



Submission by Service to Youth Council Inc

"How Employment Services can be improved"

The effectiveness of the current number of programmes and services, and how the objectives identified in the Government's Social Inclusion and Skills policies might be achieved.

for the Hon Brendan O'Connor MP
Minister for Employment Participation
February 2008



PREFACE

SYC is aware that the Government and Department is fully conversant with numerous studies and research papers analysing Employment Services, the Job Network and associated / complementary programmes.

For this reason SYC has not attempted to reproduce already well documented analysis, or produce yet another research paper.

Rather, SYC has drawn on our direct experience and expertise in over 50 years of developing and providing community services and programmes for the people of South Australia.

FORMAT FOR THIS SUBMISSION

I. Summary of Recommendations

A Summary of Recommendations has been included at the beginning of our Submission, rather than at the end, along with a concise account of our reasoning.

II. Commentary and Additional Support for our Recommendations

A Commentary and Additional Support for some of our recommendations follows. This section includes specific recommendations directly relevant to a number of current Federal Government programmes and services.

Service to Youth Council Inc

I. SUMMARY OF RECOMMENDATIONS

Introduction

It is with a sense of great excitement, anticipation and an unwavering commitment that Service to Youth Council (SYC) accepts the invitation from Julia Gillard and the Australian Labor Party to join with the new Labor Federal Government and become part of the solution to the problem of social and economic dis-advantage.ⁱ

SYC has demonstrated an enduring commitment to ending social and economic disadvantage amongst young people and the community of South Australia, steered through 50 years of working in advocacy, crisis intervention, supported accommodation, employment services and skills training. We bring history, experience, expertise and credibility to the debate on Social Inclusion.

SYC employs an array of professional staff with a track record of using evidence based methodologies for our client interventions and programme evaluation. SYC is well placed to provide advice on how to achieve the objectives of the Government's Social Inclusion and Skills policies. As a non-denominational and completely independent not-for profit organisation providing a wide range of 'joined-up' programmes, services and training, SYC provides an ideal model for achieving policies of Social Inclusion.

SYC is in total agreement that the social imperative of the times is investment in a strategy to "join social policy to economic policy ... to lift up disadvantaged communities"ⁱⁱ and individuals. We seek to join with Federal, State and local governments and all other stakeholders in the creation of a fairer Australia, one in which the most disadvantaged Australians are provided with the social support and real economic opportunities they need to fully participate in the prosperity of the nation.

SYC's Mission and Values statements recognise the rights of individuals and communities to dignity and respect, and we strive to provide opportunities for all to reach their full potential: personal, social and economic.

But SYC has never been an organisation based on providing welfare and charity. Central to SYC's Mission is the commitment to "Deliver innovative and practical services which empower our clients *to achieve and maintain independence*".

It is in this context that Service to Youth Council is pleased to provide Minister Brendan O'Connor with our views on current programmes and services, and recommendations on how the objectives of the Government's Social Inclusion and Skills policies can be best achieved.

1. SUSPEND THE JOB NETWORK / EMPLOYMENT SERVICES TENDER

- to allow the time necessary for the development of a truly comprehensive set of services to support the government's Social Inclusion agenda and Skills policies

We are of the understanding that before the election of the new Labor Government DEEWR would have been advanced in its planning for a tender process for services based on the previous government's agendas.

We anticipate that DEEWR has planned for the release of an Employment Services Exposure Draft tender in May/June 2008 which would be followed by release of the final Tender in September/October 2008.

SYC believes this timeframe will simply not allow for the fundamental re-development of a new social and economic framework based on Federal Government and Labor Party principles, for the creation of a fairer Australia in which reducing disadvantage is both a moral and economic imperative, and fairness and prosperity are utterly inseparable.

A suspension of the timetable for a period of 6-12 months is essential if the Government and the Employment Services sector are to have a realistic opportunity to comprehensively review programmes and services, and introduce tenders for a range of programmes and services which will achieve genuine social inclusion and true skills development.

2. MAINTAIN SEPARATE SPECIALIST SERVICES FOR YOUNG AUSTRALIANS

- and further develop specialist services to meet the unique needs of young people

SYC strongly recommends that a suite of support services especially designed to meet the needs of young people is not only maintained but further developed.

