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Meaningful Employment

**A new system of employment support for all
Australians**

**“ ...it is impossible to have a great life unless it is a meaningful life. And
it is very difficult to have a meaningful life without meaningful work.” ¹**

13 February 2008

¹ Collins, Jim. “Good To Great” Random House 2001. pp210

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Preamble

The recommendations contained within this paper include a preferred model of service delivery which will deal structurally with issues currently impacting the government funded employment service arrangements. The model is part of an integrated representation of the reality of employment support for Australians, particularly those suffering significant disadvantage and have multiple barriers to employment.

UnitingCare Australia views social inclusion (and employment as a component part of it) from a particular perspective. We believe that:

- all people have intrinsic value, physical, spiritual and social needs;
- all people have a just claim to be heard, either directly or through those who are close to them and understand their strengths and hopes;
- all people have the right to participate in community as fully as they wish and are able; and
- all people have the right to opportunities that will enhance their life chances and quality of life.

The UnitingCare network has significant experience working with people who desire to have fuller participation in the social and economic life of the Australian community but who have complex needs and experience barriers to employment. This paper promotes a person-centred focus, a point that is driven by our philosophy that all Australians have a right to access and participate in the nation's economic and social prosperity. In short all have a right to be included. As such our approach is to identify the needs of individuals and work with them to remove barriers and identify solutions to participation and inclusion.

UnitingCare Australia believes that there is a need for strong, positive and authentic leadership to be taken in working with disadvantaged individuals to create opportunities for participation and inclusion. At the heart of this is a view that the circumstance of social and economic disadvantage is an issue of such risk and magnitude that a genuine partnership with government, the community and business is the only way forward. The leadership required is not just about direction but also attitude. Until recently the public discourse (supported by government) relating to those suffering significant barriers to employment for example has been a pejorative one. From our perspective this attitude in itself has been responsible for much of the disconnection that exists amongst the long term unemployed. We advocate active leadership of an inclusive public discourse focusing positively on the needs of those Australians in less fortunate circumstances.

Many of the individuals we work with live a dislocated existence and have multiple barriers to employment. Multiple barriers require multiple supports. Individuals have the right to a prescription of support developed and delivered in response to their particular needs. We propose that a "roadmap" to employment participation be established, a set of diverse pathways that can be accessed and utilised by individuals in response to their needs.

Executive summary

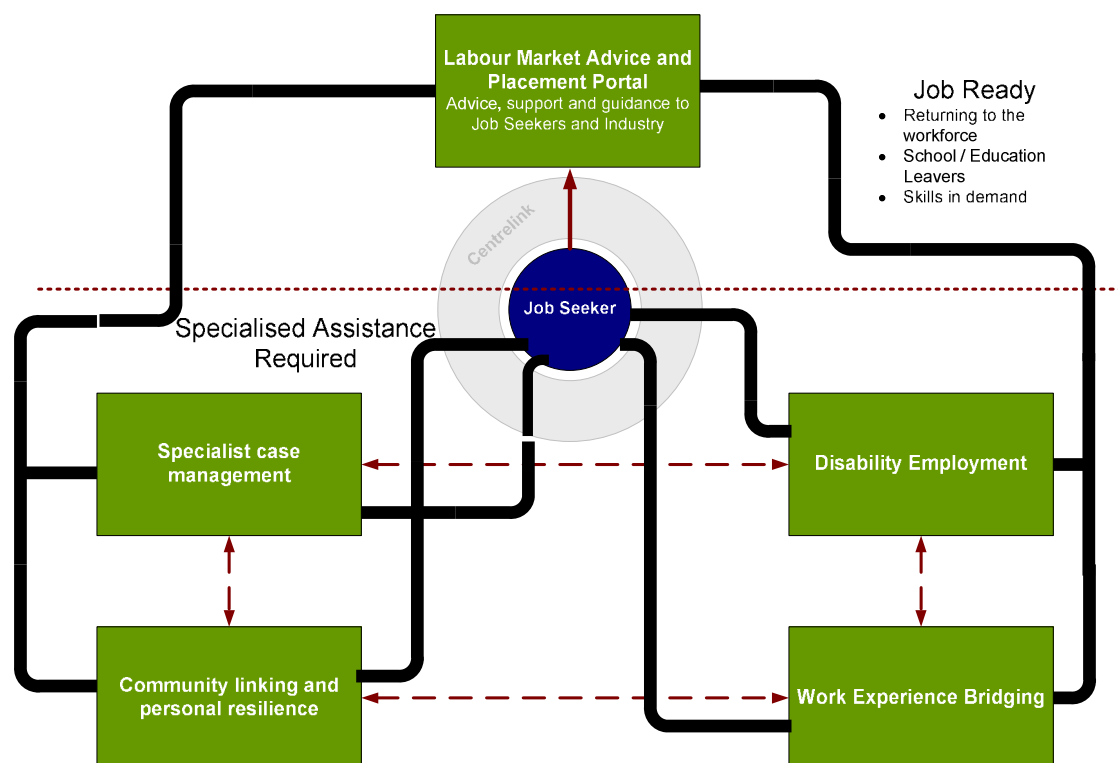
We acknowledge and commend the Government's commitment to social inclusion. Uniting Care has extensive experience in providing services to support disadvantaged communities and individuals through its various agencies. We believe that this equips us to make recommendations on how employment services could be designed to meet the needs of unemployed and disadvantaged people.

This paper provides a background and critique of the current employment service framework and outlines our recommendations for improving the system to ensure that it is more responsive to the needs of individuals and achieves the objectives articulated in the Government's Social Inclusion and Skills policies.

We propose a simplified employment service model that reduces confusion, empowers community agencies and targets workforce participation and community connection. The model does this through a re-allocation of existing resources (no increased funding required), reducing the number of program streams to five, and ensuring that these streams work collaboratively.

We would recommend that one of each of these services should be contracted for each Centrelink region or ESA (depending on the need in the area). As a consequence the providers would not be competing for the same target group of job seekers in a geographical region and the focus would be on encouraging specialisation and best practice in working with specific groups of clients. Five service streams would form the foundation of a Roadmap to Employment participation summarised below.

Roadmap to Employment Participation



The “roadmap” is based on a recognition that the job seeker is at the centre of the system (supported by Centrelink where appropriate). The system is designed to be an enabling structure that will facilitate access to five service streams within the “roadmap” model. The first service being a general and universal employment placement and advice service, accessible to all employers and job seekers, including job seekers who are currently regarded as under employed, who may be working part-time but keen to access full time employment.

1. Labour Market Advice and Placement Portal (LMAPP).

The LMAPP will provide services to the job ready as well as assisting non job ready individuals to identify appropriate options to support their immediate and longer term needs and would also be a connection point with local industry and commerce for purposes of more closely matching industry labour needs to supply at a local level. The other service responses within the Road Map to Employment Participation provide options for people who are disadvantaged in the labour market and need more intensive support in overcoming those issues which prevent them from actively participating in the work force.

