucking around! (32 years, female, 1 year)

Some clients argued that Centrelink staff didn't understand their situation or didn't pass on information other services such as social workers and vocational psychologists that they might be able to access:

> Why didn't they tell me about this months ago when I needed a social worker? … They just don't care, most of them. (Age not supplied, female, 1.3 years)

Several felt that Centrelink staff did not understand mental health issues:

> Because my illness isn't visible, a lot of them don't believe you … [about] mental illness and drug addiction … even if you're desperate they won't help you. I've had fights with the supervisors and managers … they hadn't paid me and they should have.
> (27 years, female, 7 years)
>
> Depression … [is] not the easiest thing to explain to people … not sure whether it was taken as seriously as it could have been. (32 years, female, 1 year)

Some people had several times been cut off benefits for not submitting a medical certificate on time. People in this situation often had problems with frequent address changes and forms not being received; and they were more likely to suffer from a combination of physical, mental health and drug dependency problems.

Preparing for Work Agreement

When someone first applies for NSA they are required to negotiate and sign a Preparing for Work Agreement (PFWA). This involves an interview with a Centrelink staff member who discusses the agreement and what is required of the job seeker. In theory, this is an opportunity for job seekers to choose to include activities in line with their own goals.

Twenty-eight people recalled signing a PFWA over the previous year, and another six were unsure. Twenty-six people said they received a copy, four said they did not, and the other four could not remember. The most common recollections of what was in the PFWA were requirements:

- to look for work
- to fill out and submit the Jobseeker Diary
- to contact employment agencies within the Job Network
- to be prepared to travel 90 minutes each way for a suitable job opportunity.

Two-thirds said they remembered what they talked about with the Centrelink staff member before they signed the agreement. The main recollections were the job seeker's obligations under the agreement, their employment history and the type of work they were seeking.

We asked each person if they had a chance to include activities they wanted in the agreement. Almost two-thirds felt that they had little or no opportunity to include activities of their preference (Table 4).

Table 4 Opinions about Preparing for Work Agreements

	Could include own activities		Felt under pressure to agree		Felt PFWA was useful	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes, a lot	5	20	9	35	6	21
Yes, a fair bit	4	16	6	23	9	32
No, not much	10	40	5	19	9	32
No, not at all	6	24	6	23	4	14
Total	25	100	26	100	28	100

A majority (58 per cent) said they felt under 'a lot' or 'a fair bit' of pressure to agree with what the Centrelink staff member said. The nature of this pressure was fairly obvious:

> You agree or don't get your payment! (33 years, male, 0.5 years on Centrelink payments)
>
> If you don't agree with them they won't pay you! (25 years, female, 7 years)

Interviewees' responses about whether the PFWA helped them think about what they needed to do to find a job were fairly evenly divided (Table 4), with just over half finding it helpful. Some had positive remarks about the agreement:

> It made me more determined to find work. (54 years, male, 3 years)
>
> It's only fair that they have these agreements … you've got to try and find work. (23 years, male, 0.1 years)

Others were less positive:

> It hasn't helped me … it was just basically clerical so I found the agreements were basically pretty worthless. (42 years, male, 1 year)
>
> Apart from the fact that they let you know what you needed to do in order to fulfil their requirements, Centrelink just have their rules and regulations … it's not really helpful—they just process you as a generic entity. (31 years, female, 0.3 years)

We examined the relationship between perceived usefulness of the PFWA and whether people felt that they could include activities relevant to them. Those who felt more able to include their own activities were much more likely to see the PFWA as being useful (Spearman's rho = -0.47, $p<0.01$).

Jobseeker Diaries

When someone first applies for Newstart or Youth Allowance, they are required to complete a Jobseeker Diary. This involves recording up to 10 employers contacted per fortnight for six fortnights; details required are employer's name and contact details, the job title, the type of work and how the job was advertised. The JSD must be handed in to Centrelink at the end of the 12 weeks, or earlier on demand. Twenty-five people recalled being given a Jobseeker Diary to complete when they first applied for Newstart. Most had to record ten jobs per fortnight for six fortnights. About 70 per cent of these met the target number of jobs, but some found it more difficult or 'invented' responses:

> I found meeting the target pretty difficult … just to meet the target I was applying for jobs I wasn't interested in. (42 years, male 1 year)
>
> I used the *Yellow Pages* listing the sort of jobs they would believe I would have gone for. (33 years, male, 0.5 years)

Table 5 Helpfulness of Jobseeker Diaries

	Frequency	Percentage
Yes, a lot	4	17
Yes, a fair bit	6	26
No, not much	6	26
No, not at all	7	30
Total	23	100

A slight majority (56 per cent) felt that the diary was hardly or not at all helpful (Table 5). This group regarded it as either just another compliance mechanism or purely a bureaucratic exercise for Centrelink:

> I think it's frustrating actually … just a waste of time. It was [just] something I had to do. (23 years, male, 0.1 years on Centrelink payments)
>
> It was more of a burden than a help. (25 years, female, 7 years)

A few interviewees believed the JSD was more positive because it was an incentive to look for work or because it was a useful record:

> It enabled me to keep track of where I'd been … also covered my methods of finding work as well.(31 years, female, .03 years)
>
> It helped in keeping track of what my appointments were and what was coming up. (38 years, male, 5 years)

Continuation forms

Half the interviewees (22) were required to submit fortnightly continuation forms. These forms require people to list jobs they have applied for over the previous two weeks, any income earned (even if has not been received), and any change in circumstance such as a change of address. While this is a general requirement, there are some exceptions, such as when someone is ill and submits a medical certificate, and for those who are attending Intensive Assistance, Community Support Program/Personal Support Programme or a Mutual Obligation activity.

Most commonly, respondents were required to list three jobs per fortnight plus one Job Network member contacted over the previous fortnight. Almost 90 per cent felt that the current number of jobs they applied for was 'about right', and only three people said it was too many.

We asked whether fortnightly forms helped people think about what was necessary to find a job (Table 6). Over two-thirds of the respondents suggested that the process wasn't helpful, most of these saying that it was 'not at all' helpful.

Table 6 Helpfulness of continuation forms

	Frequency	Percentage
Yes, a lot	3	15
Yes, a fair bit	4	20
No, not much	3	15
No, not at all	10	50
Total	20	100

When asked how often they met the target for the number of jobs, 70 per cent said 'always', another 20 per cent said 'most of the time' or 'occasionally', and only two people said 'never'. It was generally understood that filling out the forms was paramount, regardless of whether the job details recorded on the form were completely accurate:

> As long as the forms are filled in, that's all that matters … I think you can write anything on those forms. (25 years, female, 7 years on Centrelink payments)
>
> I write down anything I can find at the moment. (23 years, male, 0.1 years)

Employer contact certificates

Some job seekers are required to have employers sign a form (an Employer Contact Certificate) indicating that the person had applied for a job. Only twelve people remembered being asked to have employers sign an Employer's Contact Certificate. Three of these said they had trouble getting employers to sign them, but there were various other comments about them:

> If you don't get an interview how do you get them to fill it in? I actually printed my application from a job from the computer … what else could I do?
> (55 years, female, .01 years on Centrelink payments)
>
> [It's] just a matter of anywhere you go asking them to sign it. One company wanted to know why—they said it was a nuisance. (35 years, male, 2 years)

Table 7 Helpfulness of Employer Contact Certificates

	Frequency	Percentage
Yes, a lot	0	0
Yes, a fair bit	1	8
No, not much	5	42
No, not at all	6	50
Total	12	100

Most people (92 per cent) felt that getting employers to sign these forms was not helpful (Table 7):

> I don't see the significance of it unless it's just to prove to them that you're looking for a job … I found it nerve racking. (55 years, female, .01 years)

Work for the Dole

Nine people had been referred to Work for the Dole programs, but only two actually attended. Those who didn't attend either had health problems which led to an exemption or had other reasons (referred to Intensive Assistance, had to attend a court case, referred too late to start the program). Neither of the two participants felt that Work for the Dole had made any difference to finding a job:

> Anything I did on Work for the Dole I have done before … didn't obtain any skills to find a new job. (33 years, male, 2 years on Centrelink payments)

Centrelink staff and processes

Centrelink payments and contacts

Of those interviewed, forty-one (91 per cent) were currently receiving Newstart Allowance and the other four had recently changed to another benefit after a period on Newstart.

The overwhelming majority (80 per cent) had been on benefits for more than a year, and average time on benefits was 2.6 years. About 15 per cent had been receiving benefits for over 5 years.

Common reasons for coming to be on Newstart were having been retrenched from a previous position, or a temporary job ceasing. A few people had relocated from elsewhere and had not yet found work, and a significant proportion had left work because of illness or injury. Many people commented on the difficulties they had experienced looking for work:

> I lost my job … a couple of years ago. Once you're out the work force, it's really hard to get back in. (40 years, male, 2 years on Centrelink payments)

We asked how often the person had to go into the Centrelink office about their payments. Almost three-quarters said they had to go in twice per month or more frequently. Most people said they went in to lodge their fortnightly (or 12-weekly) form, but other reasons commonly given included:

- to attend appointments for such things as a Preparing for Work Agreement
- to sort out problems with payments or to provide information about changes in circumstances
- to hand in other forms or documents such as medical certificates, Treating Doctor's Reports and review statements
- to hand in the Jobseeker Diary
- to see a social worker or vocational psychologist
- to pick up a Healthcare Card.