It is vital that programmes such as JPET, Mentor Marketplace and Youth Pathways are not simply incorporated into or 'swallowed up' by general employment services contracts. A separation must be maintained to ensure specialist providers are encouraged, and programmes for young people are not simply seen by large generalist providers as merely an adjunct to generalist services with larger caseloads.

SYC believes that unless policies, services and programmes are based on the unique needs of this special group, then they are destined to fail to deliver meaningful and sustainable outcomes for young people. SYC has 50 years experience in providing support services for young people through the numerous services and programmes developed by our Youth Agency, or provided by our Youth Agency under contract.

3. PROVIDE REAL & INTENSIVE CASE MANAGEMENT FOR YOUNG PEOPLE, THE LONG TERM UNEMPLOYED, AND THOSE IN OUR COMMUNITY WITH SPECIAL NEEDS

- to underpin policies for real and effective Social Inclusion

The Intensive Support programmes of the previous Federal Government have made only a token effort to tackle the entrenched disadvantage of many young people, the long term unemployed, and those in our community with special needs.

SYC believes that only with policies of intensive case management and a commitment to appropriate funding will Australia seize the 'once in a generation' opportunity, provided by a flourishing economy, to end entrenched social and economic disadvantage.

SYC's model for Case Management promotes a client focussed approach and includes the principles of Early Intervention and 'access to Intensive Support from Day One', as detailed below.

Purposeful and professional case management would ensure that post placement support is provided on a regular basis in accordance with each client's case plan, and skills training and workplace mentoring are essential components. Current employment services payments do not provide for any specific payment for providing post placement support, and SYC believes that some providers take the view that the cost of providing an intensive post placement support service is not economically viable.

4. ESTABLISH THE CONCEPT OF EARLY INTERVENTION AND PROVIDE INTENSIVE SUPPORT FROM DAY ONE IN ALL PROGRAMMES

- early intervention is paramount to minimising the number of long-term welfare dependent Australians, and intensive support needs to be available from day one to ensure that no Australian falls into the ranks of the long term unemployed

Service to Youth Council Inc endorses the principle that 'early intervention' should be incorporated as a plank throughout all Government programmes, as it is clear that the longer that someone is out of work, the more likely it is that they will stay out of work; "long-term economic inactivity is both a cause and consequence of labour market disadvantage".ⁱⁱⁱ

The current system fails to support the principle of early intervention as the level of assistance received by a job seeker is determined primarily by length of unemployment (depending on the outcome of a very restrictive JSCI application). By the time significant support is received after a period in excess of twelve months, those job seekers who have not been able to find sustainable employment, have descended into a life-style dependant on welfare, often making it even harder to move them from welfare to work.

If a 'work-first' approach is to be meaningful, it is important that a job seeker does not have to wait 12 months before they can access significant employment services intervention.

Job seekers receiving Centrelink benefits should be eligible for the full suite of Job Network services from day one of registration.

Early intervention however does not require the structure of a continuum; rather a new approach should be adopted to create a supported pathway to sustainable employment. Studies of welfare systems in other OECD countries has established the benefits of Intensive Intervention at the start of a period of unemployment as the best way to help people to move quickly back into sustainable employment.

5. REPLACE STAR RATINGS WITH PERFORMANCE BASED EVALUATION PROCESSES

- including performance measures which also recognise achievement of the government's Social Inclusion agenda as a legitimate outcome

SYC, along with many other providers, believes that the current system of Star Ratings has had its day. A system which does not have the support of the majority of providers, lacks transparency and is not sustainable in the long term, is untenable. The current Star Rating structure needs to be re-evaluated to include the principles of fairness, transparency, predictability, reliability and accuracy. Even a cursory look at the current process and its subsequent application as a performance measure demonstrates its failure to meet any of these principles which would be commonly regarded as good practice.

The application of the current Star Rating system as a method of distributing business share or even-handedly managing performance has become dysfunctional in achieving the current Government's desire to increase efficiency and reduce expense. As an example, the constant 'shaving off' of the lowest Star Rating percentiles, while commendable in theory, has led to a situation where performance, which was once considered satisfactory, will eventually fall into the lower percentiles and become subject to sanction. This leads to constant destabilizing of PAGES' organisations. Further it means that 'statistically' every organisation, at some point, will be affected by a business reallocation at some stage based on a narrow range of performance measures which cannot be reasonably predicted. The unintended introduction of Job Network 'musical chairs' has begun, with the same organisation facing sanction in one ESA and reward in another.