2. Community Linking and Personal Resilience.

This service will provide support to vulnerable people who are alienated from the broader community and whose life circumstances preclude full participation in the labour market in the short to medium term. These individuals need particular assistance not only to find work but to reconnect with the community. The assistance available within the Community Links and Personal Resilience

stream is designed to, among other things, develop life skills and meet immediate physical needs and provide general counselling and advice.

3. Specialist Case Management.

These services work with individuals with multiple barriers to employment that function at a level above those targeted by the Community Links and Personal Resilience approach. The assistance available within the Specialist Case Management stream will focus on the provision of services to address specific vocational barriers.

4. Work Experience Bridging.

As the name implies, this approach is about building an individual capability through a real experience of work in a supported environment which will be complemented by formal training support.

5. Disability Employment

The importance of supporting Australians with disability to enter and sustain employment has been recognised over the years through the provision of a continually evolving legislative framework that underpins activity in relation to disability employment. The “roadmap” recognises the fact that disability employment is different and as such incorporates much of what has recently been published by the Disability Employment Network (*The Disability Employment Blueprint*) within the roadmap approach.²

UnitingCare Australia believes that the “roadmap” articulated in this document establishes a sound and robust structure that is flexible enough to provide the support needed by individual Australians to access and sustain employment in line with their needs and abilities.

We recognise that a move from current arrangements to the approach suggested above will require a significant time investment for all involved. Key steps in moving to a more inclusive and responsive approach to the provision of employment services are listed below.

Discard the Active Participation Model

Issue: The current system is a complex, unwieldy and inflexible service delivery continuum which does not meet job seeker needs, prevents appropriate early intervention, and limits the flexibility of providers to innovate on behalf of job seekers in the pursuit of meaningful employment

Recommendation 1: Minimise the service delivery constraints on providers, including discarding the Active Participation Model (APM). Measure providers against outcomes rather than by inputs.

Reduce Administrative Complexity

Issue: Service provider and purchaser staff waste substantial time on unnecessary administrative burdens. We estimate that the ratio of the time spent on administration to the time spend on working on outcomes within our services is 60:40. This is not an efficient system nor is it an effective use of

² *Disability Employment Blueprint Project, Principles and Practices*, January 2007, ACE.

taxpayer's money and there is a critical need to streamline reporting arrangements and administration requirements.

Recommendation 2: Simplify the business model and payment structures.

Realign programs/services

Issue: Programs/services do not necessarily align with emerging approaches to skill development. A clear articulation between activity in the labour market, skills development and employment services activity is required.

Recommendation 3: Review/rework programs to ensure that the appropriate links are there. For example, in the case of Work for the Dole, rework the program so that it provides work experience with not-for-profit community organisations (as at present) and with private employers and industry groups, together with practical and accredited skills training.

Recommendation 4: Remove barriers that currently exist within the income support system that act as a disincentive to accessing longer term education and training associated with degree and diploma courses. The provision of direct financial assistance to cover the cost of long term education would also assist take up rates.

Independent Regulator

Issue: The purchaser of services is also the regulator of the industry. This means purchaser faults are not exposed, and providers are subject to bullying and threatening behaviour.

Recommendation 5: Establish an independent industry regulator.

Early Intervention

Issue: Early intervention is necessary to provide immediate access to universal job brokerage services to anyone looking for employment irrespective of background or employment circumstance.

Recommendation 6: Provide job ready individuals with the services the LMAPP has to offer such as job advice and placement service – job service techniques, interview skills, resume, job applications, job brokerage.

Recommendation 7: People with multiple vocational barriers will gain immediate entry into Specialist Case Management, or referral to Disability Employment support.

Review of the JSCI

Issue: Inaccurate assessment of job seeker needs and capabilities and problems associated with the Job Capacity Assessments has resulted in job seekers being inappropriately referred.

Recommendation 8: Basic principles be introduced to underpin the assessment process. For example, assessments should be conducted face to face, include a comprehensive discussion with the job seeker and be ongoing.

Assessments will occur during service provision as specific issues surface, enabling reclassification of job seeker needs and re referral to the most appropriate service response.

Recommendation 9: Redevelop the JSCI from a comparative assessment tool to one that is an absolute measure of actual barriers to employment.

Employment Services relevant to the circumstances and needs of job seekers

Issue: Services are currently driven by the prescription of the Active Participation Model and activities which often have no relationship to the needs or capabilities of job seekers.

Recommendation 10: The fundamental principle underpinning government employment services for long term unemployed and disadvantaged people, should be that the job seeker's 'barriers and capabilities' are paramount and should drive the service. For employment service provision to be effective, the focus of preparing people for work, needs to be a personalised, tailored and ongoing case management approach as opposed to current prescriptive approaches that suggest that the road to employment is linear with "one size fitting all."

Job seekers with higher level of disadvantage receive intensive assistance

Issue: Poor assessment processes and the transaction based model mean that often job seekers do not receive the intensive assistance they require.

Recommendation 11: Vulnerable people with complex needs at risk of alienation and permanent social exclusion receive intensive and ongoing support under the Community Links and Personal resilience approach. Those individuals with significant vocational barriers (e.g. substance abuse and homelessness) case management support will be the focus of activity.

Recommendation 12: People with disabilities should be referred to specialist disability services, recognising their particular needs.

Performance management principles

Issue: The current performance measurement and management framework does not assist the effective management of services.

Recommendation 13: Develop and implement a system that is understood, transparent, and supports sustainable outcomes and promotes quality service delivery.

Mutual Obligation and employment service orientation.

Issue: The operation of mutual obligation has, in effect, combined the goal of helping people into sustainable and valued employment with the goal of ensuring the integrity of the social security system. The two issues are separate and need to be dealt with separately. We believe that monitoring and following up on job seekers who are perceived not to be complying with the Social Security legislation is the responsibility of Government.

Recommendation 14: Centrelink identify job seekers who may not be actively seeking or preparing for work.

A fundamental shift is needed.

Issue: Provision of employment services, particularly to those Australians in most need has reached a stage where a complete overhaul of policy and underpinning systems is required. The dual circumstance of a strong economy and a new government provides the opportunity for this activity to occur.

Recommendation 15: Extensive consultation to develop the best possible model.

Recommendation 16: Extend current contracts for an appropriate time to ensure some continuity of service during consultation, and put a moratorium on business allocation during this period.

UnitingCare Australia believes that the “roadmap” articulated in this document establishes a sound and robust structure that is flexible enough to provide the support needed by individual Australians to access and sustain employment in line with their needs and abilities.