Interviewees were also asked how often they had to phone Centrelink for something to do with their payments. The most common response (56 per cent) was 'never or rarely', with another 18 per cent saying they rang one or more times per month. Most clients interviewed had experienced long waiting times when ringing and said they avoided ringing at all:

> Impossible to ring! No point! In the last 5 years I've rang them a number of times and it's always engaged. (33 years, male, 0.5 years)
>
> Never! I usually don't ring … because they don't usually have an answer for you … tell you they're going to ring back and it never gets done … If I had a problem I'd go in. (34 years, female, 1 year)

We also asked how often interviewees received letters from Centrelink. The most common response was 'twice per month', but some stated that they received letters six times per month and one person claimed to receive 12 letters per month. Letters mostly concerned:

- various forms including the fortnightly continuation form for NSA
- notification of entitlements
- changes to payments, including breaches and rent assistance
- notification of appointments
- referral to Job Network or Work for the Dole

Some commented on letters they believed were automatically generated by computers:

> As I was one day late with my medical form, they send all the ones cutting me off … saying you've got to look for now … all done by computer … all automatic. (27 years, female, 7 years on Centrelink payments)

Centrelink's understanding of clients

We asked people interviewed whether they thought that staff at the Centrelink office understood their situation. Table 8 shows that just over half believed that Centrelink staff did understand them.

Table 8 Centrelink staff understanding of clients' situations

	Frequency	Percentage
Yes, a lot	7	18
Yes, a fair bit	16	40
No, not much	8	20
No, not at all	9	23
Total	40	100

In responding to this question, people commented on individual staff behaviours as well as workload, staff levels and changes, and policy issues. Many people commented on the helpfulness of particular staff:

> I mostly deal with the vocational psychologist… she's the most useful, she understands my problem. (46 years, male, 4.5 years on Centrelink payments)
>
> I've dealt with some really good, professional people at Centrelink who have helped me through understanding how the system works, the problems that I've encountered with my health and the referral. (38 years, female, 5 years)

There was a recognition that staff attempted to do as good a job as they could within the constraints of the rules and client numbers:

> There's a lot of people … makes it hard when you're following the system. (35 years, male, 2 years)
>
> They've got to cop a lot … I feel sorry for them. (29 years, female, 2 years)
>
> With the numbers they're dealing with … they must have one of the worst jobs going. (51 years, male, 1 year)

Staff with personal experience of having been unemployed were seen as more sympathetic and understanding:

> Those [working at Centrelink] who have been unemployed can probably understand my situation or anyone else who is unemployed. I don't think anybody [else] there would really care whether or not you're working … they've got their job to do their basic administration. They have criteria; if you fit, well, you get paid. If you don't, you don't. (39 years, male, 1 year on Centrelink payments)

Among those with a less positive attitude to Centrelink, many comments appeared to assume that staff had discretion or control over decisions. Staff, rather than the rules, were the focus of dissatisfaction:

> They're only interested in what they've gotta do … they are not really there to help you. (33 years, male, 2 years on Centrelink payments)
>
> Since they formed Centrelink there's less personal contact with staff. I would've thought that more personal contact increased my chances of finding a job. Now it seems entirely a formality … going through the motions. (33 years, male, 0.5 years)

Some felt that the Centrelink staff interaction with clients was 'computer-driven':

> I don't the think the nature of what they do is to understand anyone on an individual basis … They go by the computer so you're just another person on the system. (31 years, female, 0.3 years)
>
> Staff only read what's on the computer, there is no real communication in there anymore. When they formed Centrelink they closed down the Employment office … this is where you had your most really helpful people. They used to get you work … they've handed everything over to these Job Network members and they do nothing for you. (46 years, male, 4.5 years)

Another theme was the inconsistency of information and advice between different staff or offices:

> Each person [Centrelink staff member] handles everything in a different way … you can never rely on what they say. (54 years, male, 3 years)

Lack of understanding of people with mental health or substance abuse problems was also mentioned:

> As soon as someone sees a heroin user, some people have got a real attitude towards that. (33 years, male, 6.5 years)

> They don’t understand my anxiety and depression because it’s all non-visible … they’d be so much nicer to me if I was in wheelchair. (27 years, female, 7 years)
>
> More compassion required from Centrelink staff for those clients with medical conditions. They need to show a lot more compassion and not be too hard on people who are genuinely unwell and unable to go through the normal process. (48 years, male, 1.5 years)

Several people commented on difficulties in declaring income from casual or part-time work. They often did not know exactly how much they would be paid each week, and did not know how to declare their incomes on the fortnightly continuation forms. Some also felt that the large reduction in their income due to tax and withdrawal of benefits when they worked was unfair and further disadvantaged them.

Thirty people (two-thirds of those interviewed) felt that Centrelink staff needed to understand them better. Some comments concerned the need for greater flexibility and helpfulness in applying the rules:

> I’ve seen some who have been refused appointments for being five minutes late … it would be better if they treated clients with more respect.
> (42 years, female, 5 years on Centrelink payments)
>
> [They need] to have a better attitude. My experience of being serviced by them seems to be that they’re not there to help … they’re there to take your benefits away from you.
> (25 years, male, 2.5 years)

Others commented on the need for Centrelink staff to have a better understanding of the psychological and social consequences of long-term unemployment:

> They need to understand the specific kinds of problems related to me being unemployed for so long. (46 years, male, 4.5 years)

The issues of staff numbers and turnover received some comments:

> It’s gotten far, far worse gradually … and there’s less and less staff.
> (25 years, male, 2.5 years)
>
> Staff are constantly changing. They’re not always the same, they change a lot … not one to one. (23 years, female, 3 years)

Problems with payments

Twenty-three people (51 per cent) reported some problems getting their payments. Many people believed that their payments had been wrongly changed or stopped because of Centrelink errors which included:

- problems with computers at Centrelink or their bank or both
- not receiving mail or forms which required a response
- forms or medical certificates not being processed after being handed in
- payment day changes made by Centrelink without informing client
- payments delayed due to a change to a different benefit.

For example, people commented that:

> ‘Computer glitch’, that was the official reason … they cut me off completely … the computer deemed me no longer eligible … I had to reapply and get all my forms filled out again. (33 years, male, 6.5 years on Centrelink payments)
>
> Sometimes the form has been lodged on time but they haven’t processed it or my form hasn’t arrived … they give one to fill in there and then and I’m guilty all the time.
> (63 years, male, 3 years)

People also acknowledged that problems with payments occurred because of their own situation or actions, such as not informing Centrelink about changes in their circumstances or not lodging forms at the correct time:

> I was cut off … I got my dates mixed up so I was late with the [medical review] form (payment delayed 2 days over the weekend). (33 years, female, 1 year)

These difficulties meant that people had to contact Centrelink, by phone, or more frequently in person at the office. They often had to use savings or borrow money to cover costs while the problem was sorted out. Some felt that they had to 'up the ante' in order to be heard. This included confronting Centrelink staff angrily and demanding to see a social worker or the manager or even threatening to damage Centrelink property to exact a response from staff.

> Countless hours on the phone … I got the social worker to put a little note on their computer saying PLEASE DON'T STOP PAYMENTS UNTIL FURTHER NOTICE! (48 years, male, 1.5 years)
>
> I went in and swore a lot … I had to reapply to get the appropriate rent assistance … it never came through … I went back and sorted it all out. A lot of people think living on the dole or pension is easy … fact is you're living below the poverty line. (33 years, male, 6.5 years)
>
> It was sorted very quickly because I threatened to smash the rest of the windows … They just put me back on the system. (44 years, male, 6 years)

Nevertheless, more than half of those who had experienced payment problems thought Centrelink staff were helpful in sorting out the problem simply and without delay (Table 9). Other responses were that Centrelink staff were generally good and listened and accepted explanations for not meeting the requirements in some way. Some people suggested that getting the payment problem sorted out depended on the staff member and clients would target staff members who they knew would be more helpful. One person summed the system up thus:

> I haven't found them too bad but you have to follow the rules. If you don't they will hang you. (43 years, male, 1.4 years on Centrelink payments)

Table 9 Helpfulness of Centrelink staff in resolving problems

	Frequency	Percentage
Yes, a lot	4	17
Yes, a fair bit	11	48
No, not much	5	22
No, not at all	3	13
Total	23	100

On the other hand, there were also some major concerns expressed about Centrelink responsiveness:

> Problems with mail getting lost … then they blame you. It's so unfair. They wonder why people get angry … they should bloody know why. (25 years, female, 7 years)
>
> They could've given me an appointment even though they were busy … It would've been pretty bad if I couldn't have borrowed any money … I couldn't have paid my rent. (33 years, male, 0.5 years)
>
> Service [needs] to be a little bit compassionate … the only person who's been good to me at Centrelink was the social worker. (48 years, male, 1.5 years)

Common themes included:

- need for Centrelink staff to be more informed about Centrelink processes so they can assist clients more effectively
- too much 'red tape' in sorting out problems. For example clients had to make an appointment before any action would be taken.

- the difficult process required to get an emergency payment
- lack of care and compassion from staff, particularly towards clients with mental health issues or problems with drug addiction
- need for more information about breaches, where and how they are applied, and how to avoid them.

Breaches and appeals

Twelve people said they had had their payments reduced or stopped over the previous year because of a breach penalty. Of these, a few had failed to submit a form, two had missed an appointment, one had not submitted a Jobseeker Diary, one had failed to properly declare earnings and one had shifted to an area with lower employment.