The current Star Rating system is not predictable. DEEWR employees admit there is a "black box" that takes into account various aspects of the regression model that they do not understand and therefore cannot predict with any certainty the upcoming star rating of any given site. It therefore follows that providers cannot directly link actions or strategies that are certain to improve the rating. Providers live in a constant state of speculation, unsure for 7-8 months at a time as to how their performance will translate into Star Ratings. There is a general opinion that the system is too complex, too difficult to understand, and does not adequately take into account performance which

is significantly improving. There are a multiplicity of factors, many of which are 'unknown' to providers, which are taken into account for Star Ratings, and it is impossible for providers to know exactly where they 'will end up'.

Furthermore, there is no acknowledgement in the 'Stars' of quality and compliance, and certainly no inclusion of achievements in relation to social inclusion or in skills development. It is certainly possible under the current system that business can be reallocated from a provider with an unblemished record of contract compliance to a provider with a chequered history of contract breaches simply because of Star Ratings, which do not take this into account. There is no provision for return of business to a provider if the "receiving" Job Network Member is subsequently found to have conducted their business outside the spirit of the contract. The subsequent use of Star Ratings as a major determinant of business re-allocation is to the detriment of the Job Network and to the consistent servicing of job seekers.

SYC fully appreciates that there must be an appropriate and effective process whereby very poorly performing providers ultimately lose their business. However, the business re-allocation process based on Star Ratings and six monthly milestone results is ultimately a high cost to government as it focuses organisations on short term interventions.

This has two effects:

1. Economic – PAGES will be reluctant to re-invest in their staff and infrastructure. Staff turnover resulting from re-allocation or the threat thereof results in loss of corporate knowledge and high recruitment costs.
2. Social Inclusion – often times it is not possible to achieve sustainable changes in job seeker behaviour within a Milestone period. Therefore job seekers can be 'forced' into positions that are less suited to their medium to long term needs. Additionally they are not adequately assessed to provide meaningful interventions to their 'life barriers' to employment.

The Stars must be replaced with a system for the evaluation of performance based on the establishment of "Benchmarks" – related to expected levels of satisfactory performance in local ESAs. Specific 'scores' for quality and compliance, and achievements in relation to social inclusion, should be included in Benchmarks.

6. DEVELOP A PARTNERSHIP APPROACH TO THE MANAGEMENT OF THE GOVERNMENT'S EMPLOYMENT AND SOCIAL SERVICES

SYC believes that DEEWR's approach to contract management has too often been one of confrontation, and that effective employment services have too often been undermined by a lack of consultation and cooperation by the department.

There are many, many instances where providers have experienced a distinct lack of respect and trust shown by DEEWR, whose approach to contract management has too often been one of confrontation and superiority based on the ultimate threat of sanction. There have been periodic flirtations with 'cooperation and partnership' from DEEWR, but they have come and gone.

This lack of respect, trust and partnership has been underpinned in the Job Network by 'Key Performance Indicators' which only recognise pure economic outcomes and neglect real skill development, educational aspirations and support for the upward mobility desired by many less privileged Australians who daily face enduring disadvantage.

As the Government itself recognises^{iv}, a principle of the Job Network must be "Ensuring that there is a ... tendering system that properly accounts for quality performance".

SYC agrees that the new Government has every right to expect the highest levels of performance from providers, but that the relationship between Government and providers should be based on mutual trust and respect.

SYC believes that if the Government's stated aims for social inclusion and skills development are to be achieved, a partnership between the department and providers recognising that cooperation between the two is imperative to achieve mutual aims must be fostered.

7. RECOGNISE THE ATTAINMENT OF SKILLS AS A LEGITIMATE OUTCOME IN EMPLOYMENT SERVICES AND PROVIDE SUFFICIENT FUNDING FOR SUBSTANTIVE SKILLS TRAINING

- provide real incentives for skills training, which improve the employability of Australians in receipt of Government benefits, and includes incentives for long term training and education to address labour market needs

The concern of economists, employers, employer organisations and unions at the lack of potential workers with the advanced skills required by a rapidly expanding economy has constantly been in the news. The spectre of Australia 'importing' skilled workers from overseas, at a time when there are hundreds of thousands of men, women and young people looking for well paid employment and career advancement is unacceptable to the vast majority of Australians.