We recognise the significant investment of implementing such an approach and as such suggest that the shift be supported by:

- Discarding the Active Participation Model – and establishing an approach that focuses on the needs of an individual rather than the needs of a system.
- Reducing the complexity of administration associated with the provision of employment services.
- Realignment/redevelopment of programs to align with labour market skill needs and required skills development.
- Installing an independent regulator to oversee the emergence and operation of new and revitalised employment services.
- Recognising that what is needed is a fundamental shift and as such take time to “get it right”.

1. Introduction

Australia in this first decade of the 21st Century is enjoying unprecedented prosperity, unemployment is at a 30-year low and the economy is growing. However, despite this prosperity there are many individuals, families and communities which experience significant economic and social disadvantage.

UnitingCare Australia is concerned to ensure that all Australian's, particularly those at risk of social exclusion, are able to participate to their fullest extent in work and community life.

Through its many service delivery arms, the UnitingCare network has considerable experience in supporting people whose life circumstances mean that they are unable to participate in the workforce. This paper explores these issues while examining the current structure of employment services and offers some recommendations on how employment services can be redesigned to provide holistic support that connects people to community and develops their unique and individual capabilities.

1.1 UnitingCare Australia

UnitingCare Australia is an agency of the National Assembly of the Uniting Church in Australia (UCA). The agency represents the Church's UnitingCare network of community services of which there are over 400 nationwide.

The UnitingCare network is one of the largest providers of community services in Australia providing services to 1.8 million Australians each year, employing 35,000 staff and 24,000 volunteers nationally. It provides services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally and linguistically diverse backgrounds, and older Australians in urban, rural and remote communities.

The UnitingCare network delivers a range of Commonwealth funded employment services across Australia including those operating under the Disability Employment Network (DEN), Personal Support Program (PSP), the Job Placement, Employment and Training Program (JPET) Community Work Coordinators (CWC) and the Job Network.

UnitingCare Australia represents the UnitingCare network of service providers' views to the Government, and advocates for those policies and practices which enhance the dignity of people, especially those who are most disadvantaged and marginalised.

UnitingCare also actively maintains and builds relationships with key stakeholders outside government to deliver higher levels of access and influence, and works, as appropriate, with other churches and peak organisations in the community services field and beyond.

1.2 UnitingCare principles

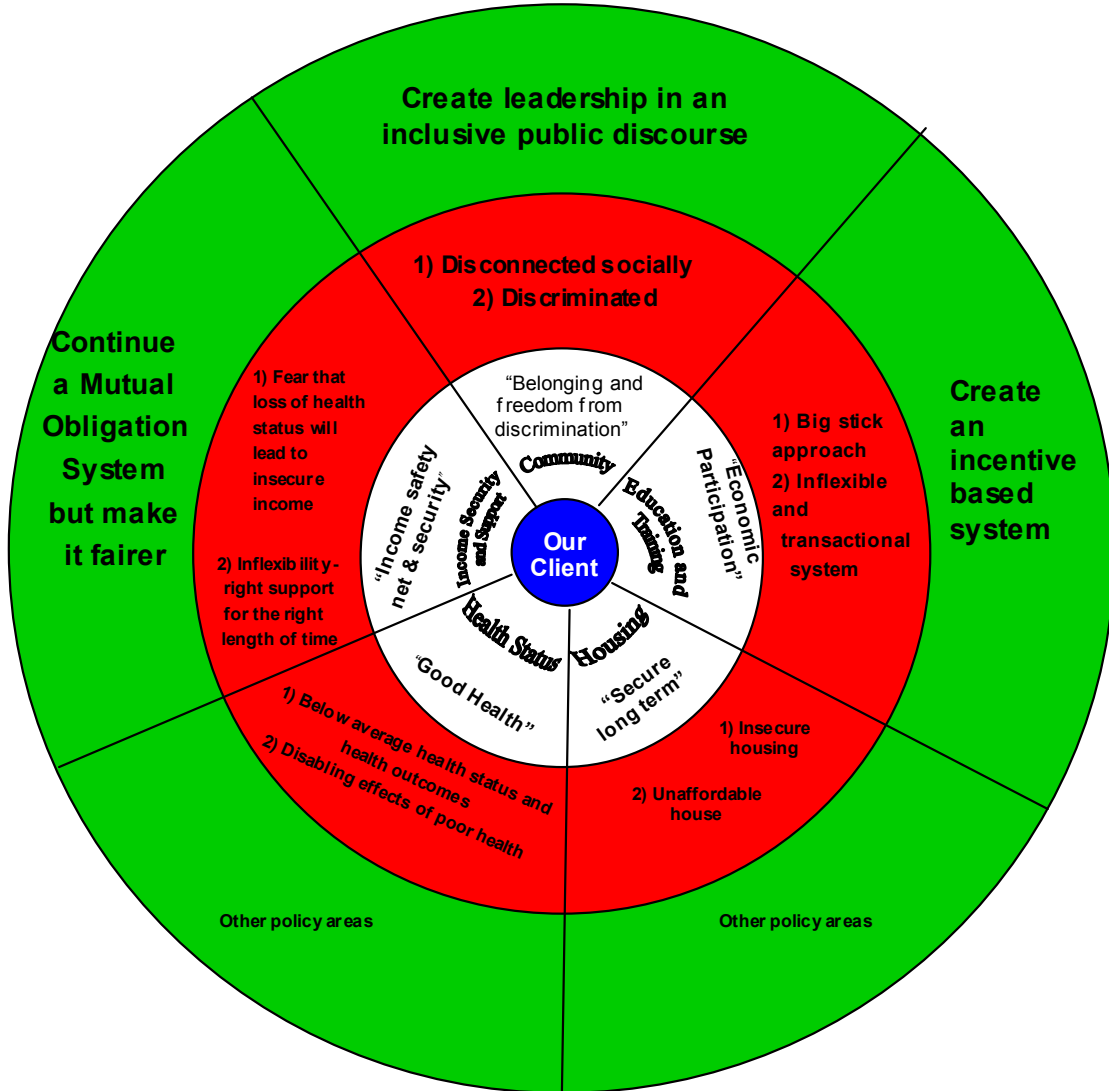
In its work, UnitingCare Australia supports the following principles:

- all people have intrinsic value; and physical, spiritual and social needs;
- all people have a just claim to be heard, either directly or through those who are close to them and understand their strengths and hopes;
- all people have the right to participate in community as fully as they wish and are able; and
- all people have the right to opportunities that will enhance their life chances and quality of life.

1.3 UnitingCare – our people and those we work with

Our position on social inclusion and the provision of employment support is informed and flavoured by those we work with. The diagram below summarises the life context of those we work with, identifies barriers and makes broad suggestions as to how these barriers can be addressed.