Nine of the twelve people breached felt that the amount they had been penalised was too much, and another two said it was 'about right'. People coped with the reduction in income by turning to welfare organisations such as the St Vincent de Paul Society, reducing expenses, using savings or borrowing money from family or friends. Most of the interviewees said it was very difficult and frustrating coping with the loss of that money and a struggle to cover the costs of essentials such as food and transport:

> What really annoyed us was ringing people and telling them that we couldn't pay their bill.
> (35 years, male, 2 years on Centrelink payments)
>
> Heaps of help with St Vinnies and Salvos … go to all the agencies and … make up for that loss every week … it's only so much they can help you … Going without, you know.
> (25 years, female, 7 years)
>
> Very frustrating. Went to St Vincent de Paul. I've been taking anti-depressants … stress is too much. (44 years, female, 0.5 years)
>
> I'm still paying [the loan] back now … it's a struggle … with food and there's no money.
> (23 years, male, 0.1 years)

About a third of the interviewees who been breached said it affected other family members, in that they suffered financial hardship or had to go without something.

Employment services

Thirty-seven people had registered with a Job Network employment agency. The experience of these services varied considerably from very positive to the complete opposite. Around 60 per cent of those who had used an employment service found it helped 'a lot' or 'a fair bit' (Table 10).

Table 10 Helpfulness of employment services

	Employment service helpful		Service improved job prospects	
	Frequency	**Percentage**	**Frequency**	**Percentage**
Yes, a lot	12	38	9	29
Yes, a fair bit	7	22	10	32
No, not much	7	22	5	16
No, not at all	6	19	7	23
Total	32	100	31	100

We asked how the service was helpful. From positive experiences, the main qualities appreciated by clients were:

- access to facilities such as computers, phones, fax, touch screens and newspapers
- basic job-search or job skills training
- assistance with resume preparation, job applications and forms

- one-to-one contact with a staff member especially one who provided support and encouragement
- covering the costs of training undertaken by clients
- connections made with prospective employers
- assistance with accommodation and other difficulties, relieving the job seeker of some pressures distracting them from seeking work.

Positive comments included:

> This intensive assistance I found enormously helpful in relation to updating your resume skills … you've got a case manager who looks at all your skills … your background … they'll provide you with money for clothing … [for] attending interviews.
> (42 years, male, 1 year)
>
> You feel like someone is helping you out, somebody cares … encouragement goes a long way. (55 years, female, 0.1 years on Centrelink payments)
>
> They try to give you back your confidence by encouraging you. (55 years, female, 7 years)
>
> They're the ones who put me back on track … she rings me every fortnight to see if I need anything. If you give the unemployed the option to move up and feel good about themselves, you'll never see their face again at Centrelink. (35 years, male, 2 years)

Dissatisfaction with employment services centred on:

- service quality varying greatly between providers
- services not ringing or contacting clients
- not connecting job seekers directly with employers
- the perception that some services did little more than job seekers would normally do themselves
- not conducting an assessment of the client's strengths, weaknesses and potential
- ignoring or sidelining clients with mental health problems.

The most common complaint from dissatisfied customers was the lack of contact from the service:

> They say they're going to ring if they find anything but they don't … they never got in contact with me. (25 years, female, 7 years)
>
> They're supposed to match me up with a job … I filled out all the forms and didn't even hear one phone call from them … Hopeless, I don't know why they call it a service.
> (33 years, female, 1 year)
>
> Basically you're on your own … do it yourself! I never heard from them.
> (29 years, female, 3 years)
>
> They didn't find me a job … never called me … weren't very helpful in assisting me with my resume. (39 years, male, 1 year)

There were many suggestions about things which people believed might help them find work. These included:

- better access to training and education, including further study to upgrade qualifications and improve skills
- some arrangement to gain recent work experience in an area relevant to the person's interests
- greater assistance from governments or industry to retrain through employment subsidies such as the former 'Jobstart' scheme or similar
- more intensive assistance and targeted help for those experiencing mental illness or other disadvantages
- more staff so that more time could be spent with each client
- overcoming or dealing with personal problems such as a lack of confidence

- a more realistic approach from Centrelink in acknowledging clients' efforts to find work and understanding the difficulties many unemployed people face.

The helpfulness of the mutual obligation regime

The results reported above showed that there was a range of views about the helpfulness of each activity test requirement. Some people found most aspects of the system useful, and others the opposite, while the views of some differed markedly for individual requirements. It appeared from the qualitative data that there were two or three dimensions to these views. Many people appeared to make a distinction between administrative requirements imposed by Centrelink, the actions or attitudes of individual staff and the helpfulness of employment services.

Perceived utility scale

As described in the Methods section, we constructed a scale which reflected the perceived utility or helpfulness of the aspects of the system to which each person had been exposed. Higher scores indicated a greater degree of satisfaction.

The computed scores (expressed as a percentage) ranged from 0 (for a person who answered only two questions) to 100 (for someone who answered only one question). The mean score was 50.2, the median was 50.0 and standard deviation was 23.6. For the following analyses, those who scored for less than three questions were excluded, to reduce the possibility of bias from results of limited experience. When those who answered less than three questions were excluded (6 people), the mean was 49.4, median 50.0 and standard deviation 21.0.

There were statistically significant correlations (Spearman's rho) between many of the items included in this measure (correlation coefficients are presented in Appendix B).

People who felt they were under pressure to agree with the contents of a PFWA proposed by Centrelink staff were more likely to feel they were not able to include their own activities and were more likely to feel the PFWA was of little or no use. Those who felt they could not include their own activities in a PFWA were more likely to feel that it was not useful, and to feel that the Jobseeker Diary was of little use.

There were strong correlations between usefulness of the PFWA and the usefulness of completing fortnightly forms, Jobseeker Diary and Employer Contact Certificates. Interestingly, those who found the PFWA of little use were more likely to feel that the employment service they used was helpful. The perceived helpfulness of the employment service was strongly associated with whether the person felt that it had improved their chances of finding a job.

We examined the relationships between the utility score and other variables: time on benefits, contacts with Centrelink, age, sex, country of birth, problems experienced with payments, whether breached or not, history of homelessness, mental health problem. There was no statistically significant relationship between any of these variables and perceived utility.

We conducted an exploratory factor analysis, which suggested that there were two main dimensions to respondents' views: on the one hand, views about Centrelink and activity test requirements, and on the other, attitudes towards employment services. However the sample was probably too small to enable robust conclusions from factor analysis, so these results should be regarded as indicative only.

Barriers to employment scale

It was clear from the interviews that people experienced a range of significant barriers to employment. To further explore the relationship between barriers to employment and views about activity test requirements, we developed a scale to measure barriers to employment, as described in the Methods section above. The range of scores is shown in Table 11. Higher scores indicate greater barriers to employment. The mean score was 2.3 (s.d. 1.3).

Table 11 Barriers to employment scores

Score	Frequency	Percentage
0	4	8.9
1	9	20.0
2	14	31.1
3	8	17.8
4	8	17.8
5	2	4.4
Total	45	100.0

We examined the relationships between the barriers score and other variables: time on benefits, contacts with Centrelink, age, sex, country of birth, problems experienced with payments, whether breached or not. There was no statistically significant relationship between any of these variables and the barriers score.

The relationship between employment barriers and system helpfulness

The qualitative data suggested that there was a relationship between how useful people found the system, and the extent of personal disadvantage they experienced. We investigated this by analysing the relationship between the barriers to employment score and the perceived utility of the system (excluding those who answered less than 3 helpfulness questions).

There was a statistically significant correlation between these variables (Spearman's rho = -0.39, $p<0.05$, $n=39$), indicating that people with greater barriers to employment found the system overall to be markedly less helpful.

Correlations with the two sub-scales were not statistically significant but almost so: the correlation between the barrier score and Centrelink utility score was $r=-0.27$ ($p=0.09$, $n=39$) and between the barrier score and employment service utility was $r=-0.37$ ($p=0.08$, $n=29$).

The relationship between personal barriers and experience of activity test requirements is illustrated further below through case studies of two people with few barriers to employment and two people with numerous barriers.

Case studies: Low barriers to employment

Some people were relatively stable in terms of housing, health, and psychological state, and had generally good interpersonal communication skills. This group were able to negotiate the rules and requirements of Centrelink without great difficulty and saw the various requirements as either helpful in re-entering to the work force, or at worst an inconvenience which neither helped nor hindered job search. It was simply 'one of the things that you do'.

Case study 1: Linda

Linda[*]was a 55-year-old woman who lived with members of her family. When she was in her late 40s she gave up a job in a transport company to stay at home to look after her ailing mother. She had found it difficult to get back into work:

> I haven't got back into employment because being unemployed takes away a lot of your confidence.

---

[*] Pseudonyms have been used to protect participants' privacy.

Linda had not found the various activity test requirements particularly onerous or difficult. She had not been required to have Employer Contact Certificates signed, nor to fill out a Jobseeker Diary (they were introduced after she first received benefits). When we spoke to her she did not have to hand in continuation forms as she was participating in an Intensive Assistance program at a Job Network service. She found the employment service very helpful:

> ... they make you feel at ease and they try to … give you back your confidence by encouraging you to look for work and tell you how to approach looking for work, help you to send faxes and using the Internet …

She found Centrelink staff courteous and understanding:

> The ones that I have seen out there have been quite helpful. I've got no problem with them.