Yet these same problems equally offer unparalleled opportunities for those who have not shared fully in recent economic prosperity, but only if substantial programmes for skills training and skills development are undertaken by governments, employer organisations, unions and public and private training organisations.

The opportunity to remove the skill gap requires a comprehensive workforce strategy that recognises the need for appropriate incentives for JNMs, job seekers and employers. Proper incentives for Job Network Members are required to encourage meaningful engagement with RTOs to provide joined-up delivery in up-skilling job seekers and increasing employability. However, not only should there be appropriate incentives to up-skilling the unemployed, but also programmes to encourage employer involvement in workforce development are required to combat skills shortages by investing in current staff, thus creating a robust, and sustainable workforce.

Job seekers require the option of full time training as a viable economic alternative to unskilled employment. This can only be achieved if it is recognised that vocational focused training alone will not provide the necessary array of up-skilling required to increase job seekers' employability.

Therefore the key elements are:

- rewarding training outcomes on a par with employment outcomes;
- positively advocating employment with training attached in a move to attractively package workforce development; and
- creating more opportunities to allow job seekers to view longer term training as a viable economic alternative to unskilled employment.

8. MAINTAIN A WIDE MIXTURE OF NATIONAL AND LOCAL PROVIDERS OF EMPLOYMENT SERVICES

- to take advantage of providers who have a commitment to their local areas and communities, have built up a range of joined-up services and have developed specialised local knowledge and programmes

The ten years of Job Network operations has seen a period of consolidation in the industry with the number of Job Network Providers decreasing from more than 300 in 1998 to only just on 100 today.

However, local providers often have specific knowledge and a passion for the improvement of the lot of the people of a local community which cannot be matched by national or internationally based organisations.

SYC, for example, is dedicated to improving the outlook of the people of Adelaide's Northern and North Western suburbs. SYC has established four Job Network sites, two Youth Agency sites and two major training sites from Port Adelaide through to Gawler. SYC has made this commitment, not to establish profit making businesses, but in a genuine endeavour to improve social and economic outcomes for some of the most marginalised and disadvantaged people in our State.

Over the last few years there has been a trend in some OECD countries, to contract to larger organisations for welfare to work provision. such as occurred in the recent five-year UK Pathways to Work contracts. As a result of this trend there has been an increase in large international organisations playing a more influential role in the

market. Unfortunately this move towards consolidation of providers has had an adverse effect on localised specialists.

In an independent report to the Department for Work and Pensions (UK), David Freud, considering the issue of large contracts and a reduction in the number of providers, stated "The Government will need to balance this with the need to avoid over-dependence on single monopoly providers ... to ensure that the provision was responsive to local conditions and objectives".^v

Record low levels of unemployment, the subsequent reduction in the number of job seekers referred to Job Network Providers, and changes to qualifying for DSP and parenting allowances, have resulted in cohorts that experience complex and multiple disadvantages. These cohorts require individualised and specialist responses which can best be provided by locally coordinated services utilising joined up expertise which fully understand community issues, local employer needs, cultural barriers, and local labour market conditions.

II. COMMENTARY AND ADDITIONAL SUPPORT FOR RECOMMENDATIONS

The current system of employment related programmes and services fails to take into account the change in demographic of job seekers who in the main have been unable to make a consistent, self-supporting and sustainable connection with employment.

They are people who have genuine barriers connecting with their community, education and employment.

These people need a truly intensive “one to one” case management approach. PAGES are, or could easily become, properly equipped to provide this service, but are prevented from adopting it by the current restrictions in Job Network contracts.

✦ Working with Young People

Service to Youth Council (SYC) makes this submission on the basis of its expertise and experience in working with young people (aged 12 – 25), particularly in the areas of educational support, employment assistance, transitioning from the juvenile justice system and homelessness. SYC comprises four operating divisions providing Youth Agency Services, Job Network Services (Job Prospects), HYP A (Helping Young People Achieve) and a Registered Training Organisation (Training Prospects).

