

13 February 2008

The Hon. Brendan O'Connor
Minister for Employment Participation
Parliament House
Canberra

Dear Minister

Submission Regarding Future Delivery of Employment Services

Thank you for the opportunity to provide input to your review of the future delivery of Employment Services. My apologies for this arriving after the closing date for submissions, but I hope that it can still be considered.

OCTEC in Overview

OCTEC is a community based, not-for-profit organisation with more than 30 years experience delivering a range of employment, training and community development programs and services. We have delivery sites in Bathurst, Condobolin, Cowra, Forbes, Lithgow, Mudgee, Orange, Parkes, West Wyalong and Young.

The programs and services that we provide include:

- Employment and Related Services - Job Network, Job Placement, Disability Employment Network, Community Work Coordinator and Work for the Dole;
- Q.temp - labour hire services;
- State Wide Industry Training - nationally accredited industry training and traineeship services;
- Community Services and Health - aged care work training;
- Health and Safety Services - OHS and First Aid training;
- Information Technology Services – ISP, web hosting and training services; and
- Youth Services – Youthlinx and Links to Learning.

OCTEC is a member of various peak bodies representing segments of the employment services industry – ACE, NESAs and Jobs Australia.

Support for Submissions by Peak Bodies

OCTEC has followed the discussions and development of submissions by the peak bodies of which we are members. We support the broad directions and thrust of those submissions and do not intend to replicate the points made in those submissions. Rather, our submission is aimed at briefly illustrating some of the challenges faced by smaller regional based PAGES such as ourselves.

Complexity and Administrative Burden of Delivery

OCTEC contends that there is a need to reduce the complexity and administrative burden of delivering employment services programs on behalf of the Commonwealth. We currently deliver services under five different employment services programs – Job Network, Community Work Coordinator (CWC), Disability Employment Network (DEN) Capped Stream, DEN Uncapped Stream and Job Placement. Each has its own set of guidelines and contractual obligations. With the longer running programs, in particular Job Network and Community Work Coordinator, there have been numerous contract variations, each adding a level of complexity and in some cases additional administrative requirements.

Given the range of program we deliver and the increasing level of complexity, it has become extremely challenging to manage the fine detail of each contract. This has been compounded by regular changes in interpretation of the contract by DEEWR and increasing administrative requirements placed on PAGES to manage and respond to the monitoring activities of the Department. This in turn disadvantages smaller providers like OCTEC given the costs of the bureaucratic infrastructure required to administer multiple complex contracts. The review of employment services programs should aim to streamline and simply the range of programs and services to be provided from July 2009.

Gaps or Disincentives in Service Provision

The review of employment services programs should also aim to identify and remove any gaps in service provision and disincentives. For example, we have had a referral to our DEN Uncapped stream where the client had cancer and was attending cancer treatment. The referral indicated that the person would be ready for employment once the treatment had been completed. The treatment was going to take some time to complete (up to a year), and in the meantime, the person was not in a fit state to commence the job search process. Consequently, people in that situation can sit in limbo receiving little or no employment preparation servicing. More flexibility in the system would enable people in these circumstances to undertake supported training or employment preparation in conjunction with their treatment.

Another example relates to Job Placement services for people without a Job Seeker ID. Students still at school and job seekers on workers compensation generally do not have JSIDs, and yet are often actively looking for work. Under the current Job Placement Licence, there is no financial incentive for Job Placement providers to service these clients. As a community organisation, we generally do provide services to these people, as we see this as part of our community service charter. However, other organisations do

not appear to be as willing, and certain groups in the community miss out on a valuable service.

Challenges of Delivery in Smaller Isolated Communities

The establishment of Work for the Dole activities in small towns is often not possible because the cost of the activity, e.g. supervision, materials etc, and low referral numbers. In OCTEC's experience, activities require 12 to 15 participants to provide sufficient funding to operate the activity for 26 weeks. Many not-for-profit groups do not operate in small towns and there is often no public transport between towns.

In addition, more and more Government services are being contracted to the private sector, and there are fewer opportunities for Work for the Dole activities. For example, in the past, preschools were operated by Council or community organisations and could accept WfD participants. However, because the growth in preschools has been in the private sector, we are now unable to place WfD participants at many of these facilities.

A possible solution is to use the Drought Force program as a model for a mutual obligation program to operate in small communities (under a certain population threshold) that provides more flexibility for the placement of individual participants.

Thank you for your consideration of our submission.

Yours sincerely

Andrew McDougall
General Manager