Linda had found intermittent part-time casual work through the employment service. Her main complaint was with the way her benefit was reduced after reporting her income from work:

> In the work that I'm in now, one week I could probably earn 20 hours and the next week I might work only eight … it's a pretty flexible sort of thing. What I think is if before you get your wages in your hand you've got to put it on your form and you put it down as gross wages … you can get a big whack of tax taken out and you don't get that money in your hand.
>
> Also there's another thing, that we're entitled to earn $60 per fortnight but then everything after that is [subject to withdrawal rate of] fifty cents in the dollar. It doesn't take long to add up … I'm not freeloading on wanting Centrelink to pay me or anything but surely there could be a different system.

Case study: 2 Max

Max* was a 40-year-old man who lived with his wife. He had lost his job two years ago and been on Newstart since. Max had mainly worked in manual jobs and had several occupational certificates, for example for forklift and bobcat driving. He had trained as a boiler attendant, but as he said:

> … they're normally automatic now, that trade went right out the door.

At the time he was interviewed, he was on variable reporting, which meant that he handed his continuation form in every 12 weeks. He seemed quite content with this.

Max had been ill for a few months with a hand injury which prevented him working, but he felt that Centrelink dealt with this smoothly:

> It just continued as usual. As long as you're on a medical certificate before you have to go back on Newstart … They just pay you every fortnight and that's it—you don't have to worry about it … you just get that extra five dollars a fortnight to cover your medical … it's pretty straight forward.

Similarly, he felt the Jobseeker Diary and Employer Contact Certificates were not particularly onerous. He thought the JSD helped 'quite a lot' because 'it does make you get out there and do it', and that ECCs helped a little:

> I'm used to going for work anyway, so it doesn't really … it didn't make me want to do it more … just a little bit.

Max had registered with an employment service, but soon after he commenced Intensive Assistance, he suffered his injury. He had recently recommenced IA :

> My experience wasn't too bad … they try and find you work as well, it's not just yourself looking, it's them as well. So, yeah, it does help a bit—gives you more options anyway.

He was interested in further training and was keen to pursue other trade certificates which could get him employment.

The only difficulty he had experienced with Centrelink was having his payment stopped once when he did not return a form he said he didn't receive (although Centrelink claimed to have sent it to him). Max didn't feel that Centrelink staff understood his situation very well because:

> Sometimes, well how can they understand being on the dole when they're working, giving you the dole? I mean, a lot of them haven't experienced it … so how would they know how we feel when they get their wage every fortnight or week or whatever they get? … But they're getting a wage, we're only getting an unemployment benefit, which isn't much. By the time you pay rent and food and a few bills … there's not much left.

He suggested the Centrelink staff might be more understanding if they each had to 'go on the dole for a month and see how they like it'!

Case studies: High barriers to employment

A significant number of people experienced their lives as chaotic and out of control. They moved regularly and could not find stable housing. If they had been previously employed, it was often only temporary work, usually in low-paid low-skilled jobs. They suffered from depression, feelings of worthlessness, despair and hopelessness, and sometimes had a drug or alcohol problem. During interviews, a few had great difficulty in communicating or following a train of thought.

Case study 3: Simon

Simon* was a 32-year-old man who lived alone. He had worked in a variety of casual low-paid jobs since leaving school. He had had a fairly transient existence since moving out of home at the age of 16, living in rooming houses, hostels, staying with friends and at times 'living on the streets'. He had been receiving NSA for about 8 months since his last temporary job finished. He said he suffered symptoms of mental illness:

> Associated with anxieties and things like that—being homeless, that sort of thing, because you get like muscular, um … attacks and stuff like that. It's just all associated with the altering of your perceptions and things like that, because you're sleeping in a park and the birds are waking you and a couple of guys with baseball bats are walking past … you wanna be waking up, you know?

Simon was quite happy with the way Centrelink had dealt with his illness. He had undergone a review to see if he should apply for a Disability Support Pension but been told he should stay on Newstart, a decision he felt was for the best:

> That was the basis of the review—that it's best I stay on Newstart Allowance, which I agree with. It's one of those situations where I agree with their decision … I myself have no intentions of writing myself off on a pension or anything like that … you know, I just want to get things done.

Simon had completed a PFWA, but found it was of little use in helping him think about work. He felt under a lot of pressure to concur with what was proposed in the agreement:

> Yes, not by any particular member of Centrelink staff but by the system … It will cut me off and watch me die—and laugh.

He did not find the Jobseeker Diary helpful at all, and applying for the 10 jobs per fortnight was too difficult and quite stressful:

> I think it was something like 12 [jobs] a fortnight … something like two a day or one a day or something … it was a lot. (*Did you meet the target for the number of jobs?*) No. I explained concisely, the reasons why … I was a little bit worried that I might have been

> [penalised] but sort of had an attitude like, look, that's all I can do. Just say what happened, tell the truth and if anything comes of it, you know … just got to cut it loose.

Simon's experience of employment services was mixed. He liked his current service because it was mostly 'self-serve' and they did not put too much pressure on him even though he was aware that he could be breached:

> They don't force it or anything, you don't even have to use their facilities, but then you'll have to explain to Centrelink why you aren't…

His experience with a previous provider had been much more negative. He felt they sent him for interviews for jobs which he could not do, or were too far away at the same time that his mental health was deteriorating:

> I thought it was such a joke, and fortunately that was about the time when I went and saw my doctor because it was getting to that point … But the problem was, I was sort of racing into a breakdown at the same time and Centrelink decided to stop sending me all over Melbourne and sort of demanding interviews from places like who knows where and I can't even figure out what the hell for…

Despite having a reasonably good experience with one employment service, he thought that the service had not helped at all to improve his chances of finding a job.

Simon's experience with Centrelink offices and staff had also varied considerably, from some offices he considered 'fantastic, best ever':

> That particular place I've been … I've been treated the nicest, as a person and the most human, you're on the same standing as anyone behind the desk and that's the only Centrelink office that I've ever gotten that impression …

to another office, where he felt he was treated with contempt:

> She let me fully know that 'My view of you is you're a damn junkie … that's ripping off the system and I'm going to stuff you about as much as I can'. And that was the attitude, it was just sheer distaste and sort of vile hatred. I mean, the first thought in my mind was hurling the computer at her … but that's sort of from the environment … it's a very high strung and easily potentially violent sort of environment, just the waiting room in that Centrelink.

He felt that Centrelink staff might need more training in relating to people:

> So you know, it's like what value [they place] in people … what brings them down and so I think Centrelink needs to sort of recognise that a little bit because I think some degree of the problems associated with unemployment might be relative to that (*the actual staff?*) yeah, perhaps staff training.

When asked if there was anything he wanted to add, his final comment about Centrelink was:

> No, just that they're a very long, slow process.

Case study 4: Julian

Julian* was a 42-year-old single man living in a rooming house. After studying part-time for a number of years he had gained a university degree in commerce. Then he had worked for financial and consulting companies on contracts for two years. He became unemployed when his last contract finished and was not renewed. He lived on his savings for a few weeks and had been on Newstart for around a year at the time of interview. He had been living in rooming houses for the last three years:

> I actually went first into community housing when I was a university student … So I'm still there sort of three and a half years later … and initially at Footscray it was a major

> drawback, because although the facilities that were provided there were good, the type of people who were there have all sorts of personal problems; some of them were very long-term ones, and the other major problem over at Footscray was there was an enormous amount of violence in the place.

Although he had been working, he said he did not have enough money to move into a private flat:

> Getting out of those places is probably more difficult than getting into them. So you really fairly heavily rely on getting employment to get out of them and even then—I mean, there's so many things that I need, and there's so much money that's required in relation to setting up your own flat, that seriously, you'd have to be working for at least six months before you could seriously consider getting out. There's also the monetary aspect of being on the dole and the fact that … I mean, I'm still paying off my university loans and stuff like that … it's not difficult to run out of money so you don't always eat anywhere near as well as what you should.

Julian alluded to feelings of despondency and depression as a result of his work and living situation:

> Staying at those sorts of places over a long period of time you['re] probably going to become … to some extent you're going to suffer from things like depression and those sorts of things. I mean, … I don't think you're in a particularly positive frame of mind on a day to day basis. Certainly I would say that I drink far more than I did three years ago … mentally, I'm probably not as, quite as, perhaps, positive as I was when I initially left university. But that's as much related to not obtaining interviews possibly as anything else.

He felt that his accommodation also posed some practical barriers to employment:

> There's also a lot of problems in relation to telephone calls. If you're not home, then who might answer it on the other end of the line might be off their brain, either drunk or on drugs or whatever … or even if a message is left for you, it's quite likely that it won't be passed on to you.

Julian had signed a PFWA on his last application for Newstart. He said he felt under a lot of pressure to agree and did not feel the PFWA was at all useful:

> Basically I don't see that they really serve much purpose at all. The only useful information such as your employment history which is things they recorded on the computer … but my experience of what leeway there was on the computer to really record anything in depth was pretty slim. They really couldn't record anything in depth, they've got their categories and they just tick you off… it was just basically clerical, so I found that the agreements were, basically, pretty worthless to be honest.

He had also completed a JSD. He said he had not met the target for the number of jobs:

> I wasn't always truthful because I've got to admit I found meeting that target pretty difficult, particularly when for a lot of these jobs you've got to change your resume round and there might not be ten jobs in the paper or on the Internet that you really want to apply for … just to meet the target, I was applying for jobs for which I was well over-qualified … in which case I wasn't terribly interested in any of them.