Over a period of 12 months SYC’s Youth Agency division intensively assists approximately 4,000 young people across metropolitan Adelaide. Our programmes are based on a case management approach which seeks to empower young people to gain control over their lives and strengthen their connection with the community.

The impact of youth unemployment, both economic and social, is well-documented and is not included in this discussion, rather SYC seeks to provide recommendations to redress the numbers of young people who are unable to find, or sustain, employment which leads to long-term financial and social independence.

SYC’s Youth Agency programmes include:

Homelessness

Housing: In 2007 SYC received over 40,000 phone calls and supported nearly 2,000 young people who were homeless, or at risk of homeless, to find emergency, medium and long term supported accommodation.

Transition

Education: SYC works with the South Australian Education Department and local communities in the northern and western suburbs of Adelaide to intensively support over 400 young people who have disengaged or are at risk of disengaging from school and are at very high risk of not completing secondary education.

JPET: SYC's three JPET contracts support young people to transition into employment and training.

Juvenile Justice: SYC works with the Juvenile Justice teams in Adelaide's detention centres to assist young offenders to transition into the mainstream community, this work is supported by a Special Juvenile Justice JPET contract (JJJPET).

Youth Pathways: As a Youth Pathways provider, SYC supports 306 young people in the western suburbs of SA who are at risk of not completing secondary education.

✚ Maintaining and Developing Separate Specialist Services for Young Australians

The unacceptably high unemployment rates for our young people are even higher amongst early school leavers and those from the least privileged regions of city and country. Only specialised programmes for young people can address this inequity.

Difficulties in the transition of disadvantaged young people into employment occur as a result of their high level of often complex yet interconnected needs. In addressing these complex needs of young people, we must address the gap between the skills and abilities of a young person and the expectations of many employers.

The following act as significant barriers to any young person gaining or sustaining employment:

- Low literacy
- Poor oral and language skills
- Low numeracy
- Lack of social skills
- Lack of resources
- Lack of family support or guidance
- Lack of permanent accommodation.

From the employers' perspective, the following act as significant barriers to employing a young person with significant levels of disadvantage:

- Lack of incentive to employ an inexperienced young person
- Lack of understanding of a young person's need for support and advice
- The perceived unreliability and experience of young people.

Models of working with young people that address their multiple barriers, while working directly with employers to assist them to train and develop the young person have proven, in SYC's experience, to be the most successful.

JPET

The JPET programme offers transitional support for young people not engaged in education, training or employment. Programmes for many young people fail to address the fact that there are still many who are limited in their options and disadvantaged by their lack of literacy, socialisation and numeracy skills.

SYC has great success in improving a young person's self esteem, life skills and communication skills, however if the young person is not literate they will inevitably remain unemployed or underemployed.

The \$150 brokerage provided for a JPET client falls far short of the funds required to provide a young person with the intensive professional assistance required to develop literacy and numeracy to the level required in any apprenticeship, certificate course or by an employer. The current brokerage provided is insufficient for the young person to enrol in any but the most basic employability training programmes.

Additional brokerage is required to assist motivated but disadvantaged young people to enrol in higher level certificate or degree courses that will lead to increased employment opportunity and economic stability.

Under current JPET guidelines JPET providers have to exit clients as soon as they are locked up in detention, even if this is only for short periods, further excluding them from community. If providers could continue to work with clients inside detention and then again on release we would be able to provide continuous support and support the young person to remain connected to training, education or job readiness programmes.

✦ Provision of real and intensive case management

SYC believes that the system of Intensive Support needs to be replaced by professional, purposeful and intensive case management, properly funded, for young people, the long term unemployed, and those in our community with special needs to underpin policies for genuine and effective Social Inclusion

The current system focuses Job Network Members towards short term economic gains, but often to the detriment of sustainable long term social and economic benefits. A new approach is required in the form of a case management model which addresses individual complex and multiple barriers particularly for young people, the long term unemployed, and those in our community with special needs.

As Matthew Thomas states in his analysis of the Job Network, "problems with the performance-linked payment structure of the Job Network ... have resulted in many difficult-to-place job seekers being given little or no employment assistance, and limited employment outcomes for this group".^{vi}

Case Management services which address “non-employment related barriers alongside the provision of employment assistance”^{vii} need to be adopted if better and more sustainable employment outcomes are to be achieved, and providers must receive appropriate funding to provide these levels of intensive case management.

