

Future Directions of Employment Services – 2009 and beyond

Executive Summary

Job Centre Australia Limited (JCAL) provides the following Federal Government funded programs: Disability Employment Network (DEN) Capped and Uncapped; Job Network Specialist (Disability) Services; Vocational Rehabilitation Services (VRS); Job Placement Services and NSW Government funded program: Transition To Work (TTW). JCAL delivers these programs in our 12 offices throughout NSW including metropolitan, regional and rural areas.

JCAL is a registered member of two national peak bodies: ACE National Network; National Employment Services Association (NESA). This document supports the principles outlined in these peak bodies paper's: "Disability Employment Blueprint Project – January 2008" – ACE National Network and "Workforce of the Future" - NESA.

We appreciate the opportunity to provide feedback on the Federal Government's Social Inclusion and Skills policies.

Introduction

The current labour market is "stretched" and is likely to remain this way for some time. It is clear that disadvantaged job seekers experience greater difficulty in accessing employment and as such are more likely to end up in the downward spiral that is called long term unemployment. This clearly has a social and individual cost. It has also been identified that there is an economic cost associated with significant numbers of disadvantaged job seekers being unable (for whatever reason) to access and sustain employment.

Effectiveness of current number of programs and services

The current employment system has a number of programs and services that have many similarities between them. Inefficiencies occur due to the duplication of services that are being provided across the various programs.

Differences within the various programs such as funding for training, funding for incentives and access to additional support cause confusion for Providers of Australian Government Employment Services (PAGES) who provide multiple services.

The confusion can be detrimental to establishing effective employer relationships leading to exclusion of a particular program e.g. Job Network can provide higher financial incentives to employers than other programs. This may perpetuate discrimination and impact on disadvantaged job seekers depending upon which program they are referred to.

Some programs such as Job Network Generalist and Disability Employment Network (DEN) Uncapped are seemingly becoming a "**dumping ground**" for welfare recipients presenting with multiple barriers unable to access appropriate programs e.g. Personal Support Program (PSP) and DEN Capped services.

Effectiveness of DEN program

The DEN program is an integral part of a continuum of support and services necessary to ensure people with a disability are able to play active, integrated and valued roles in the Australian community. With their long history of good practice and strong performance, DEN services are well placed to make a major contribution to increasing employment rates for people with a disability.

Disability employment by its very nature is complex. The effectiveness of disability employment support, the degree of difficulty associated with the work and the return on investment can only be established through the appropriate measurement of performance data. Under the current system framework this measurement does not adequately take into account the individual needs of a job seeker with a disability.

Effectiveness of Job Capacity Assessment (JCA) program

The JCA referral process is inadequate and is constantly fraught with discrepancies. There are not enough resources allocated for effective assessments of disadvantaged job seekers e.g. an interview lasting less than 2 hours, not necessarily face to face, is insufficient time to determine appropriate and effective interventions for the job seeker. Many job seekers present with multiple barriers that are not necessarily immediately recognisable.

The assessors only have a limited range of options when determining the job seeker work capacities. The prescriptive nature of the system does not allow for the flexibility of intervention options required for many disadvantaged job seekers. The majority of JCA providers have limited understanding of the labour market and employment programs resulting in:

- Job seekers being inappropriately referred.
- Recommendations of unrealistic work capacity for the job seeker.
- Recommendations to unrealistic career paths.
- Service providers having to use valuable resources to educate JCAs.
- High staff turnover within the JCA program means that service providers have to constantly re-establish alignments with the providers.

The JCA referral process does not always result in the most appropriate program referral. Where vacancies are unavailable in an appropriate program e.g. PSP, job seekers would then be referred to another less appropriate program. This is due to the JCA providers' contractual requirements to make a referral. This results in jobseekers being prematurely engaged in employment activities. Job seekers may not be ready for employment activities as they still have barriers that require non-employment focused interventions. This impacts upon all PAGES performance outcomes and quality of service to the job seeker.

