



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

13.2.07

Dear Minister

WISE Employment welcomes the opportunity to submit its views on how employment services can be improved. Before doing so, here is a general overview of our organisation.

Who is WISE Employment?

WISE Employment is a not-for-profit charitable organisation that aims to be of benefit to the community by assisting disadvantaged people find sustainable and rewarding work. Beginning as a Disability Service in 1988, it has expanded over the years to include Job Network, Personal Support Program, Community Investment, Learning and Development Services, WISE Occupational Rehabilitation Services, with sites throughout Victoria, Tasmania and New South Wales.

WISE Employment social enterprises

Equity Labour Services (Tasmania) and Clean Force Property Services (Victoria) are "social enterprises" providing employment opportunities to highly disadvantaged job seekers. Revenue raised is used to build social capital by improving the quality of life for disadvantaged job seekers with strong and compassionate interventions.

Investing in the community

WISE reinvests surplus funds into innovative projects aimed at providing assistance to the most disadvantaged job seekers who are unlikely to receive assistance under existing programs. Under the auspice of our Community Investment Division a program such as 'Make it Work' assisted adult offenders

on bail to successfully reintegrate into the community and workforce by providing early intervention and specialist vocational and mentoring services.

In 2003, WISE became the major sponsor of the Asylum Seeker Resource Centre's Employment Program for refugees on Temporary Protection Visas and asylum seekers with working rights. We also became the major sponsor of the Flemington Eagles, the first all African soccer team to play in the Victorian Soccer League.

WISE has a partnership with Deakin University to identifying models of good management and good practice, developing working partnerships between non-government bodies and government, as well as implementing projects that directly benefit individuals and communities.

Training for job seekers

WISE Employment is a nationally registered training organisation. Our Learning and Development Services offers accredited and non-accredited training courses. At WISE, we encourage life long learning and providing training opportunities that suit individual learning style and needs. This approach supports job seekers obtain and maintain fulfilling employment and pursue a career path.

Working with ex-offenders

WISE operates Straight4Work, the first program of its type in New South Wales. It provides support for adults leading up to and after their release from prison, by preparing them for employment and helping them to access essential support services. An innovative feature of the Straight4Work program is that it also provides participants with personal support through mentorship. In this way the program not only addresses barriers to vocational and/or educational progress, but also offers individual support at a personal level through a positive and beneficial relationship with a volunteer mentor.

Working with mental health

WISE operates the Personal Helpers and Mentors Program (PHaMs), a new program that supports people whose lives are severely affected by a severe mental illness. It is a key part of the Australian Government's Mental Health package and the Council of Australian Government's National Action Plan on Mental Health

WISE Employment's views on improving participation and employment:

WISE Employment is convinced that employment services need to be improved as the system faces stagnation that will lead to a decline in outcomes for all stakeholders. WISE has been involved in JN, DEN and PSP since their inception. In operating these programs for many years we have witnessed the impacts of the tightening and micro-management of the system. We have seen the burden move, over that time, from job seeker assistance to administration and compliance.

During that period WISE has experienced increased staff turn-over. This has occurred as staff felt that their expertise and passion was being redirected away from work they were committed to and into a more administrative role monitoring the minute of the job seekers obligations. In addition, during the same period, we have seen the job seeker profile change to a more long term welfare dependant, difficult to place client with multiple barriers. These clients require more intensive 1:1 assistance and support. They are "job seekers with special labour market needs and issues."¹

Historically, DEN and JN (ESC 1) provided services which were client focussed, aimed at intensive early interventions, assisted the client in finding sustainable employment and provided ongoing post placement support.

To significantly reduce the proportion of long term unemployed on Newstart Allowance (61%, compared to 33% in 1996²) and achieve workforce participation objectives identified in the Government's Social Inclusion Agenda, we should bear in mind the following points:

1. Changes to the existing employment service system have to be substantial.
2. A reasonable budget allocation would be required to ensure a smooth, successful transition, implementation and operation of the new employment service system.
3. Rushing the new system into existence would not serve its purpose well.

¹ Parliamentary Library Briefing Book: Key Issues for the 42nd Parliament, "Welfare to Work and the Changing Nature of Job Seekers", pg. 97 (2007)

² Ibid, pg. 96

Here are some existing issues and suggestions for consideration when drawing up the future employment service model:

Main Themes:

WISE would like to see separate and specific programs in Job Network (JN), Disability Employment Network (DEN), Personal Support Program (PSP) and other complimentary programs.

Trust and flexibility need to be restored and embedded in the system. That will bring out creative problem solving and innovation.

The future employment service system has to be financially viable. Employment service contracts should have the annual CPI built into the payment system.