A detailed assessment of a job seeker’s needs and barriers is required which takes a holistic approach to the job seeker’s needs. Case management must focus on a broad range of not only short term but also long term goals relating to health and well being, accommodation, family and community support, sport and leisure, employment, education and finance, recognising that all of these areas must be addressed if sustainable economic independence is to be achieved.

✦ the Job Seeker Classification Instrument (JSCI)

Within the current guidelines this approach would require an urgent review of the JSCI, which is proving to be an ineffective and inappropriate method of assessing a job seeker’s entitlements to intensive assistance. It is disturbing that an analysis of our Job Network caseload shows that over 40% of 3yr plus unemployed job seekers are not classified as ‘highly disadvantaged’; a clear indication that the JSCI is failing to identify significant disadvantage.

✦ establish the concept of early intervention in all programmes

✦ provide intensive support from day one in all programmes

In any system of intensive case management and employment services, early intervention is paramount to minimising the number of people allowed to become long-term welfare dependent Australians, and intensive support needs to be available from day one to ensure that no Australian falls into the ranks of the long term unemployed.

Numerous studies have clearly shown that the longer someone is out of work, the more likely it is they will stay out of work; “long-term economic inactivity is both a cause and consequence of labour market disadvantage”.^{viii} DEEWR has recognised in a study of Job Network Outcomes that one of the significant factors in determining employment outcomes was “duration on unemployment benefits”.^{ix} In 2004 well over 50% of job seekers who had gone through Intensive Assistance were still unemployed 12 months after participating in the Job Network ‘case management’ programme of the time.

Those who fail to achieve sustainable employment often find themselves on a ‘merry-go-round’ where they regularly return to some form of Job Network intensive support; possibly from Intensive Assistance to PSP to ISca1 then to ISca2 and perhaps finally to ‘Full Time Work for the Dole’! For any policy of social inclusion to succeed, this vicious cycle must be addressed through programmes which stress early intervention and provide properly funded intensive case management.

Even the long term unemployed must start their journey somewhere, and job seekers receiving Centrelink benefits should be eligible for the full suite of Job Network services from day one of registration. While outcome rates of up to 40% for various forms of intensive support are encouraging, there are still thousands of Australians, including young people, moving every month along the continuum into the ranks of the long term unemployed (or returning to long term unemployment).

✦ **Early interventions and access from day one to a full range of services is vital to reversing this flow.**

Job Network Providers must be sufficiently and appropriately skilled and resourced to support the transition of young people into employment, and incentives must be provided to rapidly connect the young person to employment, whilst ensuring employers are skilled and supported to “mentor” the young people into the world of work.

In the event that a young person falls out of work or disconnects from education then rapid and continuous connection and reconnection with education, employment and or training is essential and must be a priority and should be built into the programs developed to support young Australians.

✦ **Education and skills training for young people in JPET**

Within JPET an economic outcome is achieved when a young person remains in, or returns to and remains in education for a period of no less than 13 weeks; or takes up or re-engages with education or vocational training and completes one or more accredited courses of no less than 13 weeks.

There are a number of short courses offered within South Australia that are instrumental in assisting young people to identify employment pathways, but which are not of 13 weeks duration.

The focus should be on the quality of the course and the difference it makes in a young persons' life as opposed to the duration of the course. 13 weeks is a very arbitrary number and not reflective of local training initiatives.

An economic outcome should be able to be claimed if a young person completes a vocational training course (for example of 6 week duration) and thereafter commences employment (for the remaining 7 weeks).

SYC recommends that:

1. All young people not involved with school or education be linked with a JNM immediately upon or prior to leaving school.
2. That young people be assessed for their ability to gain employment, thereby providing minimal assistance to those young people who are likely to move to further training and education or find their own employment unassisted, but rapidly identifying and acting for those requiring assistance from JNMs.
3. During the assessment a young person, who is assessed as not being ready for employment or participation in the Job Network, is referred to JPET providers.
4. That a young person, assessed as ready for employment and participation in the Job Network but experiencing barriers to employment or failing to quickly connect with employment, immediately enters a programme of Intensive Youth Case Management aimed to identify and address their multiple and complex issues, with significant JSKA funding immediately available to assist in elimination of barriers.