Our clients:
A profile of needs,
barriers and solutions



- Typical UnitingCare client
- Barriers to economic participation
- Typical needs of our clients
- Solutions to economic participation

2. Social Inclusion

Having the ability and opportunity to participate in the social and economic life of a community should be the basic right of all individuals. Sadly, despite the prosperity that the majority of Australian's have been able to enjoy in recent years, there are an increasing number of people and communities which seem to be being left behind. This fact is acknowledged in Labor's Social Inclusion Policy and we commend the Government on its serious commitment to addressing the social disadvantage and poverty which results in people being marginalised and disconnected from all that society has to offer. As noted by Senator Ursula Stephens:

"Social exclusion occurs where people or communities suffer from a range of problems such as unemployment, low incomes, poor housing, crime, poor health and disability and family breakdown. In combination, these problems can result in cycles of poverty, spanning generations and geographical regions."³

2.1 Education and Work

The importance of education in preparing people for work cannot be underestimated. OECD research confirms that higher educational attainment leads to greater employment opportunities, and specifically states, "that the longer individuals spend in education, the more likely they are to be in employment and to earn more."⁴

However, in Australia, as cited in a report released by the Dusseldorp Skills Forum and the Australian Industry Group, "Close to one in five young adults in May 2006 had not completed Year 12 or a Certificate III vocational qualification."⁵ Furthermore in May 2007, 526,000 young Australians aged 15 to 24 years were neither in full-time work nor full-time study.⁶

Clearly the skilling of Australia's future workforce needs to address the issue of higher educational attainment for young people, and ensure that all young people are supported and encouraged to achieve as a minimum Year 12 or the equivalent through vocational educational pathways. For young people who struggle to remain connected to mainstream schooling, attention needs to be paid to developing alternative educational models which positively engage young people in vocational education and training.

In supporting people who are moving from welfare into work, we need to design systems of support for people who experience underemployment. It also needs to be recognised that many entry level jobs, tend to be in the lower wage bracket and ideally employment services should not only focus on the immediate job placement, they also need to give unemployed people an understanding of the principles of job advancement and career path planning. Government and employers need to create environments which provide

³ eNewsletter, January 2008, Senator Ursula Stephens, Social Inclusion Issue
<http://news.ursulastephens.com>

⁴ OECD (2007) Education at a Glance' p.6

⁵ It's Crunch Time – Raising Youth Engagement and Attainment (August 2007)– Dusseldorp Skills Forum & Australian Industry Group, p. 11

⁶ Ibid p.11

opportunities for skill enhancement and career progression through further education and training, both before and after placement in entry level jobs.

2.2 Mental illness and inclusion.

Studies conducted by Professor Peter Butterworth confirm that there is a high prevalence of Mental Health disorders amongst people receiving government income support, i.e. almost one in three income support recipients (more than 30 per cent) have a diagnosable mental disorder in any 12-month period and the data shows that poor mental health is a factor likely to have an impact on many FaHCSIA clients and reduce their ability to achieve social and economic goals.⁷ However with targeted and individualised service provision the economic and social participation can be vastly improved for this group of people.

UnitingCare agencies have significant experience in working with people who have diagnosed mental illness and those experiencing poor mental health and we firmly believe that with the appropriate supports, people with mental illness can gain and maintain ongoing employment. However, consideration must be given to the episodic nature of mental illness. To this end, people in receipt of the Disability Support Pension (DSP) need to have the clear and unassailable right to return to the DSP during periods of illness when they are unable to maintain employment.

2.3 The negative impact of supervisory or paternalistic approaches

The current system of employment services is underpinned by the principle of Mutual Obligation, which is based on a notion that people in receipt of government income support must “give something back to the community that supports them.” Many of these measures have been based on the concept of mutual obligation developed by the American philosopher, Lawrence Mead.⁸

Mead strongly advocates a paternalistic approach, also described as “hassle and help”, which is essentially about behavioural modification through coercive means. He defines paternalism as, “social policies aimed at the poor that attempt to reduce poverty and other social problems by directive and supervisory means. Programs based on these policies help the needy but also require that they meet certain behavioural requirements which programs enforce through close supervision.”⁹

Mead himself contends that paternalistic approaches can in fact cause harm, he states that, “even if the programs improve the lot of the poor, they do so in ways that some people will find demeaning. By assuming that recipients

⁷ Butterworth, P, (2003) Centre for Mental Health Research, ANU Canberra, *‘Policy Research Paper, No 21 – Estimating the prevalence of mental disorders among income support recipients; Approach, validity and findings.’* Commonwealth of Australia, p 15

⁸ Mendes, Philip, (2003), *‘Australia’s Welfare Wars, The Players, The Politics and The Ideologies’*, University of New South Wales Press Ltd. Sydney, Australia p 93

⁹ Mead, Lawrence M. (1997), *‘The New Paternalism – Supervisory Approaches to Poverty’* The Brookings Institution, Washington p 2

cannot be trusted to pursue their own interest, paternalism in effect treats adults like children.”¹⁰

UnitingCare believes the opportunity now exists to reverse this paternalistic trend through a process of engagement and true collaborative leadership across government, community and business. This can be done through the establishment and support of an inclusive and engaging public discourse about the nature of real social inclusion and the place of employment for individuals within this.

Simplistic and ill-informed views of unemployed job seekers do not sit well with the experience of those who work in our employment services network. They report that the vast majority of job seekers are people generally doing the best they can, given the multiple barriers they face in participating in employment and society.

