



## **Providers of Australian Government Employment Services (PAGES) Review**

### **Submission by Queensland Apprenticeship Services Pty Ltd**

Queensland Apprenticeship Services (QAS) Pty Ltd welcomes the Rudd Government's commitment to review the current range of employment services, and the opportunity to comment on current employment service programs and how they can be improved. QAS Pty Ltd fully supports the Government's stated aim that all Australians need to be economically and socially included and that a key way to achieve this is through jobs.

QAS Pty Ltd operates a Job Placement Licensed Only Organisation (JPLO), with offices in Townsville, Cairns and Mt Isa. The comments offered in this submission are based on experiences gained operating as a JPLO for two years in Townsville, Cairns and Mt Isa.

The Employment Services Model funded by the Australian Government has worked well in market conditions characterised by sufficient supply of suitable job seekers from which to screen and match to job vacancies. However current market conditions are characterised by labour and skill shortages, low unemployment levels (Queensland's unemployment rate is at a 29-year low at 3.5%, and at 3.9% in North Queensland) and a booming mining industry, that together have left a pool of unemployed job seekers who have higher levels of disadvantage.

This remaining pool of unemployed job seekers needs additional levels of support beyond Employment Service Providers. This requires a collaborative model with other service providers to ensure intensive assistance, including development of work ready skills, can be provided. The collaborative model needs to flexibly respond to changing economic conditions and be relevant and responsive to the needs of the job seeker and to employers.

Based on JPLO experience over the past two years, some practical suggestions for the review of the Employment Services Model follow:

#### **1. Employer Engagement**

The Employment Services Model needs to provide increased levels of support to employers, particularly to SMEs, to provide employment opportunities to the unemployed. The support should be targeted so as to meet the specific needs of



employers in different industries. For example, incentives could be aligned so as to encourage employers to place the more highly disadvantaged candidates. This could include a more structured system of Job Network Members which pay employers for taking on an employee with a disadvantage. Under the current system Job Network Members get to choose who they will subsidise and at what percentage according to the length of unemployment and status of their Intensive Support Customised Assistance.

There also needs to be a better alignment and increased value of incentives to JPO service providers as the current levels do not provide sufficient funding for JPOs and recruitment agencies to 'go the extra mile' to place high disadvantaged candidates into work. There is not a sufficient return for a JPO to go beyond a standard, 'easier' placement.

## **2. Training and Development**

It is important that the Employment Services model provides appropriate funding support to employers and service providers to assess, train and prepare job seekers, to improve their employability and job-readiness. This is particularly important for long-term job seekers. This could include allowing private recruitment agencies with a JPO licence to refer candidates through to courses which lead to qualifications and therefore enhanced employment prospects and improved employer engagement with job seekers. These courses may be subsidised by government.

There would be additional benefit in targeting placement of job seekers through job readiness and employability training, and into Apprenticeships and Traineeships in occupations experiencing skills shortages. This would provide a longer term solution for both the employer and job seeker and have a higher level of commitment to employment, learning and development.

Appropriate incentives also need to be provided to employers to support ongoing training specific to the needs of their business, to assist with retention and skills development of the placed job seeker.

There should be higher incentives for placing job seekers into Apprenticeships and Traineeships, especially for Recruitment agencies, as the current fee structure provides limited incentive to direct job seekers into the apprenticeship pathway.

The Employment Services Model should also encourage employers to take an overall workforce planning approach, which includes up-skilling of existing workers to open up opportunities for lower skilled jobs to be placed with the unemployed. Apprenticeships and Traineeships provide an opportunity for employers to up-skill existing workers with nationally recognised skills and qualifications.

### **3. The Job Seeker Classification Instrument**

The Job Seeker Classification Instrument needs to be reviewed. It is currently very inflexible, impractical and often results in incorrect classifications and referral and considerable re-work for all concerned. This can result in the job seeker becoming very demoralised from the recruitment process.

### **4. Performance Management**

QAS Pty Ltd supports the principle of a system that fosters competition, accountability and ensures quality standards in service delivery. While the Star Ratings system provides a guide on the performance of a Job Network provider, it is not used by employers in choosing their Job Network provider. It is suggested that an employer satisfaction measure could form part of such a system, similar to the employer surveys undertaken periodically for Australian Apprenticeship Centres.

The geographical boundaries of the Divisions in the star rating system need to be reviewed as they are no longer practical in achieving comparable performance results in more remote locations. For example a company working within the remote areas of Cape York or Mt Isa have a scarcity of labour and skills and vast areas to service that are not comparable with regional centres and city locations. This places considerable pressure on Case Managers working in the Job Network industry and can lead to negative results. The performance management framework needs to be fair and lead to comparable results across Divisions.

### **5. Wage support**

A suitable level of wage support could be considered to encourage the unemployed job seeker to engage in an Apprenticeship or Traineeship. It can be more financially rewarding to remain unemployed than to gain an Apprenticeship or Traineeship, especially during the first 2 years.

### **6. Job Seeker needs**

In reviewing the Employment Services Model, the different needs of job seekers should be taken into account, particularly to allow for and support flexible employment options such as part-time work. This could encourage greater workforce participation by groups such as women returning to the workforce, and mature-aged workers.