He felt that the JSD was simply a requirement to be met:

> You've got to meet the requirement … I don't think it does anything constructive in relation to getting employment.

Julian had been asked to provide Employer Contact Certificates, but rather than approaching employers directly to sign the forms, he had provided Centrelink with a copy of his job applications. When asked whether the ECCs were useful, he replied:

> My answer to that would be 'no' … I would have figured that the last thing you'd want an employer to know is that you're unemployed. You don't want them to know that because

> … your chances then are so slim of getting an interview once they know that, so I don't think those certificates help one little bit.

After three months on Newstart, Julian had been referred to an Intensive Assistance provider. He had experience with a couple of services and found them both 'enormously helpful'. He felt Centrelink was reasonably helpful, but not necessarily for everyone:

> Generally I've found them to be pretty good. I think what they want to do is make sure to their satisfaction that you seem reasonably well organised … I think if you weren't organised or didn't look well organised, then I think you would probably feel the pressure … if you were perhaps not meeting your requirements or whatever … I think if you've got a university qualification, I think they accept the fact that you're going to be pretty well organised.

Julian clearly identified aspects of the system which he found helpful or unhelpful:

> I mean the only other thing, as I said, is I have found that the requirements I have had to meet in order to retain my payments—and I'm talking about the ordinary, mundane requirements, such as your fortnightly form and your Jobseekers Diary—I've found them not in the slightest bit helpful in relation to gaining employment. Although, I will say the job search training and the intensive assistance have been greatly helpful.

Consequences of substantial employment barriers

People with substantial employment barriers were disconnected from the labour market and often from the broader community, but preoccupied with Centrelink and its rules structure. Meeting obligations posed great difficulties and absorbed a significant amount of time and emotional energy. This group tended to regard both administrative and activity test requirements as an unfortunate necessity: they met the requirements simply in order to get paid, but did not perceive them as helping them find work. In essence they were literally 'working for the dole'.

Discussion

Barriers to employment

The people interviewed in this study could be considered very disadvantaged in the labour market. They had been on benefits for an average of two and a half years, and most had a history of homelessness, physical and mental health problems and/or drug use. Many had limited formal qualifications but spoke of their desire to find work and the demoralisation associated with long-term unemployment. Our results suggest that people distinguish between three different aspects of the Australian mutual obligation regime; activity test requirements, Centrelink staff and processes, and employment services.

Activity test requirements

The process for dealing with temporary illness functioned fairly smoothly for the majority of those interviewed and most people were happy with it. However, for a substantial minority, especially those with mental health problems or a combination of conditions, the system was complex, confusing and often highly stressful. This group often experienced difficulty with meeting deadlines for forms, remembering appointments, chasing up various forms from doctors and experienced problems with payments.

Overall, just over half those who completed a PFWA felt that it was useful, mainly by making clear the range of requirements they were expected to meet. However, a majority felt they did not have a chance to include activities of their choice and a similar proportion felt under pressure to agree to whatever the Centrelink staff member proposed. Those who felt more able to include their own activities thought the process was more useful.

Most people commented that the administration of PFWA did not provide much scope to respond to their own needs or goals. The 'computer-driven' method by which the agreement is filled out tended to be formulaic, there was little capacity to record more detailed information, and Centrelink staff did not spend much time in discussion of aims or needs. The process of completing a PFWA clearly does not currently assist in goal setting. These findings mirror those of Considine (2001) who found that PFWAs and similar contracts used overseas were rarely based on a person's preferences and seldom aimed to improve substantive skills or address major job barriers.

Continuation forms were clearly seen by job seekers as a mechanism for demonstrating compliance with job search requirements and of little help in themselves. It was also clear that people sometimes wrote down jobs, even if they were not really interested in them, simply to complete the requirements.

Just over half of those who had been given a Jobseeker Diary felt it was primarily a bureaucratic requirement rather than a source of assistance. Job seekers often found the diaries frustrating and annoying. The minority who felt they were useful cited help with time management (such as keeping track of appointments) and in a few cases, believed that a diary did motivate them to keep looking for work.

The survey of FACS clients (Wallis Consulting 2001) showed that, of those exposed to Jobseeker Diaries, 88 per cent agreed that it helped them keep track of the jobs they had applied for, and about a quarter stated that they were more active in their job search than they would otherwise be. This higher rating of helpfulness from the FACS survey may reflect the attitudes of a different client group to the present study: it was a sample of all job seekers, whereas our study includes mainly the most disadvantaged.

The FACS survey found that more than half felt that filling in the JSD was depressing since it reminded them of how many knock-backs they had received. The present research produced similar results. We found that people applied for jobs to be included in the diary mainly to meet requirements, supporting the earlier conclusion that:

> Survey findings also suggest, however, that there is a degree of 'low commitment' job search, with some people applying for unsuitable jobs solely for compliance purposes. (Wallis Consulting, 2001, p. iv)

Employer Contact Certificates were not seen as helpful at all by those who had been required to have them completed. The majority suggested that having employers sign an ECC was counterproductive, as employers were less likely to hire someone who was currently unemployed. A few commented that they would not ask employers to sign one if they were applying for a job they really wanted, again echoing the findings of previous research (Tann & Sawyers 2001; Wallis Consulting 2001).

Some people experienced difficulties in getting employers to sign an ECC if they did not get an interview. This was more of a problem for people applying for jobs over the phone than it was for those sending written applications, since written applications could be substituted for the signed certificates.

Since only two interviewees had participated in Work for the Dole, it is not possible to draw any significant conclusions about the program, although both participants felt it had not helped at all in finding work. A large proportion of people referred to Work for the Dole did not attend, mostly because they had been exempted for health reasons.

Just over a quarter of the present sample had been breached over the previous year (2001–02). This may reflect the incidence of breaching in the population: the Commonwealth Ombudsman (2002) reported that the proportion of unemployment allowance recipients breached had risen from 11 per cent in 1998–99 to 18 per cent in 2000–01. The FACS survey conducted in 2001 found that almost 10 per cent of that sample had experienced an activity test breach in the preceding six months (Wallis Consulting 2001). However since the number of breaches overall started to decline in 2001–02, the higher proportion of those breached in our study is probably relates to their higher levels of disadvantage and greater difficulty with complying with requirements.

The FACS survey found that more than half those who had been breached 'did not feel like Centrelink were interested in their side of the story' (Wallis Consulting 2001, p. 62): certainly many of the people breached in our study expressed similar views.

Breach penalties caused severe financial hardship for those who had incurred them, and for their families. People had to turn to family and welfare agencies to survive, or go into debt. As well as the financial difficulty, interviewees spoke of the experience as being extremely stressful and frustrating. Three-quarters felt that the penalties were too harsh.

Some people expressed a desire to move to disability support pension or to be exempted long-term from activity test requirements due to illness. Sometimes this was accompanied by a sense of being caught in the limbo of long-term unemployment, with continued pressure from Centrelink to search for work but with little prospect of actually finding secure employment. In such cases, people believed that a change in classification would result in different and more appropriate supports being made available. Interestingly most expressed a continued desire to work, but had little hope that this would eventuate.

Centrelink staff and processes

There was a considerable range in the frequency of contact with Centrelink—from once every three months to twice a week. Most people were reluctant to contact Centrelink by phone, citing long waiting times, and some expressed the view that phone conversations could not be trusted. Several people also commented on the number of 'computer-generated' letters they received, often for what they felt were trivial reasons such as returning a form a day late.

The people we interviewed distinguished between the Centrelink organisation which applies 'the rules' and the characteristics of many Centrelink staff. Most felt that Centrelink staff were understanding and helpful although this varied between individuals and between offices. People observed that Centrelink staff had a very difficult job dealing with a large number of clients and that problems were often due to systems and rules rather than staff.

Those who felt Centrelink staff were less understanding commented on the rule-driven approach of some staff and negative attitudes towards job seekers, particularly those with mental health and drug problems. Several people commented that job seekers who are better organised experience less problems. Despite interviewees having generally positive attitudes towards Centrelink staff, almost two-thirds believed that Centrelink staff should understand them better. The most common suggestions for improvement were:

- that Centrelink staff needed a better understanding of the problems associated with long-term unemployment such as stress, depression and low self-esteem
- that service delivery should be more personalised and less rule-driven and that staff needed a better awareness of individual needs
- that emergency payments need to be readily available when problems with payments occur regardless of the cause
- Centrelink should introduce a process such as case management of all clients to enable people to deal with the same (one or two) staff members each time they contact the office.

Employment services

A majority of job seekers (around 60 per cent) found employment services helpful and a similar proportion thought the service improved their job prospects, although many also suggested they had been to some which 'did nothing'. The FACS client survey found that 74 per cent of those who had had some contact with an Intensive Assistance provider believed that Intensive Assistance improved their chances of getting a job (Wallis Consulting 2001). These results are closer to our results than those for the attitudes to activity test requirements, possibly because the group who had used IA services was more similar to the people we interviewed.

It appeared that many people were not aware of the distinction between the Job Matching and Intensive Assistance services offered by Job Network providers, and it was often not clear from the interviews which of these an individual had used.

The most useful aspects of employment service provision were:

- personal support and encouragement
- access to equipment (such as faxes and computers)
- assistance with applications and resumes
- assistance in upgrading skills through better access to training.

An important general issue often mentioned by satisfied job seekers was that the service gave them the sense that they were not alone in their job search efforts, but had someone else 'looking out' for them.