Current compliance and monitoring measures drain time and resources and complicate rather than simplify the work we do. They are counter productive to what should be common goals and objectives of the Government, department, industry, service providers and job seekers.

WISE supports a Performance measurement system. However, we believe it should be clear and transparent. The current Star Rating system, which is far from transparent, is not ideal. Also, in view of changes to the client type, we question if performance can continue to be measured by the speed at which service providers place job seekers into employment. A new set of criteria should be examined.

Another issue with the Star Rating system is that it is a relative measuring system and does not reasonably reflect each individual service and their value to the local community. The system creates a bell-curve measurement and insinuates that no matter how well the industry could perform there will always be organisations in the bottom 33%. Measuring and managing in that way does not produce a stable, trusting, collaborative environment. Going forward, a form of Benchmarking might be the better performance measurement system.

General issues and suggestions:

(Please note: some of these suggestions come from Peak Body submissions which WISE Employment quotes here as an endorsement)

Administrative:

One of the main issues is how administratively driven and cumbersome ESC3 is to deliver. The current arrangements are ineffective, and time and resources

could be much better utilised working with the jobseeker than policing job search evidence and compliance matters.

Suggestions for improvement include:

1. Remove the mandatory review of income support eligibility as part of the Job Capacity Assessment for DSP recipients volunteering to participate in employment services.
2. Create a more appropriate and flexible initial assessment system that doesn't allow for client to be inadvertently 'parked' in a program unsuitable to their needs.
3. Eliminate the need to provide a formal extension for servicing under any of the gateways if current requirements haven't been met by jobseekers due to illness or other factors
4. Overhaul the JSCI score and system – it has seemed that as the UE rate gets lower and the job seeker base becomes more difficult there seems to be an increase in the number of factors required to make jobseekers HD.
5. Dual servicing for jobseekers on WFD - non completion of hours should not make them ineligible for moving through the continuum and into ISCA and other programs
6. Introduce a fee for WFD referral interviews
7. If the administrative, evidence gathering and compliance framework were to continue then higher fees need to be paid per client as more consultants are needed and caseloads would be smaller.
8. Consideration should be placed on increasing resources to support job seekers with mental health issues and drug dependence issues.
9. JCAs need to be properly trained in the ES Contract so they can understand it, and be able to assess clients to make them eligible for the most appropriate service.
10. Employment services and Centrelink will need to work more closely and collaboratively to exit or refer back to Centrelink abusive/threatening/aggressive clients. Greater resources and staff training will be required as this issue is likely to become more prevalent.
11. In reviewing and revising JSCI consider giving a substantial weighting to Youth (currently zero). Likewise in Performance measure and fee structure, a fairer and more equitable consideration should be given to Youth outcomes.

12. Another idea in relation to fee structure is that outcomes could be paid on reduction of Welfare payments over 12 month period

Job Network: Suggestions for improvement include:

1. Increase the level of funding for supporting Job Search Support Job Seekers into employment
2. Emphasis on value of assistance to job seekers with complex needs and high risk of long term unemployment by increasing the proportion of job seekers eligible for Highly Disadvantage (HD) status to 33% (ESC1 levels).
3. Automatic HD classification for Disability Support Pension (DSP) recipients referred to the Job Network.
4. Instate automatic HD classification for all PSP clients transitioning into Job Network.
5. Introduce automatic eligibility for quarterly draw down of 50% of Job Seeker Account credits for additional internal servicing requirements in Job Network.
6. Make PPS/PPP jobseekers immediately eligible for Early Access JST.
7. Eliminate 100 hours of JST requirement and allow providers to truly tailor the program. (This is another example of costly, excessive administration requirements for little return).
8. As it currently operates, Employment Preparation (EP) is not an affective program and should be reviewed and revised according to a more pro-active training and assistance framework.
9. JN shouldn't be 'married' to the client, if after 36 months there is no outcome; Centrelink should refer them to another program or JNM for a new approach
10. The JSKA should be more flexible, run at an organisation's discretion. As it operates currently it is yet another example of needless administration
11. Considering current labour market condition reduce LTU gateway from 12 to 6 months.

Disability Employment Network: Suggestions for improvement include:

1. As the peak body ACE states, 'remove the disincentives to participation' for people on the DSP. Voluntary participation in employment assistance is a recognised contributor to strong employment outcomes'.
2. DEN specific tools, such as DPI and DMI should be reviewed in relation to the subjective determination of the 'degree of difficulty' they measure.
3. Uncap the DEN Capped program with the objective of ensuring all job seekers who require this level of support have ready access to services.
4. Considering the largest proportion of PSP participants have mental health issues, create a clearer, more direct pathway from PSP to DEN.
5. Could all school age students with disabilities aged 15+ be eligible for direct registration into DEN regardless of remaining or leaving school within 6 months?
6. Re-introduce 'natural' referral pathways for potential clients to enter DEN. Up until the JCAs were introduced DEN providers maintained direct relationships with community organisations to bring in referrals. These very constructive relationships for all parties.
7. WISE agrees with the government's Social Inclusion policy to develop a national employment strategy for those with a disability and mental illness.