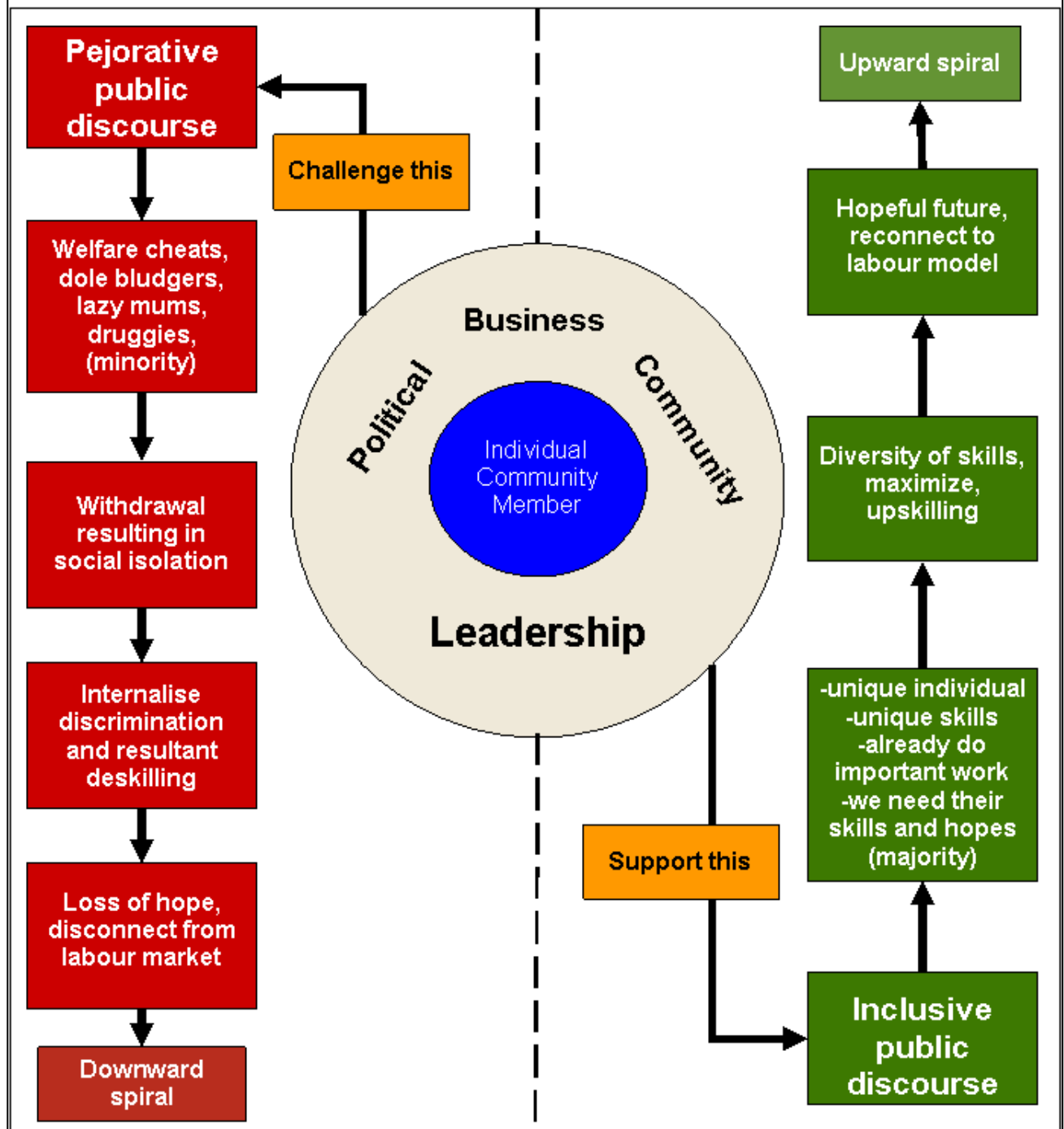
UnitingCare believes in the intrinsic value and worth of each individual and that the essence of human relationships, should include treating people with dignity, respecting the choices that they make and providing them with opportunities and support to enable them to develop to their full potential.

In employment services this means creating a structure which focuses on positive not punitive engagement, centring on the needs of the individual, not a system.

¹⁰ Ibid p 26

Roadmap to leadership in an inclusive public discourse

The problem is too big for any sector to solve alone, it requires a partnership approach.



2.4 Mutual Obligation and employment service orientation.

Employment services contracts have increasingly required service providers to ensure that job seekers comply with their mutual obligation responsibilities and to report those job seekers who fail to complete prescribed activities or who don't attend scheduled interviews. The result being that programs which purport to help people in their employment endeavours are regarded by many unemployed people as punitive and coercive. (This has been confirmed in the research into attitudes of job seekers towards the Job Network, undertaken by Dr. Greg Marston and Catherine McDonald.) This approach mitigates against the development of trusting relationships which are essential in working with people to overcome potential barriers to employment.

Since the introduction of Welfare to Work in June 2006, job seeker compliance has become the dominant focus in employment services. According to the Budget papers, this reform of the welfare system, "tackles the twin goals of lifting the workforce participation and reducing welfare dependency".¹¹

The system has, in effect, combined the goal of helping people into sustainable and valued employment with the goal of ensuring the integrity of the social security system. There are grave consequences in conflating these two separate issues. The most apparent being a lack of trust or confidence in the ability of the system to provide real support that focuses on the specific circumstances of individual job seekers.

The system of helping people back into work needs to be able to positively and proactively engage job seekers and give them a sense that they will have some control and choice in developing and achieving their employment goals. People are more likely to participate and cooperate when they are given a degree for choice, rather than being forced into a situation that they cannot influence.

The employment services system needs to be more creative in dealing with the issues of job seeker compliance. It is UnitingCare Australia's firm view that most unemployed people want to work and certainly want to access assistance that focuses on their needs and helps them to achieve their hopes and aspirations.

Consequently, we believe that the employment services system must be refocussed on its primary purpose - that is to provide, timely, meaningful and relevant service which help people to prepare for, gain and maintain sustainable employment.

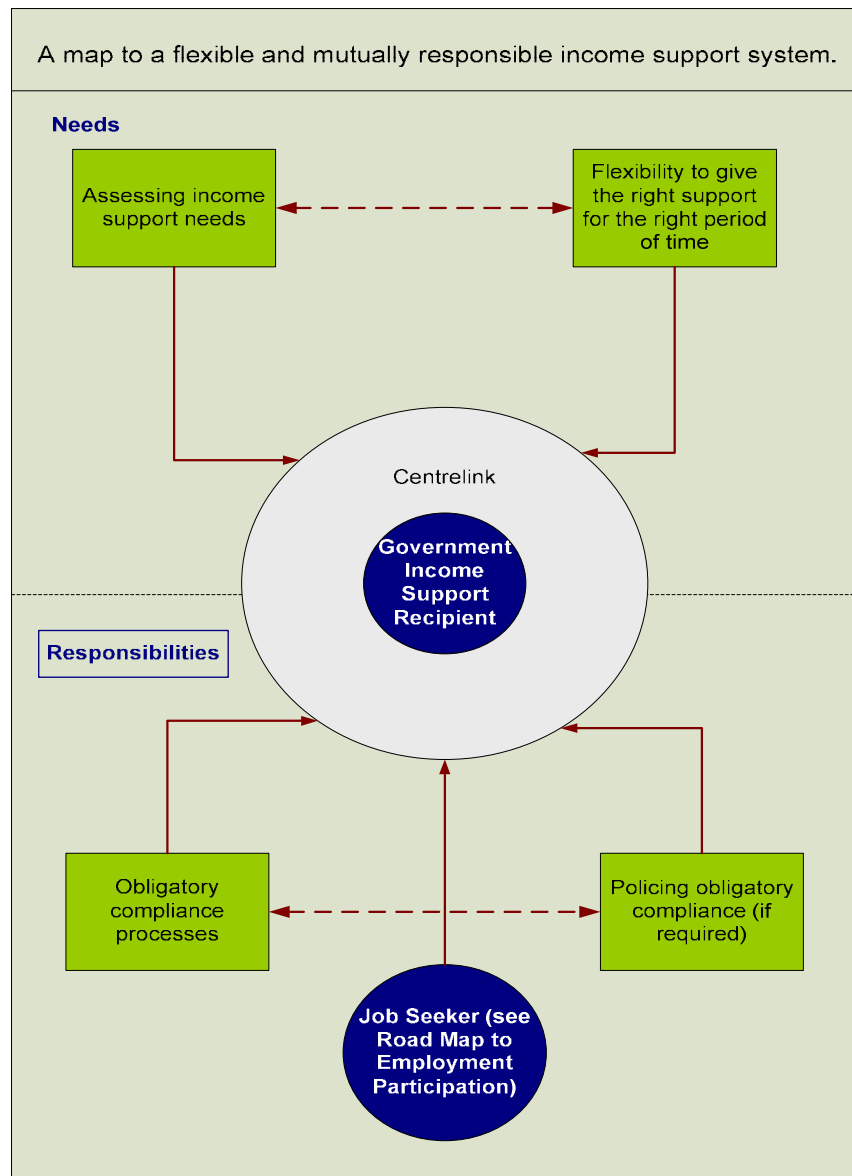
UnitingCare Australia is confident that this approach will ensure that unemployed people will have access to services that support their timely transition back into work without the provision of those services being driven by the compliance needs that are necessarily part of any income support regime.