Those dissatisfied with employment services had often had little personal contact with the service. We did not ask whether interviewees had attended an Intensive Assistance provider or not. It is possible that some of these may have been registered with a provider but did not participate in

Intensive Assistance, but given the length of time most people had been receiving benefits, this seems unlikely.

The assistance sought from employment services by job seekers can be divided into two broad categories. On the one hand, some job seekers sought direction or guidance but were quite happy to do things for themselves, perhaps with some encouragement. This might be called the ‘travel agent’ role for the service provider. Other job seekers wanted services to provide much more direct and practical assistance, such as making contacts with employers on their behalf, or providing direct contacts to employers, as well as help to go about job seeking themselves—to act more like a ‘tour guide’. This group were less confident, and more likely to feel that they had received no help at all.

There were various suggestions for assistance which participants felt could improve their chances of finding work. Those most commonly mentioned were improved access to training and education, some arrangement to gain recent work experience in a relevant area and more intensive support for those experiencing personal difficulties, especially mental health problems.

Helpfulness of the mutual obligation regime

While perceptions about the overall mutual obligation regime varied, those with the greatest barriers to employment felt the system was least helpful. People with substantial barriers to employment, at the same time as managing other difficulties in their lives, were so engaged in meeting their requirements, that these seemed to have replaced actual job search activities. Requirements were experienced only as an annoyance, not an aid. Many people in this situation expressed great dissatisfaction with, even hostility towards, Centrelink.

These findings need to be placed in context of the current labour market. There is a deficiency of about one million full-time jobs (the gap between the number seeking these positions and the number of vacancies) (Brotherhood of St Laurence 2002). The opportunities for those that have relatively low skills are fewer and often restricted to work which is more precarious; intermittent, unpredictable or casual. In addition this work tends to be low-paid and to have poor conditions (Le and Miller 1999).

Personal experiences such as a history of transient housing, fragmented family life and relationships, physical and untreated mental health problems, and drug and alcohol issues pose additional barriers for long-term unemployed people. Employers see this group as having poor interpersonal or organisational abilities—skills increasingly sought in the labour force—which, combined with a lack of recent work experience, mean they are less likely to be hired for those jobs which are available. Thus repeated rejection for job applications reinforces the person’s experience of failure and feelings of inadequacy and despair.

Under the current arrangements, people are required to undertake activities which, in theory, lead to a job, but their experience, instead, is of repeated failure. While the activities themselves do not lead to employment, they must be carried out in order to maintain an income. So the main focus is to meet the requirements, and the connection between these and employment is at best tenuous, and for many, non-existent.

This is not to suggest that the answer is to give up the search for work. Indeed most people interviewed still had an overwhelming desire to work. However, even when these job seekers do get work, it is often temporary and poorly paid. It neither raises their incomes sufficiently to get off benefits, nor provides a pathway into more secure, well-paid work. Recent research suggests that this is a problem internationally, not just in Australia (Richardson 2003).

Study strengths and limitations

This study was exploratory in nature, and included a fairly small sample which was recruited opportunistically. One major strength of the study was that by conducting face-to-face interviews, we were able to explore experiences and attitudes in significant detail. For such an approach, a sample of 45 is quite substantial. This, and the fact that we combined qualitative and quantitative analyses which showed similar results, means our findings have a high degree of validity. Our results are also consistent with those of other research which have pointed out the limitations of current policy (e.g Parkinson & Horn 2002; Department of Employment and Workplace Relations 2002; ACOSS 2003).

The measures of 'utility' and 'barriers to employment' were both fairly simple, and we did not have independent assessment of their validity and reliability. More sophisticated versions of each scale could be developed: for example the utility scale suggested two or three main factors which could be explored more fully: activity test requirements, Centrelink staff characteristics, Job Network and other services. Although they might have provided another view of job seekers' barriers (and how Centrelink assesses them) we did not have access to Job Seeker Classification Index (JSCI) scores for job seekers in this study. Although our scale included some of the same items, the JSCI score has been extensively evaluated and reviewed (Department of Employment, Workplace Relations and Small Business 1998). On the other hand, the validity of the JSCI for at least homeless job seekers is questionable due to limitations in the assessment processes used to collect the data (Parkinson & Horn 2002). It is likely that our measure, since it was based on much more detailed information, is a good indicator of labour market disadvantage based on the areas we explored.

In order to examine the extent to which the findings of this study can be generalised, future research could be conducted with a larger sample, perhaps randomly selected from Centrelink or FaCS records. A more sophisticated utility scale could be developed, possibly including more items such as other activity test requirements and an expansion of the idea of 'utility' or 'helpfulness'. This could include the perceived difficulty of complying with each as well as its helpfulness.

A useful approach would be to include the same questions used to generate JSCI scores as a measure of labour market barriers, and Centrelink administrative data. This would allow examination of the relationship between perceived helpfulness, barriers to employment and number and nature of contacts with Centrelink. This might provide pointers to efficiency benefits (as well as greater effectiveness) from targeting particular job seekers for reduced requirements and enhanced support.

Australia compared with other OECD countries

Australia's employment assistance arrangements are among the most radical in the OECD. No other country has so large a one-stop-shop (as Centrelink) to act as a single window for all forms of income support, nor so complex a multi-agency arrangement (as the Job Network model) for contractors to deliver job matching and intensive assistance. Underpinning these radical administrative arrangements is a unique version of the more general approach to active labour market programs (ALMPs) seen in many countries.

In the Australian case we see many aspects of the US model in which access to assistance is made more and more contingent upon the recipient successfully responding to administrative demands by the state or its agents. In Australia this new compliance regime includes interviews, fortnightly attendance, agreements, responses to written requests for information and the collection of certificates from prospective employers. In the case of those receiving other benefits such as supporting parents or housing assistance the compliance demands also include furnishing information about partners, former partners, children's parents and the like.

Broadly, what distinguishes the Australian from the typical (state-based) US system is that Australia has less draconian rules for eligibility to receive income support, but more numerous passive bureaucratic requirements for maintaining such assistance—passive in the sense that they often do not relate to any increase in job readiness. The flip-side of this characterisation is that while many US states offer such things as childcare, education and transportation assistance to those actively seeking work, in Australia these are generally outside the remit of the employment assistance agency.

If we look in the other direction, the Australian system also appears less oriented to the needs of disadvantaged job seekers than many of the European systems. The lack of anything beyond minimal income support and the weak integration of employment services with other social assistance (training, health and housing being the best examples) sets the Australian case apart from the UK, Netherlands, Denmark and Germany where reforms have emphasised the need to address the ‘barriers’ faced by those more ‘distant’ from the labour market.

Implications for policy

Contrary to the aims underlying active labour market policy outlined in the introduction, the emphasis on compulsion in the Australian mutual obligation regime appears to generate avoidance and resentment amongst those who most need assistance. While people may comply, these requirements are not a means to finding work, but a necessity for remaining eligible for benefits.

Current policy places Centrelink as the centre of the support system, and the first point where job seekers will turn for assistance. This aim is undermined, even contradicted, by the emphasis on compulsory requirements and punishment. There is little evidence of a personalised approach in Centrelink; in contrast, it appears that current administrative systems lead to a standardised specification of requirements for most job seekers.

Assessment of job seekers’ needs and barriers to employment is now a crucial aspect of the Centrelink role, but the evidence from this study and that by Parkinson & Horn (2002) suggests that current assessment processes are inadequate. The formulaic and computerised approach to some potentially useful activities such as Preparing for Work Agreements means these are little more than formalities. Poor attitudes on the part of some Centrelink staff towards people with mental health or drug problems, and the lack of privacy in interviews, exacerbates an understandable reticence to disclose these problems. As Parkinson & Horn (2002) showed, current assessment procedures mean that personal problems are often not recorded by Centrelink and that exemptions are not provided to those who should receive them.

A different approach to assessment is required. Interviews to assess labour market barriers should be conducted separately from the initial claim interview which is primarily to collect basic information for the application process and to assess entitlement to benefits. Interviews need to be less formal, and conducted face to face away from a computer. Since trust is an important aspect of disclosure, establishing rapport and engagement are central. This requires more time than is currently available for individual interviews, and may also need more than one interview. Sharing information with community agencies with which the client already has a relationship (with the client’s consent) is another option which we believe is being investigated by Centrelink.

Applications for benefits are currently completed by a Centrelink service officer (CSO) entering data directly onto a computer, based on an applicant’s verbal responses to questions. There is no requirement for people to complete a written application form. This is a positive initiative since applicants with literacy problems are not disadvantaged, but it does make it harder to identify those people for whom writing is a problem, especially if the client does not think it is relevant or is embarrassed to disclose this information. An assessment component which involved applicants having to write a brief statement may help to identify literacy issues earlier in the process.

It is probably not necessary for all applicants for unemployment payments to undergo this more extensive assessment process, since many have few barriers and will find work without a great deal of assistance. It would be useful for Centrelink to investigate some form of ‘triage’ to identify those for whom more assessment time is required. While this is obviously easier said than done, length of benefit history and number of previous spells on benefits should give some indication of needs.

The introduction of Personal Advisers to Centrelink to provide more personalised assistance may be of some benefit. Currently, however, PAs are not generally available to long-term unemployed people and with estimated caseloads of around 700, it is unlikely they will be able to provide anything like intensive support or even act as a single point of contact for their client group.