This may take into account issues relating to literacy, numeracy and oral communication skills as well as assisting linkage with accommodation support and counselling support.

5. That Intensive Youth Case Management includes Post Placement Support and Workplace Mentoring for 13 weeks up to 26 weeks.
6. That JPET remains separate from Generalist Job Network but referrals can be made to it from JNMs.
7. For a young person identified as eligible for JPET, SYC recommends that:
 - Youth Case Management funding is set for JPET clients up to a maximum of \$8,000 per annum.
 - Intensive literacy and numeracy programmes for young people be established in each ESA.
 - JPET business levels be increased so that all eligible young people are assisted immediately by a JPET provider.
 - Young people be permitted to undertake a number of education/ vocational training opportunities during their registration in JPET, and upon the accumulation of 13 weeks, a provider may claim an outcome.

✦ **Young people and the Job Network**

Where a young person becomes disconnected from school or training they must (as a default situation) become Job Network eligible and be directly linked to a Job Network Provider. Further, incentives need to be provided for JNMs to get young people into employment quickly, preferably within a month of leaving school, with further incentive payments as the employment is sustained.

Provision should be made in contracts for JNMs to employ specialist youth workers in their organisations who actively support young people and their employer through the first 26 weeks of employment.

✦ **Where a young person is severely disconnected – create an integrated support model linking support services to employment**

Young people who are homeless, abusing drugs or alcohol, offending, or are living in crisis require and deserve a *holistic programme of Intensive Youth Case Management*.

Although the general population may not understand the life experiences that lead these young people to this circumstance, the government is well-positioned to provide a thoughtful and intelligent response.

- SYC recommends the government provide significant funding and seeks tenders from organisations to provide integrated services such as supported accommodation, drug and alcohol rehabilitation, counselling, vocational training and pathways to foster long term stability and positive involvement of highly disadvantaged young people with their communities.

✦ **Educate and Engage Employers to support the employment of young people in the workplace**

Over several years SYC has conducted a programme called Helping Young People Achieve (HYPA) aimed at developing Volunteer Youth Mentors (VYMS) to work with young people on a sustained basis. These volunteers range from workplace mentors to youth support mentors outside of work. This structured, programmed approach has worked successfully to improve commencements in traineeships and apprenticeships and increase significantly, their completion. In open employment this has had great benefits in young employee retention with employers.

The HYPA/VYMS approach is a proven strategy that can be adopted by JNMs in a “specialist” approach to young people.

SYC recommends that a Workplace Mentor Service to be established to provide employers with training and support in working with young people for their mutual benefit.

✚ Suspending the Job Network / Employment Services Tender

SYC believes that the new Federal Government has a unique opportunity to create a fundamental shift in the way in which Employment Services contribute to the achievement of the principles of Social Inclusion and Skills policies, so that all Australians can share in our nation's prosperity.

The largely discredited policies of the previous Federal Government, based primarily on an economic rationalist view of Australia, have allowed thousands of Australians to fall behind the economic prosperity and social inclusion enjoyed by the more privileged in our community.

In a period of high economic growth and the lowest unemployment rates in 30 years Australia has a once in a lifetime opportunity to use the general prosperity of the nation to fundamentally address the issues of under-privilege, intergenerational and post-code poverty and homelessness in the most disadvantaged sections of our communities. The benefits of economic prosperity must be shared more equitably.

While the prosperity of the general Australian community has grown over the last 10 years, the previous government has allowed the gap between the prosperous and the disadvantaged to widen alarmingly, to the point where levels of social disadvantage threaten to undermine the fabric of our community.

The current mix of services provided under the banner 'employment services' has not focused on social inclusion and skills development. If the proposed tender for employment services is allowed to go ahead as scheduled, under the direction of a public service which has become used to implementing the policies and approach of the previous government, there simply will not be enough time to both fundamentally affect real social inclusion and also keep to a tender timetable which would necessitate the release of a tender exposure draft and specifications within only a few months.

It will take time to turn around the wheels of bureaucracy, and to galvanise the public service to an understanding of and implementation of policies of social inclusion and skills development. A significant period of time must be allowed for the Australian public service to come to terms with new Job Network and employment services which include a commitment to social inclusion, social justice and providing true opportunities for all Australians.