Effectiveness of the PSP Program

As identified in the Federal Government's Social Inclusion Agenda, social disadvantage is still a major impact on the effectiveness of PAGES. The larger proportion of the remaining welfare recipients have a range of barriers that impact on their social inclusion such as:

1. Mental health
2. Poverty
3. Drug and alcohol dependencies
4. Long term unemployment (sometimes multi generational)
5. Lack of work skills/experience
6. Alienation or disengagement from society.

The PSP program is under-resourced resulting in non-availability of PSP allocations. This limits access to appropriate interventions prior to engaging in employment services. The following questions must be asked:

What happens to these welfare recipients?

What services can be provided to them to effectively re-engage them into society?

The limitations of the PSP allocations severely impacts on PAGES performance outcomes as resources have to be allocated to service inappropriately referred welfare recipients!

Effectiveness of the VRS Program

The current VRS program appears to be well resourced and supported by the Federal Government. Systems have been developed by adopting effective processes from other program streams. To date it is proving to be an effective program and is being looked upon favourably by the 19 National providers. Further consideration still needs to be placed on the development of relevant performance measures for this program.

Achieving objectives identified in the Government's Social Inclusion and Skills Policies

JCAL acknowledges that social disadvantage has a major economic and social impact on the life of all Australians. We support the Federal Government's Social Inclusion Agenda that focuses on maximising participation so all Australian's have an opportunity to contribute to society. Achieving maximised participation would result in reduced Welfare dependencies, reduction in skill shortages and greater community participation.

Although supporting all of the Federal Government's Social Inclusion Agenda we would like to comment on the areas that impact the employment services that we are contracted to provide. This is where our knowledge and expertise lie.

Operational Objectives

Ensure early interventions minimise the number of long-term welfare dependent Australians of working age including a review of the Job Seeker Classification Instrument (JSCI).

To ensure early interventions minimise the number of long-term welfare dependent Australians of working age, sufficient resources need to be provided to meet the needs of these individuals. For welfare dependent Australians of working age to achieve sustainable outcomes, service providers need to be able to provide a wider range of early intervention programs as required by this highly disadvantaged client group.

Early interventions could be provided through:

- drug and alcohol programs
- mental health support networks
- personal support programs
- work preparation
- skills development
- work experience
- social interventions
- life skills
- vocational training courses

Access to these interventions need to be made available to welfare recipients in rural areas. Their JSCI should reflect the additional barrier of living in a rural area and lack of access to services.

Unless these interventions are provided, long term sustainable outcomes cannot be expected.

The current JSCI and JCA processes have an aspect of duplication. Detailed assessments are required by the providers to appropriately identify the client's barriers. A robust assessment tool needs to be applied in the first instance. Possible adaptation of the Disability Pre-employment Instrument (DPI) on initial assessment would gain a more effective picture of the individuals' circumstances. The DPI identifies the barriers to employment in a more realistic fashion than the current JSCI/JCA processes. It investigates barriers over a wider range of domains resulting in a more useful and relevant assessment.

Ensure employment services are relevant to the circumstances and needs of the job seeker.

Individual service providers need to be able to provide a wider range of options to the individual. By broadening the range of services a provider can deliver, a reduction in programs may be achieved, resulting in more efficient processes. By having the “**one door, no wrong door**” approach, the job seeker gains appropriate interventions, at the right time, in the right place, in a localised setting.

Under the current program providers are unable to provide relevant, creative and flexible solutions to the needs of the job seeker. This is caused by the requirement to meet contractual obligations and inability to provide appropriate resources in the timeframes expected. Some existing performance measures may result in pushing clients into jobs when they aren't necessarily job ready.

Ensure job seekers with higher levels of disadvantaged receive intensive assistance.