People with significant personal problems can currently be exempted from activity test requirements, and many would be eligible for the Personal Support Program (PSP). These two strategies are beneficial to the extent to that they 'take the pressure off' vulnerable people to conform with often onerous obligations, and provide them with personal support.

Some rethinking about the number and range of requirements is necessary. In theory, requirements can be tailored to an individual, based on an assessment of his or her capacity. However, current assessment instruments and processes are imperfect for the reasons discussed above. There is always some doubt about the accuracy of measuring a person's abilities, and assessing what activities they should be required to undertake. As Mead (1997) argued, policies which increase the obligations of recipients also increase the risk that harm will be caused by imposing requirements on those who cannot meet them. A fundamental principle of ALMP should be 'do no harm'. here is a strong argument to moderate the range of obligations in order to ensure that the most vulnerable are not inadvertently penalised.

An evaluation of the Community Support Fund (the precursor to the PSP) found that clients appreciated the support and encouragement provided by staff, and the voluntary nature of the program (MacDonald 2000). Anecdotally, staff of the PSP program suggest that some clients are initially resistant to participating as they feel they are being compelled to attend. At present, attendance is voluntary, and clients are more interested and motivated when they understand this. Recently passed legislation which will make PSP attendance compulsory as part of the 'mutual obligation' menu may jeopardise the effectiveness of the program.

Due to the length of time most of the people in our sample had been unemployed, their lack of recent work experience was a major employment barrier. The absence of paid work experience programs is a striking gap in the menu of programs offered to this group in Australia, compared to countries such as Denmark, the Netherlands, and the UK, all of which have lower unemployment rates (Layard & Nickell 2003).

The results of this study suggest the need to address related issues such as housing and other significant personal or health issues for many people. The assumption that these issues can be dealt with sequentially seems to underlie current policy responses (e.g. first deal with self-esteem and depression, then find affordable accommodation, then find a job). However these issues are mutually reinforcing and none can be dealt with effectively in isolation. In addition, the resources available to individual programs are inadequate to provide the intensity of support required (for example, subsidising private rental for a period of time, or funding work experience).

A potentially useful way forward, similar to that outlined in a Hanover Welfare Services report (Hanover Welfare Services 2003), would be to develop a program which could overcome the limitations of current arrangements by providing:

- access to stable and affordable accommodation for the period of the program
- pre-work program to build self-esteem, encouragement and motivation
- access to personal, health and social support services
- substantial work experience placement
- access to structured training resulting in a recognised qualification

- assistance to transfer to a job vacancy at the end of the training/work experience phase
- post-placement support.

Such a program may well need to operate for three years or more. A case management approach would be needed to ensure that these activities are well linked and coordinated. PSP might play this role if better resourced, but the model requires additional resources especially for work experience and subsidised housing, and possibly health services.

There are two models of case management widely used and evaluated in mental health which seem relevant. The first is the more well known ‘hub and spokes’ model in which one case manager is responsible for conducting needs assessment, developing individual plans and coordinating care provided by a range of different services. In the mental health system, these programs often have caseloads of 30–40 per case manager. The second model, ‘assertive community treatment’ (ACT), is more intensive (with caseloads around 15), operates with a team of two or more staff for each client, and tends to provide assistance from within the program rather than by linking with other services. A comparison of these models shows that the latter is more effective for those with greater level of disability (Ziguras & Stuart 2000).

An ACT-type model may be more effective also for the most disadvantaged job seekers. It is closer to the ‘travel guide’ model of assistance desired by people with the greatest barriers in this study, in that it allows more staff time to be spent with individuals in direct assistance rather than referral to other services. It could be funded by a new funding stream or by combining the resources from several current programs including PSP, Intensive Assistance and JPET. As well as being more effective than the current arrangements, this model could be more efficient by better targeting resources, reducing Centrelink staff time spent with this group, and over the long run, by reducing transfer payments if participants find paid employment. The evidence suggests that the introduction of this model in mental health services has been effective in reducing hospitalisation of clients, thereby reducing the cost of services overall (Ziguras & Stuart 2000).

Conclusion

This study aimed to better understand disadvantaged job seekers' experiences of the new world of activities and compliance. We were particularly interested in their sense of the usefulness of different activity test requirements and opportunities.

Perceptions about Centrelink, activity test obligations and employment services varied. Some aspects of the system seemed reasonably responsive to individual needs. For example, people who gain an exemption from activity testing due to illness were generally happy with this, although those with mental health problems were less satisfied. Similarly some people found requirements to be a source of motivation to keep looking for work.

We found, though, that those job seekers with the greatest barriers to employment felt the system to be least helpful. People with substantial barriers to employment, at the same time as managing other difficulties in their lives, were so engaged in meeting their requirements, that these seemed to have replaced actual job search activities. Many people in this situation expressed great dissatisfaction, even hostility, with Centrelink.

Combined with the results of other research cited above, the results of this study suggest that current version of active labour market policy in Australia, the mutual obligation regime, is failing the most disadvantaged job seekers. Overall, the system operates for many disadvantaged job seekers not as 'welfare to work' but 'welfare as work'. More effective policy would:

- place more emphasis on personal engagement and fostering individual's own goals rather than simply compliance with requirements
- devote more attention to the barriers to employment experienced by disadvantaged job seekers through better assessment processes at Centrelink and training for Centrelink staff
- address the lack of rewards for undertaking some forms of paid employment
- provide more resources to programs which target disadvantaged job seekers, to enable better access to training, work experience and personal support
- acknowledge that while there is a structural shortfall in jobs, those least able to compete will always be at risk of unemployment.

A possible future direction would be to explore a new program model which combines personal support, access to health or mental health services, assistance with housing and greater employment support. Given the often intractable difficulties which confront long-term unemployed people, more intensive support over a reasonably long time frame is necessary.

Appendix A: Interview schedule

ID _______

Interviewer's name ____________________

Date __________

THE EXPERIENCES OF PEOPLE RECEIVING CENTRELINK PAYMENTS

NEWSTART AND YOUTH ALLOWANCE

This research project is being carried out by the St Vincent de Paul Society and the Brotherhood of St Laurence.

The purpose of the research is to understand the experiences of people who are receiving payments from Centrelink.

We will use the research to suggest how the social security system could be improved.

The study is confidential and no one we have interviewed will be identified in anything we write.

I would like to tape the interview so we don't miss anything you say. The tape will be wiped after we check our written notes against it. Are you happy to have the interview taped?	Yes No	☐ ☐	1 2
Do you have any questions before we start? **If Yes record question and answer**	Yes No	☐ ☐	1 2

____
____
____
____
____
____
____

For more information about the study, please contact:

Stephen Ziguras at the Brotherhood of St Laurence, ph: 9483 1316

A. CENTRELINK PAYMENTS

1. I'll start with a couple of questions about your payment. What type of payment do you get from Centrelink?

Newstart ☐ 1
Youth Allowance (unemployed) ☐ 2
Youth Allowance (student) ☐ 3
Other (specify)… ☐ 4
____

2. When did you start getting that? ___________________________

3. Can you tell me a bit about how you came to be on that (*including previous periods on this or another benefit*)?

____
____
____
____
____
____

4. On average, how often do you have to go into the Centrelink office for something to do with your payments? (*no. per month*) _____________

5. What sorts of things do you have to go in for?

____
____
____
____
____
____

6. On average, how often do you have to ring up Centrelink for something to do with your payments? (*no. per month*) _________________

7. What sorts of things do you have to ring up for?

____
____
____
____
____
____

8. On average, how often do you get letters from Centrelink for something to do with your payments? *(no. per month)* _________________

9. What sorts of things are the letters about?

____
____
____
____
____

B. MEDICAL CERTIFICATES

10. Have you been ill while you have been receiving Newstart? I**f No, got to C. PREPARING FOR WORK AGREEMENTS on p. 3**

Yes ☐ 1
No ☐ 2
Not applicable ☐ 3

11. Did you get a medical certificate?

Yes ☐ 1
No ☐ 2
Not applicable ☐ 3

12. What happened with your payment?

13. Were you happy with the way your illness was considered by Centrelink?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Can't remember ☐ 5

14. Do you have any comments about that?

C. PREPARING FOR WORK AGREEMENT

15. Do you remember having to sign an agreement before you could get your payments? (*Not an application form*) .**If person seems unsure** A Preparing for Work Agreement is a document which sets out your responsibilities, and what activities you will do. Did you have to sign one of these? **If No or Not sure, go to D. FORTNIGHTLY FORMS on p. 4**

Yes (unprompted) ☐ 1
Yes (after prompt) ☐ 2
No ☐ 3
Not sure ☐ 4
Not applicable ☐ 5

16. Can you tell me what was in it and what you agreed that you would do?

____
____
____
____

17. Did you get a copy?

Yes ☐ 1
No ☐ 2
Not sure ☐ 3
Not applicable ☐ 4

18. Do you remember what you talked about with the Centrelink person before you signed it?

Yes ☐ 1
No ☐ 2
Not applicable ☐ 3

18a. **If Yes,** what did you talk about?