The Australian people clearly made a choice in favour of a real and passionate vision for a future Australia which is an inclusive and progressive nation, a nation which would provide support and compassion to all Australians, not more of the same stale old approaches. There is a real danger if we allow current tender to go ahead that many discredited approaches will have been entrenched in tender documentation which would already have been largely pre-determined.

SYC believes we must not lose this opportunity, but rather postpone the tender for at least 6-12 months to enable real and thorough consultation and a comprehensive review of the needs of our community for employment services into the 21st century.

✚ **Replace Star Ratings with performance based evaluation processes, including performance measures which also recognise achievement of the government's Social Inclusion agenda as a legitimate outcome**

The current system of Star Ratings lacks transparency and is not sustainable in the long term. Although those providers large enough to employ statisticians understand the concepts behind Star Ratings, none are capable of translating known performance into accurate Star Rating predictions.

EconTECH's own publicly available model for two year rolling Star Rating calculations states that "In calculating Star ratings over 2 years, 9 separate regression equations are estimated on the types of outcomes".^x The EconTECH presentation of the Star Ratings Method which follows then covers six complex PowerPoint slides, just for the calculations which have to be made to convert an 'outcome' into a weighted input into a star rating score.

Providers live in a constant state of speculation, unsure for 7-8 months at a time as to how their performance will translate into Star Ratings. There is a general opinion that the system is too complex, too difficult to understand, and does not adequately take into account performance which is significantly improving.

Using the Star Ratings system as a method for business reallocation is patently not sustainable in the long term. As those sites with ratings in the lower percentile range are constantly 'shaved off' and their business awarded to 5 Star performers, then those sites with ratings 'just above' a 2 or 2 ½ rating fall into lower percentiles, and become subject in turn to business re-allocation. What was once considered satisfactory or even 'good' performance will eventually become unacceptable. DEEWR reports that the number of Job Network Providers has decreased from more than 300 in 1998 to some 100 currently, while 8.8% of 'APM contracts' have closed.

Perhaps most importantly for the future, there is no acknowledgement in the 'Stars' of quality and compliance, and certainly no inclusion of achievements in relation to social inclusion.

We believe that the concept of Star Ratings has been embraced by DEEWR partly because it provides a means through which the principle of 'sanction' and Business Re-allocation can be more easily enforced. In this context it has been 'helpful' to contract management that the compilation of Star Ratings is not transparent – as it makes it impossible for providers to 'argue against' the validity of sanction.

The Stars need to be replaced with a system based on the establishment of "Benchmarks for Performance" – assessment in relation to expected levels of satisfactory performance in local ESAs. Specific 'scores' for quality and compliance, and achievements in relation to social inclusion, should be included in Benchmarks.

🚩 Service to Youth Council Inc (SYC)

Service to Youth Council Inc (SYC) provides an innovative approach to the integration of our multiple programmes and services, to provide a seamless approach for clients. We deliver a combination of Federal and State Government and local community programmes, as well as programmes which we have developed ourselves and which are self-funded, to compliment funded programmes and to fill 'gaps' to ensure a continuity of service provision. One of the problems with many programmes is that when an outcome is achieved the service ends, whereas clients often need ongoing and continuous support to achieve sustainable long term outcomes.

ⁱ speech by Julia Gillard: "Speech ACOSS National Annual Conference" / on the topic "An Australian Social Inclusion Agenda" / Official Website of the Australian Labor Party.

ⁱⁱ speech by Julia Gillard: / as above.

ⁱⁱⁱ "Reducing dependency, increasing opportunity: options for the future of welfare to work" An independent report to the Department for Work and Pensions (UK) by David Freud.

^{iv} Election 07 Policy Document: "An Australian Social Inclusion Agenda" / Official Website of the Australian Labor Party.

^v David Freud: "Reducing dependency ..." / as above.

^{vi} Research Paper: Matthew Thomas / "A review of developments in the Job Network" / Parliamentary Library Website.

^{vii} Research Paper: Matthew Thomas / as above.

^{viii} David Freud: "Reducing dependency ..." / as above.

^{ix} Evaluation and Programme Performance Branch, DEWR / "The Sustainability of Outcomes" / March 2004 / Employment Services Website / DEEWR.

^x Econtech presentation Sept 2006 / Employment Services Website / DEEWR.