Personal Support Programme: Suggestions for improvement include:

1. Uncap the Personal Support Programme (PSP), with the objective of ensuring all job seekers who require this level of support have ready access to services.
2. PSP funding model should be revised to enable it to provide the services required to meet job seekers' needs.
3. Allow job seekers to return to PSP if assessed as still requiring that service.

Training: Suggestions for improvement include:

1. In JN and DEN, job seekers in the 4 -12 month stage of their employment assistance program could have an education outcome payment, as many of these clients are required to study to gain suitable qualifications to re-engage in the workforce
2. Companies with more than 50 employees could be obliged to offer traineeships (with Government subsidies attached).
3. A greater performance/financial credit for training/TAFE placements for “skill shortage positions”
4. Enhance the Work Experience system to better suit Employers and Jobseekers. The employment service organisation would pay the job seeker the award rate for 2 weeks work trial which could be a great incentive for the job seeker and the employer as they can see that we were both committed to the job seekers best interest. This would provide the job seeker valuable on the job training and experiences. And will increase the chances of the job seeker getting employment in the community. (A similar idea to this is used by Labour Hire companies).
5. A greater emphasis should be placed on Language and Numeracy courses. These are not ‘short’ courses but upon completion the job seeker is much better placed to find employment. The employment service model needs to recognise job seekers who have expended extended time in productive courses such as this and the service provider should not be penalised for encouraging jobseekers into such training courses.
6. Similar to what currently occurs in the DEN Capped program, thought should be given to a system where outcome payable on Employment/Training does not have to be from “consecutive” weeks in all employment service programs.

Case Studies:

We felt it important to share case-studies to identify where and how the current system is not working and in some instances is failing to support the jobseeker. The client type coming into employment services is a job seeker that has few or no skills and major barriers. We are looking at the client’s whole of life situation, and the most basic issues that impact upon their ability to gain and retain employment. We would also like to stress that job seeker stories chosen here are

done so to represent what is likely going to be the largest and growing cohort coming into any and each program in the new system.

Case Study 1: Jobseeker on DSP, with schizophrenia and principal carer role for mother with chronic, active schizophrenia. TDR by senior psychiatrist reports non-compliance with meds; no insight into his condition; CAT team intervention within last month. Mental Health Case manager reports high support needs, low tolerance to stress. Jobseeker referred to Job Network by JCA. DEN provider queried assessment. *JCA response was that J/S had presented well so she had discounted TDR information.* DEN provider requested review of JCA and met with assessor to advocate for J/S who was then referred to DEN Capped. Jobseeker's anxiety levels exacerbated by the process, lost motivation and required support from DEN provider to continue the application process.

Case Study 2: WISE found sustainable employment for a 200 week u/e jobseeker for 13 weeks and obtained an outcome. The jobseeker was then made inactive. The employer had a down turn in business and terminated the jobseeker shortly after the 13 weeks. The jobseeker registered again and was made JSS which precluded them from obtaining training through the jobseeker account, limiting employment opportunities that could be built upon with the recently completed employment. As the jobseeker was JSS, did not have the time to provide them any further service let alone intensive support.

Case Study 3: Job seeker with a court order against him. His case manager has written to Centrelink to see if he can obtain an exemption due to the following:

The conditions of this order are that he report 5 days per week for drug and alcohol testing, report once per week for counseling, once per week with supervision with myself (case manager/Dandenong Drug Court), once per week with a clinical advisor and once per week for a judicial supervision by the Drug Court Magistrate. Client is currently required to attend a total of 9 appointments per week over the 5 day period. This makes it extremely difficult for him to seek and undertake work at the present time. Client is doing very well on his Drug Treatment Order. We are keen (and concerned) that he consolidates the gains that he has made.

Conclusion:

For 10 years the Job Network employment service system has served a valuable purpose to Australia. However, as is evidenced by the many examples in this paper, it is clearly in need of a review and a revamp. The current contract and system has constricted the ability to provide quality, intensive employment assistance to those who need it most. Looking to the future of employment servicing we can do better. By acknowledging the needs of the client, giving providers flexibility within and across programs, and setting realistic (and not relative) targets, we can place jobseekers into sustainable employment.

WISE Employment trusts that we have shared our views concerning the state of employment services and ideas for its future directions openly, constructively and unreservedly. We look forward to seeing how the future of employment services shapes and wish to be directly involved in the ongoing conversation and consultation.

Yours sincerely

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