____
____
____
____

19. Did you have a chance to include activities you wanted in the agreement (*such as training or voluntary work experience*)?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Can't remember ☐ 5

20. Did you feel under pressure to agree with what the Centrelink staff member said?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Can't remember ☐ 5

21. Did you find that having to sign this agreement helped you think about what you need to do to find a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Can't remember ☐ 5

22. Do you have any comments about these agreements?

____
____
____
____
____

D. FORTNIGHTLY FORMS

23. At the moment, do you have to put in a form each fortnight saying what jobs you have applied for? **If Can't remember or Don't know, go to E. JOB SEEKERS DIARY on p. 5**

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4

23a. **If No** Do you know why that is? **Then go to E. JOB SEEKERS DIARY on p. 5**

____
____
____
____
____

24. How many jobs do you have to apply for each fortnight? ____________

25. Do you think this number is:

Too many? ☐ 1
About right? ☐ 2
Not enough? ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

26. Do you find that having to put this form in helps you think about what you need to do to find a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don't know ☐ 5

26a. **If Yes (a lot or a fair bit)** In what way?

____
____
____
____
____
____

27. How often do you meet the target for the number of jobs?

Always ☐ 1
Most of the time ☐ 2
Occasionally ☐ 3
Never ☐ 4
Don't know ☐ 5

28. If you don't meet the target sometimes, what do you do?

____
____
____
____
____
____

E. JOB SEEKERS DIARY

29. When you first applied for Newstart, were you given a diary or booklet which you had to fill in? **If person seems unsure** A job seeker's diary is given to people when they go on Newstart. You have to record details of what jobs you have applied for. Did you have to fill one of these out?
If No or Can't remember go to F. EMPLOYER CONTACT CERTIFICATES on p. 6

Yes (unprompted) ☐ 1
Yes (after prompt) ☐ 2
No ☐ 3
Can't remember ☐ 4

Not applicable ☐ 5

30. How many jobs did you have to write in? ____________________

31. Did you meet the target for the number of jobs?

Yes ☐ 1
No ☐ 2
Not sure ☐ 3
Not applicable ☐ 4

31a. **If No or Not sure** What did you do?

____
____
____
____
____
____

32. Did you find that having to fill this diary in helped you think about what you need to do to find a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don't know ☐ 5

32a. **If Yes (a lot or a fair bit)** How did this help?

____
____
____
____
____
____

32b. **If No (not much or not at all)** Why not?

____
____
____
____
____
____

F. EMPLOYER CONTACT CERTIFICATES

33. Over the last year, have you been asked to get employers to sign a form saying you applied for a job? **If No, Can't remember or Don't know, go to G. EMPLOYMENT SERVICES on p. 7**

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

34. What was your experience like with these forms?

____
____
____
____
____
____

35. Did you have any trouble getting employers to sign these forms?

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

35a. **If Yes** What trouble did you have?

____
____
____
____
____
____

36. Did you find that having to get employers to sign these forms helped you think about what you need to do to find a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don't know ☐ 5
Not applicable ☐ 6

36a. **If Yes (a lot or a fair bit)** How did they help?

____
____
____
____
____
____

36b. **If No (Not much or not at all)** Why not?

____
____
____
____
____
____

G EMPLOYMENT SERVICES

37. Have you had to register with an employment agency (*such as the Bridge program*)?
If No, Can't remember or Don't know, go to H. WORK FOR THE DOLE on p. 8

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

38. What was your experience like with the service you were referred to?

____
____
____
____
____
____

39. Did you find the service helpful?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don't know ☐ 5
Not applicable ☐ 6

39a. **If Yes (a lot or a fair bit)** How was it helpful?

____
____
____
____
____

39b. **If No (not much or not at all)** Why wasn't it helpful?

____
____
____
____
____

40. Do you think going to the job service improved your chances of finding a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don't know ☐ 5
Not applicable ☐ 6

41. Is there anything else that you think might help you get a job (*e.g. training*)?

____
____
____
____
____
____

H. WORK FOR THE DOLE

42. Have you ever been referred to Work for the Dole (*e.g. by a Centrelink person or by letter*)? **If No, Can’t remember or Don’t know, go to I. PROBLEMS WITH PAYMENTS on p. 9**

Yes ☐ 1
No ☐ 2
Can’t remember ☐ 3
Don’t know ☐ 4
Not applicable ☐ 5

43. Did you go?

Yes ☐ 1
No ☐ 2
Can’t remember ☐ 3
Not applicable ☐ 5

43a. **If No** Why not? **Then go to I. PROBLEMS WITH PAYMENTS on p. 9**

44. What was Work for the Dole like?

45. Do you think going on Work for the Dole made any difference to finding a job?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don’t know ☐ 5
Not applicable ☐ 6

45a. **If Yes (a lot or a fair bit)** In what way?

45b. **If No (not much or not at all)** Why not?

I. PROBLEMS WITH PAYMENTS

46. Over the last year, have you had any problems getting your payments? **If person mentions having their payment stopped or reduced, say** I’ll ask you about that in a minute. Have you had any other problems?

If No, Can’t remember or Don’t know, go to J. BREACHES AND APPEALS on p. 10

Yes	☐	1
No	☐	2
Can’t remember	☐	3
Don’t know	☐	4
Not applicable	☐	5

47. Can you tell me what happened?

____
____
____
____
____
____

48. What did you have to do to fix the problem?

____
____
____
____
____
____

49. Did you find that the Centrelink staff were helpful in sorting out the problem?

Yes, a lot	☐	1
Yes, a fair bit	☐	2
No, not much	☐	3
No, not at all	☐	4
Don’t know	☐	5
Not applicable	☐	6

49a. **If Yes (A lot or a fair bit)** How did they help?

____
____
____
____
____
____

49b. **If No (not much or not at all)** What could they have done to be more helpful?

____
____
____
____
____
____

J. BREACHES AND APPEALS

50. Over the last year, have you had your payments reduced or stopped because you were breached? **If No, Can't remember or Don't know, go to K. UNDERSTANDING YOUR SITUATION on p. 11**

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

51. Can you tell me what happened?

52. How much money did you lose each fortnight? ______________

53. Do you think that losing this amount was:

Too much? ☐ 1
About right? ☐ 2
Too little? ☐ 3
Don't know ☐ 4

54. How did you cope with losing that money?

55. Did this affect anyone else apart from you, such as your partner or kids?

Yes ☐ 1
No ☐ 2
Can't remember ☐ 3
Don't know ☐ 4
Not applicable ☐ 5

55a. **If Yes** Who else did it affect? _______________________________

55b. How did it affect them?

K. UNDERSTANDING YOUR SITUATION

56. We’ve talked about quite a lot of things to do with Centrelink. Overall, do you think the staff at the Centrelink office understand your situation?

Yes, a lot ☐ 1
Yes, a fair bit ☐ 2
No, not much ☐ 3
No, not at all ☐ 4
Don’t know ☐ 5
Not applicable ☐ 6

56a. **If Yes (a lot or a fair bit)** What makes you think that?

____
____
____
____
____
____

56b. **If No (not much or not at all)** What are the things they don’t understand about your situation?

____
____
____
____
____
____

57. Do you think they need to understand you better?

Yes ☐ 1
No ☐ 2
Don’t know ☐ 3
Not applicable ☐ 4

57a. **If Yes** What things do they need to understand?

____
____
____
____
____
____

L. IN-DEPTH QUESTIONS

58. Can I ask you a few more questions about yourself? I’m interested in how other things going on in your life might affect your Centrelink payments.

Where have you been living over the last couple of years? *(How often have you moved? Why?)* **If person has had housing problems, explore how this has affected their capacity to work or look for work, and their Centrelink payments.**

59. How has your health been? Have you had any health concerns? *(Have you had to see a doctor? Has anything been worrying you about your health?)*
If person has had health problems, explore how this has affected their capacity to work or look for work, and their Centrelink payments.

60. Some people have issues or barriers that aren’t obvious which make it harder for them to work or look for work. For example, sometimes we see people who have issues with alcohol or drugs, or mental health issues. And some people can’t read or write very well. Is there anything like this that affects you? **Explore how these problems have affected their capacity to work or look for work, and their Centrelink payments.**

61. Well that’s almost it. Is there anything else you’d like to add about your experience with Centrelink?

M. DEMOGRAPHIC DETAILS

62. I just need to get a couple of details about you. Can you tell me how old you are? Years of age ____

63. What country were you born in? ___________________

64. Sex
Male ☐ 1
Female ☐ 2

65. Can you tell me who else you live with? *(tick as many as apply)*
Lives alone ☐ 1
With partner ☐ 2
With children… ☐ 3
Number of children _______
Parents ☐ 4
Other family members ☐ 5
Others (not family) ☐ 6

Thank you very much for your time
Get person to sign consent form and pay them

66. Interviewer's comments or observations *(if any)*
____
____
____
____
____
____
____

Appendix B: Activity test helpfulness correlations

Correlations between helpfulness of mutual obligation requirements

	PFWA included own activities?	Under pressure to agree with PFWA?	PFWA useful?	Continuation forms useful?	Jobseeker Diary useful?	Employer Contact Certificates useful?	Employment service helpful?	Employment service improved job prospects?	Did Centrelink staff understand?	Happy with how Centrelink dealt with illness?
PFWA included own activities?										
Under pressure to agree with PFWA?	-0.47*									
PFWA useful?	0.48*	-0.47*								
Continuation forms useful?			0.83**							
Jobseeker Diary useful?	0.72**		0.52*							
Employer Contact Certificates useful?			0.67*		0.84**					
Employment service helpful?			-0.45*							
Employment service improved job prospects?							0.71**			
Did Centrelink staff understand?										
Happy with how Centrelink dealt with illness?										

Spearman's rho, only statistically significant correlations shown
* p<0.05 ** p<0.01

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