



22 February 2008

Hon Brendan O'Connor MP
Minister for Employment Participation
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister

**REVIEW INTO THE EFFECTIVENESS OF GOVERNMENT PURCHASED
EMPLOYMENT SERVICES**

I am writing to reply to your letter to the National Retail Association (NRA) seeking input into the review of employment services. I apologize for the delay in responding.

As you are aware the retail industry is the largest employer of people in Australia. As a result of strong economic growth over recent years, the industry is experiencing significant labour and skills shortages across Australia. The NRA is actively involved in assisting our members to explore alternative labour supply pools.

This has involved undertaking a range of projects with both Federal and State Governments including training for disadvantaged job seekers (including indigenous persons, people with disabilities, muslims, mature aged persons, women returning to the workforce, disadvantaged youth and migrants), and reforms to the national training system including the development of a Proud to be Retail promotional scheme for the industry, development of a recruitment tool featuring a framework of personal attributes relevant to employability skills, and the development of training programs for middle managers in selected areas. An outline of NRA services is enclosed as Attachment A.

NRA has had mixed success with the projects undertaken in partnership with your Department and the Job Network. Some barriers to our potential success have included the lack of availability of candidates when work is available, no interest from providers to commit to nationally recognized training which is the most important entry level pathway for the industry, the limited use of the Job Seeker Account for non accredited training which does not articulate to formal training recognized by employers, problems with the quality and amount of referrals overall, and the desire for providers to secure advanced commitment for employment prior to formal pre-employment training activity.

Our overall experiences across Australia are:

- Some Job Network Members (JNMs) are quite proactive and supportive, have identified job seeker problems and are willing to assist, but the level of support or co-operation varies from case manager to case manager. While some good people are able to be sourced from within Job Networks, the quality of persons is, in general terms, highly variable.
- Resistance to release Job Seeker funding to pay for IS, ISCA, and DSP Job Seekers that are required to pay a fee (paid by Job Networks) to attend Queensland Government courses. Changes have been made to Intensive Assistance to the effect that as soon as a client has been unemployed for 3 months, such client now comes under arrangements which result in most clients attracting a \$550 fee to participate in Queensland State Government funded training programs, despite only having \$11 in their job seeker accounts.
- Attempts to relinquish responsibility for Job Seekers – when enrolled with NRA, JNMs tend to blame NRA for job seekers not turning up to courses. However JNMs do not act on requests from NRA to address particular issues with the Job Seeker, e.g. poor attendance, poor behaviour.
- Case managers still don't seem to know that the Jobseeker Account constitutes a pool of money which is not intended to be equally distributed because some clients will need much more assistance to become employable than others (say who have had a better education, upbringing etc.)
- Poor JNM assistance in preparation of resumes on behalf of participants. Participants come to our courses with no, or very poorly prepared, resumes.
- JNMs insisting on NRA sourcing a secondary placement for work experience when their placement has failed due to lack of participation by the candidate. In many cases other providers like DENS are more supportive and offer greater support for retail employers than JNMs.
- Case managers still seem to be competing with one another as they refer their individual clients onto funded programs but fail to pass on information/flyers to other case managers in the same organisation so they may refer their clients. This is due to the competitive nature of meeting targets within their office.
- Government funded training programs need to be more effectively promoted by Job Networks. For example, computers used by the Job Networks should feature prompts which remind operators that in the event of retail job opportunities that an unskilled person can access a defined range of funded courses to upgrade their skills.

We have also found that the support programs offered by your Department are very prescriptive and do not offer the flexibility to meet industry needs and the needs of the particular labour demographic. For example, in October 2006 we proposed a three pronged approach to securing senior industry level support for a return to work program involving the recruitment of potential employees and the placement in employment of these persons including the conduct of a series of events promoting the outcomes of the initiative. Unfortunately the Department decided not to support the first and final stage of the proposal which inevitably diminishes the impact of the program and makes it harder for the program to deliver the outcomes which industry need. We believe that the continuation of these programs is important but that they would benefit considerably from some reform.

Minister, we recently held a members seminar to facilitate discussion on the impact of labour shortages on the industry and ways to address the shortfall in labour. It was a very successful event and we would welcome the opportunity to share the outcomes with you. Subject to your availability we propose that we hold a similar forum with your involvement in order to give you the opportunity to discuss these matters directly with retailers.

Thank you for your interest in the retail industry and I look forward to your response on how to progress these issues with the NRA and the retail industry.

If you or your office have any further queries on this matter, please do not hesitate to contact me on 07 32513025. Alternatively our Canberra based representative may be able to assist (Steve Balzary - 0418215732.)

Yours sincerely

Gary Black
Executive Director