2.5 Dealing with non compliance

Centrelink has a key and yet difficult role in supporting the provision of employment services to job seekers. It is a role that deals with the tension that exists between satisfying individual job seeker income support needs and

¹¹ *ibid*, p1

ensuring that the responsibilities that accrue to the receipt of income support are satisfied. UnitingCare Australia's view is that Centrelink needs to maintain a significant role in any future employment services market. The diagram below seeks to summarise what that role may be.



Centrelink is well positioned to identify job seekers who may not be actively seeking or preparing for work. It is acknowledged that there are a range of reasons contributing to this situation. We firmly believe that monitoring and following up on job seekers who are perceived not to be complying with the Social Security legislation, should be the responsibility of an agency with the skills and authority to undertake this task. This could either be a special unit in Centrelink which may include social worker and fraud investigative staff, who would follow up on job seekers who do not engage with the employment services or who continually fail to report for interviews.

Once the reason for non compliance is established action can then be taken which may include:

- reassessing the individual's benefit entitlement to ensure that they are in receipt of the appropriate benefit;
- referral to intensive specialist support; and
- applying sanctions if required.

3. Current Approach to Employment Services Delivery

Tailored support for the complex needs of job seekers, particularly those enduring long term unemployment was a desirable and effective feature of the initial significant changes to the provision of employment services ushered in through Working Nation. There was a strong recognition at this time that individual job seekers were individuals, with a complex mix of needs and factors contributing to their situation. The response at the time was to work with job seekers in ways specific to their individual need, using a true case management model. The approach to servicing the complex needs of job seekers has since evolved to a rigid one with the simplistic application of a transactional model. Job seekers are required to undertake a series of prescribed activities and this has resulted in a lack of flexibility and opportunity to meet the complex need of job seekers.

3.1 Encouraging Innovation

A positive feature of the first Job Network contracts were that providers were encouraged to develop innovative and creative approaches to dealing with the sometimes challenging issues confronting many job seekers. This approach allowed service providers to focus on helping job seekers to identify job opportunities and provide them with the means to access them, eg. vocational training, support with transport, assistance to purchase tools or work related clothing, personal development and confidence building workshops, mentoring, etc. The focus was on identifying flexible options tailored to the needs of the individual job seeker.

3.2 Compliance Drift

Since the first Job Network contracts there has been an ever increasing administration and contractual compliance burden placed on service providers. The end result of this drift is that innovation and flexibility are rare events in the provision of services. The overall effectiveness of the provision of services has greatly diminished in two ways:

- Services are so bound up with required administrative activities that there is diminished opportunity for real engagement with those job seekers with more complex needs. As such these needs are often not surfaced and addressed.
- The sanctions dealt out by the purchaser department and the way they have been applied across the employment services network have been such that providers are reluctant to do anything outside the standard approach for fear of making an administrative error and then incurring the wrath of the purchaser department.

3.3 Rigid Service Model - a transactional model of engagement

The Active Participation Model was introduced in July 2003. At the time the model was promoted as building on the success of Job Network by more actively engaging job seekers to maximise their chances of finding work as quickly as possible. This model was underpinned by mutual obligation. With activities such as Work for the Dole designed to continue to provide opportunities for job seekers to participate in their community.¹²

There is little evidence that the application of the model has resulted in the active engagement of job seekers to maximise their opportunities to find work quickly, particularly in the case of those job seekers with complex needs. What has developed is a rigid service model that caters predominantly for those who are likely to find work of their own accord within a short time. For those unable to find work immediately the application of the model is one that increasingly focuses on rigid compliance to a process rather than necessarily addressing needs. Below is an outline of the application of the Active Participation Model.

- 0-3 months unemployment - Job seekers are eligible to use facilities provided by employment services providers.
- 4-6 months unemployment - Job seekers will be referred to Intensive Support Job Search Training.
- 7-12 months unemployment - Job seekers will be required to undertake Mutual Obligation Activity such as Work for the Dole, part time work or volunteer work. During this time job seekers will also need to attend a service provider and continue job search activities and attend Review interviews with their Employment Consultant.
- 13-18 months unemployment Intensive Support Customised Assistance - Job seekers will work closely with an Employment Consultant and negotiate an Activity Agreement. There will be regular reviews and support meetings.
- 19-24 months unemployment - The job seeker will undertake further Mutual Obligation activity.
- 25-30 months unemployment Intensive Support Customised Assistance - Fortnightly reviews with their Employment Consultant to ensure everything that can be done is being done in order to find sustainable employment.
- 31-36 months unemployment - Job seekers will be required to undertake another Mutual Obligation activity.
- 36+ months unemployment - Job seekers will renegotiate an Activity Agreement and have regular reviews with an Employment Consultant. At this point, job seekers will be eligible to participate in full time Work for the Dole activities.

¹² The Active Participation Model – Facts Sheet. DEWR, July 2003.

The approach is an overtly transactional one focusing on compliance points and shifting the focus away from an individual case management approach to a more prescriptive transaction based approach to providing services. The model is also linear suggesting that the move from unemployment to employment is a direct one. Unemployment, particularly long term unemployment, is generally the result of a number of interlinked factors and as such the road to sustainable and appropriate employment may take many paths.

3.5 Observations of the Active Participation Model

At the time of the introduction of the Active Participation Model the Commonwealth Government argued that the application of the model would, “be better targeted and more timely and...will integrate Job Network services with Mutual Obligation activities to ensure that job seekers are engaged in ongoing employment focused activity and job search.”¹³

UnitingCare service providers have observed that the application of the Active Participation Model has done little to support an improvement in services to support unemployed individuals to find employment. What it has done is intensified the focus on processing job seekers through a series activities designed to comply with specific program requirements rather than help them to prepare for or access jobs.