PAGES need to have an appropriate range of service options, such as:

- Transition programs for the job seeker prior to job seeking activities.
- Greater access to pre-employment interventions
- The ability to provide these interventions themselves under a funding model that reflects the level of work required to overcome the individual's barriers to work
- Performance expectations (timeframes) need to accommodate the higher level of disadvantage.
- Set hours of intervention linked to funding level mechanism (*perhaps an hourly rate*) in order to fairly compensate for extra costs involved with assisting clients who have high support needs.
- Performance ratings must also be linked to support hours given as well as employment outcomes.
- Flexible work experience/volunteering for welfare recipients.
- Better access for recipients living in rural areas to medical/healthcare professionals. Currently there is on average a wait time of 6 – 8 weeks before an appointment can be obtained. Out of pocket expenses are incurred by the recipient as there is no bulk billing doctors.

Ensure incentives for training which will improve the employability of job seekers (including incentives for long term training and education to address labour market needs)

To ensure incentives for training will improve the employability of job seekers, relevant training should be available to job seekers such as:

- Funding to support development of relevant training programmes on a local level through consultation with employers, local government and community.
- Additional funding to PAGES to enable provision of appropriate pre-employment training to disadvantaged job seekers linked to identified skills shortages in the Labour Market Region (LMR).
- Enhancement of the existing Work Experience Placement Program (WEPP) to enhance the practical skills of job seekers in an actual work place environment.

Note: Currently in NSW, insurance and State legislation impact on the ability to provide work experience to job seekers. Work experience is a recognised contributor to strong employment outcomes. It is important that disadvantaged job seekers are given every opportunity to secure and maintain work in a booming labour market.

Ensure job seekers receive appropriate training.

PAGES should be supported to provide/access training at a level that is recognised as acceptable by industry. Previous training programmes (e.g. Australian Skills Voucher Programme), whilst engaging highly disadvantaged and long term unemployed job seekers, have not provided satisfactory skill levels attractive to employers thereby limiting employment opportunities.

Strategic Objectives

Ensure performance management principles (including star ratings and business reallocation) that support sustainable outcomes and promote quality service delivery.

STAR RATING SYSTEM

Whilst the star rating measurement tool has been relevant in previous employment service contracts, it does not reflect the nature and operation of organisations providing services to job seekers with a disability.

Star Ratings measure transitory goals or milestones. Fundamentally, this is contrary to services providing ongoing support to job seekers with a disability. Critics highlight the degree of competition the system injects into the employment services programs and question whether this is the most effective means of increasing overall productivity. The current system may also promote some unscrupulous providers to put financial gains or high performance before the jobseekers best interests.

Transparent performance measures that truly reflect the operation, management, real costs and outcomes of support activities provided to job seekers with a disability will create an opportunity for **sector benchmarking** and support a tangible performance focus. Such a practice will also enhance and support the continuous improvement approach.

The establishment of an effective '**results based**' **measurement system** will better reflect the additional work required for the current pool of job seekers where a higher percentage fall within the disadvantaged group. Goals or measurements based on other than employment outcomes need to be incorporated in determining PAGES performance. This would reflect the individual nature of the services PAGES are required to meet the needs of the current target group, thus reducing welfare dependencies of working age Australians.

BUSINESS REALLOCATION PROCESS

The current business reallocation process has provided examples of inequities throughout the employment service industry. The lack of transparency in the current reallocation process leads to confusion amongst providers.

Ensure the minimisation of time and money spent on administration.

To ensure the minimisation of time and money spent on administration, the focus on "compliance" needs to be reduced. A proper risk management and co-operative approach to contract management would be more effective in terms of both cost and outcomes, something identified in 2006 by the Federal Government's "Taskforce on Reducing Regulatory Burdens in Businesses".

It could be argued that the dominant culture of some funding agencies in relation to "compliance" seems to permeate every interaction with the agency and service providers. This culture of "compliance" has impacted on the flexibility and creativity of the services that can be provided. It is evident that services are no longer able to focus on the needs of individuals as resources have to be allocated to complying with the many administrative tasks required to meet contractual obligations.

It could be suggested that a 'self-assessment' risk management and corrective action system, whilst identifying and managing risk, could support innovation and service model development across Federal Government employment programs.

What needs to change?

The future provision of effective, sustainable and meaningful employment support for disadvantaged welfare recipients is dependant on addressing a number of critical issues.