Increasingly the focus of the Job Network seems to be on ensuring that income support recipients meet their “activity test” obligations. As stated by Abello and MacDonald, “the Active Participation Model clearly places the policing of beneficiaries as central to the Job Network’s role.”¹⁴

This is a stark departure from the original picture of the Job Network and the Employment Services market articulated by the Commonwealth Government in the late 1990s. The focus then was on tailored support through engaging case management to identify and work with needs to a sustainable and appropriate employment outcome for the individual. The situation is now one where compliance with a process, irrespective of its appropriateness and effectiveness at an individual level is what drives the system.

3.6 Not just any job

It is argued that the rigidity of the service model has led to a focus on “a job, any job” as the desired outcome by government. UnitingCare has always been clear on this point.

“...not all paid jobs are worthwhile, and it is inappropriate to expect people to take absolutely any job that is offered to them. Paid employment is not an absolute, unalloyed good.”¹⁵

¹³ Commonwealth of Australia, (2002), *‘Employment Services, An Active Participation Model, Discussion Paper’*, Australian Government Publishing Service, Canberra p 1

¹⁴ Abello, D & MacDonald, H. (July 2002) *Job Network: Changing Community Sector Values*, The Drawing Board, Volume 3, Number 1. The School of Economics and Political Science, University of Sydney, p 62

¹⁵ *Participation Support for a More Equitable Society: UnitingCare Australia and National Social Responsibility and Justice, Response to Interim Report on Welfare Reform*, May 2000.

From our perspective valuable work is that work which contributes to the wellbeing of humankind, which is “genuine wealth”.¹⁶ Genuine wealth includes material wealth that satisfies basic human needs for housing, sanitation, education, health, technological knowledge, intellectual and artistic wealth of the academy and the community, the biosphere and its web of life, social and political relationships, institutions, customs and traditions, diversity, creativity, time, and individuality. Some forms of paid employment actually destroy these things.¹⁷

3.7 One size does not fit all

The application of a rigid “one size fits all”, process based compliance model may have seen its day. Alternative approaches are emerging and being articulated. For example, in June 2007 Terry Moran, Secretary of the Department of Premier and Cabinet in Victoria observed international reform in the service delivery by government is moving to what is being described as “associational” reforms or a “network model” of governance. The central hypothesis of this approach is that:

“...good government outcomes are driven not simply by authority structures or programs, but by the ways in which people and systems associate with each other particularly on the local level. This is what drives public value. Delivery integrated around the citizen is most valued.”¹⁸

It is fair to say that present employment services arrangements have become the complete antithesis of service delivery integrated around the citizen, with government dictating the fine detail of engagement, management and administration of employment services.

3.8 Reflections from Employment Service Staff

It is important to note that the impact of the rigidity of the present system is not just restricted to job seekers. The “one size fits all” approach of the Active Participation Model reduces the opportunity for case managers to work with job seekers on an individual basis to create a return to work plan that is sensitive to the specific needs of individuals. In addition, the increased concentration on contract compliance and job seeker compliance with the activities regime has resulted in less time being available to spend with job seekers and this in turn has affected staff morale and loss of job satisfaction for workers within the Job Network.

In 2005 the results of a survey conducted by AC Nielsen for Jobs Australia and the Brotherhood of St Laurence, asked staff at commercial and not-for-profit Job Network agencies to assess how the system was working. The results were reported in the Age and included the following observations:

¹⁶ As defined in the 1988 Uniting Church Assembly document *Economic Justice – the equitable distribution of genuine wealth*. See also *Work and Unemployment: a Fair Future*, UCSA, September 1997.

¹⁷ *Participation Support for a More Equitable Society*: UnitingCare Australia and National Social Responsibility and Justice, Response to Interim Report on Welfare Reform, May 2000.

¹⁸ Moran, Terry. *On Leadership*, June 2007 Leadership Lecture, Leadership Victoria.

- “Front line staff say the system often fails those who need it most”.
- “Many people are forced into pointless ‘Mickey Mouse’ activities that don’t help them find a job.”
- “Six out of 10 staff said Job Network agencies were poor or fair at finding lasting jobs for people with disabilities”.
- Service staff found “deep frustrations at the lack of time, money and individually tailored help for disadvantaged jobseekers”.¹⁹

The impact on service employees has not diminished and may go some way to explaining the significant staff turn over that is now a feature of the sector. It is important that employment service arrangements be changed from a transactionally focused rigid model to one that genuinely facilitates engagement and focus on individual needs and allows for crafted responses to support the jobseeker along the path to employment.

¹⁹<http://www.theage.com.au/news/national/job-network-fails-to-help-neediest/2005/07/20/1121539030569.html> {accessed 28 January 2008}

4. Performance measurement

Performance measurement and management is important to the sustainability of any organisation whether that organisation be public, private or community managed. Performance measurement in the current employment services system is problematic. The centrepiece of the measurement of performance is the Star Rating system.

Providers are given a relative rating (by the purchaser department) of their success in achieving job placement outcomes and these 'star ratings', (rankings range from 1 – 5 stars) drive the distribution of business across providers in the Job Network system. Employment outcomes are measured as:

- quantity of outcomes;
- speed of outcome achievement;
- sustainability of outcomes; and
- equity of outcome distribution.

An emphasis on speed and number of outcomes has had the effect of causing providers to focus on placement, rather than necessarily the “best” placement. In many cases this need for speed has also meant that the intensive case management support needed to ensure a multiply disadvantaged job seeker is adequately prepared for sustainable employment does not occur. The result in many cases is placement but not sustained placement. Churn in job placements has become a feature of the marketplace – a feature that does little to assist job seekers or employers.

4.1 Performance ratings

The system supposedly provides “Performance ratings (that) are sharply focused on the achievement of employment outcomes for job seekers and provide reliable comparisons between Job Network members.”²⁰ According to DEWR, Star Ratings are used by:

- job seekers to assess the comparative performance of Job Network members in their local area;
- job Network members as a measure of performance; and
- the Department to drive improved performance and allocate business share to Job Network members.²¹

There is little evidence that job seekers utilise the Star Rating scores of providers to inform their service choices.

Utilising the Star Rating system as a measure of service performance sounds credible but the difficulty with the Star Rating system is that it is just that – a rating system. Employment services providers consistently report that Star Ratings are not an accurate reflection of performance overall and provide little

²⁰ Job Network Performance Ratings Fact Sheets, DEWR. September 2002.