1. **Initial Assessment and Streaming Processes**

The industry needs a more comprehensive initial assessment and an improved streaming process. Appropriate allocation of resources is fundamental to the success of employment services. Current assessment tools, Job Capacity Assessment / Job Seeker Classification Instrument have significant shortcomings. An independent review of these processes would identify opportunities for improvement and ways forward. People referred to inappropriate programs should be able to easily transfer to the program stream that best suits their needs without affecting the relinquishing program's performance standing in any way.

Example: Job Network (Generalist) providers should be able to refer jobseekers at any time during the continuum to DEN or JN specialist if it is determined as being a more suitable service without the concern of affecting their star ratings.

2. **Measure demand**

Better systems for identifying needs and flexibility to reallocate places to areas of need i.e. Centralised waiting list within the employment services.

3. **Removal of the cap on the Disability Employment Network**

Demand for disability employment assistance has historically been high and insufficiently addressed. DEEWR has reported that 80 DEN sites are at "full capacity". There is an estimated 1,100 people awaiting services. These people would all be considered voluntary jobseekers without mutual obligation requirements. JCAL agrees with ACE National that in managing high levels of demand for DEN assistance the cap needs to be lifted.

We further recommend that the capped and uncapped programs be combined.

4. **Ongoing Support**

Increased focus on ongoing support across all programmes.
Provide a holistic approach to support all areas of the job seekers pathway from welfare dependency to sustainable employment. "The support needed, when needed".

5. **Current Employment Program Design**

Acknowledge that 'one size does not fit all'. Current employment program design and contract management policies advocate a 'one size fits all' approach to providing employment assistance. Such an approach often fails to acknowledge the different servicing approaches used by different PAGES.

Example: The Job Network generalist framework for compliance and performance is "not the right fit" for DEN due to the inherently vast differences in the client base.

6. **Performance Management**

Engage in constructive performance management processes. A goal's based approach for job seekers accurately reflecting all outcomes achieved rather than just employment outcomes.

7. **Strategic Relationships**
Acknowledge and maintain strategic relationships with referrers and natural pathways
8. **Increase funding opportunities**
Increase funding opportunities for:
 - a. Employer incentives
 - b. Paid employer work trials
 - c. Training to a level of skill attractive to employers through employer consultation and customised training
9. **Consolidation of programs for job seekers with a disability**
“One Stop Shop” approach to enable flexible delivery of services to meet the job seekers individual needs.
10. **Reduce Red Tape**
More time spent with job seekers, less time spent on “compliance”.
11. **Employer education**
 - Provide ongoing education to employers outlining the benefits of accessing under-utilised workers.
 - Further emphasise and promote the ability of Job Access Advisors to provide extra information to employers.
 - Update previous television advertising campaign.
 - Dual servicing arrangements included as part of service continuum.
 - Provide positive incentives for agencies to ensure that staff continue education for provision of competent services and adherence to the Disability Services Act.

A Framework for the future.

Job Centre Australia Limited supports NESAs proposed model “The Conceptual Framework for Workforce of the Future”. This model provides a broader range of intervention services prior to employment activities. The nature of the target group requires this early level of intervention for employment activities to be effective.

Whether these interventions are provided as a “One Stop Shop” or are made more readily accessible to PAGES. This would require greater funding for these early intervention programmes.

To assist Australians overcome participation barriers a “Whole of Government” approach similar to that adopted in Britain, Europe is required where sufficient funding and infrastructure is available to tackle social and economic disadvantage of marginalised communities within Australia. This funding would be best allocated to the provision of early engagement and interventions.

Conclusion

Providers of Australian Government Employment Services have a pivotal role in increasing workforce participation. We believe that the Blueprint Project provides us with a historic opportunity to build on past success and guarantee a successful future. The Australian Government has an opportunity to strengthen the employment services framework to accommodate a broader workforce participation agenda. In doing so it is believed that this will facilitate improved outcomes resulting in positive economic and social impacts.