²¹ Job Network Star Ratings Fact Sheet. DEWR February 2005.

in the way of useful information as to what sits behind performance at a service level. The Department does not issue a breakdown of individual scores and as such it is not possible to identify the elements of a business that are underperforming and may need attention. The complexity of the measurement system used is such that it is not possible to test the validity of the calculations on which the system is based. As such there is little confidence in the Star Rating system as a performance measurement tool.

4.2 The audit process

The audit process undertaken by the Department does little to assist with real performance measurement or management. The UnitingCare network recognises that external review is both a necessary and potentially useful process. In many industries external performance review is used as a catalyst for positive change benefiting both the purchaser and the provider.

At present service managers and staff report that DEEWR audits:

- lack consistency with each DEEWR Contract Manager wanting something different;
- are not well calibrated – focusing in many cases on minute administrative detail;
- linked to the point above – significant time is spent responding to what are minor queries; and
- add little to the business effectiveness of services.

There is little in the present performance management arrangements that allow a service or the Department for that matter to identify and work with the quality of service delivery.

4.3 An Alternative Approach

An alternative approach would be to focus on measuring, monitoring and managing performance relating to all elements that impact service delivery. A sustainable organisation is a function of a number of interlinked factors – each impacting the other. Any effective performance measurement/management system would need to recognise this and be applied accordingly.

The development of a holistic performance model for the provision of employment services that recognises that performance is a function of all of the elements identified above would allow for the development and implementation of a performance management approach that would:

- focus on sustainability of service provision;
- have meaningful metrics at both the strategic and operational levels;
- provide both qualitative and quantitative information;
- allow for the development of a quality systems approach to underpin real continuous improvement; and
- support a less costly compliance regime for the Government.

5. Administration – contract compliance

UnitingCare's experience around Australia is that the administrative burden on service providers relating to contract compliance has seriously compromised their ability to provide effective services and it could be argued as a result compromises the effectiveness of the employment services network overall. UnitingCare employment service providers estimate that the ratio of purchaser driven administrative activity to direct job seeker engagement is 60:40. (Note that this figure is an average with some services reporting a slightly higher administration figure). It is difficult to see that the employment services model in its current form can in any way be seen as an effective use of taxpayer's money, irrespective of reported outcomes. No other provision of services with government as the purchaser of those services has administrative compliance ratios anywhere near the employment services network circumstance.

These findings are supported by the Productivity Commissioner who reported in an independent review of the Job Network that "Many providers perceive increasing compliance burdens that direct them away from their main goal of placing disadvantaged job seekers in employment."²²

Put simply this is not an efficient or effective way for a government to provide services to those in need.

Quality management in the current system is driven by a compliance culture within DEEWR. The focus of most quality systems approaches outside of the employment services sector is on the twin goals of organisational sustainability through continuous improvement. Contractual compliance is an element of effective quality systems not the key driver.

5.1 Impact of the approach

Such an approach has serious repercussions for the sector as it stifles innovation and trivialises the work of services.

A key marketing tool for the introduction of Job Network arrangements was that the approach would encourage new and innovative ways of providing employment services. There is little evidence of true innovation in the employment services sector. What innovation is occurring is usually associated with developing "work arounds" to deal with the administrative burden imposed by current arrangements. Innovation involves doing things differently and in doing so taking a risk. The sector has been conditioned over the life of the Job Network to be risk averse and as such the creativity that is at the heart of continuous improvement rarely surfaces. One service provider interviewed as part of the research for the development of this paper expressed the situation in the following way:

"The program was very collaborative under the previous contract in 2000. Once they brought in the Star Ratings things changed – suddenly there was change in the focus of the providers. No longer was it to look after the

²² Productivity Commission, (2002), *Independent Review of the Job Network*, Report No 21, Aus Info, Canberra.

interests of their sponsors and job seekers – it was now to get a better star rating than the other providers. This of course meant that if you had something to share....you didn't!"

The result is a sector that operates in predominantly the same mode as it did ten years ago. As such it is unlikely that the sector is well equipped to deal with the shifting challenges of the future.

Staff in employment services estimate that more than a third of their productive time is spent on administrative compliance. This severely compromises the capacity of services to actively engage with clients and employers and yet provides no real benefit back the service. It is also a significant "distraction" as the repercussions of administrative non compliance are significant, causing many staff to focus on "getting the paper work right" rather than focusing on client outcomes.

5.2 Articulation of the Active Participation Model

The situation is further complicated by the fact that the administration of the systems that sit behind employment services delivery are overly complicated. Attachment 1, DEEWR's 2006 - 2009 Indicative Active Participation Model (APM) - Service Fees, Outcome Fees and JSKA Credits, demonstrates this. This document demonstrates the complexity of administrative arrangements characterising the model.

5.3 Administration and consistency of standards.

The relationship between the Department and its suppliers has evolved into an unusual one. It is not a traditional purchaser / supplier relationship with the purchaser setting down specifications for the delivery of services and the provider working to deliver those services in full, on time and to standard. Nor is it a partnership approach where both parties respect the contribution each makes towards achievement of a common goal. In the employment services sector the purchaser is intimately involved in the operation of the supplier organisation providing significant operational and it could be argued management direction.

It is also argued in many instances that if the "organisational veil" was removed services could be seen for what they have evolved to – delivery arms of DEEWR. This actually negates the underlying premise on which the original outsourcing construct was based - for innovation and specialist supports in addressing the issue of long term unemployment.

The actual administration of performance standards is also problematic in many circumstances. In the current system the Department articulates performance and administrative standards, it also investigates and assesses standards. If the standards are not adhered to or performance attained the Department imposes sanctions. In this way the Department is the investigator, prosecutor, judge and executioner all rolled into one. Such an arrangement stretches the boundaries of natural justice and transparency of decision making by the Department.

This role conflict has been recognised in other sectors and in particular the Aged Care sector where an independent Aged Care Standards and Accreditation Agency independently monitors services in the sector.

As such UnitingCare Australia supports the establishment of an independent regulator to oversee the operation of government funded employment services market.

6. Relationship with the job seeker

6.1 Job seeker assessment processes

Accurate assessment of an individual's capacity and needs is essential in order to provide the right level of service at the right time. However, it is recognised that a point in time assessment does not always reveal all of the issues which may be preventing an individual from entering the work force. There are various reasons for this. Sometimes the individual chooses not to reveal personal circumstances which might indicate a level of deeper need to the assessor. Similarly the episodic nature of mental health means (for example) that the individual will present very well on specific occasions and not very well on others.

Often complex barriers are revealed during follow up interviews with service providers as the relationship develops. It is therefore imperative that the service system has the capacity to reassess the support needs of the individual and ensure that the person is referred to the most appropriate service. This is in keeping with the 'one door, no wrong door' approach, which would encourage and acknowledge service collaborations which ensured a client centred approach to assessment, referral and service provision.

6.2 Principles of assessment

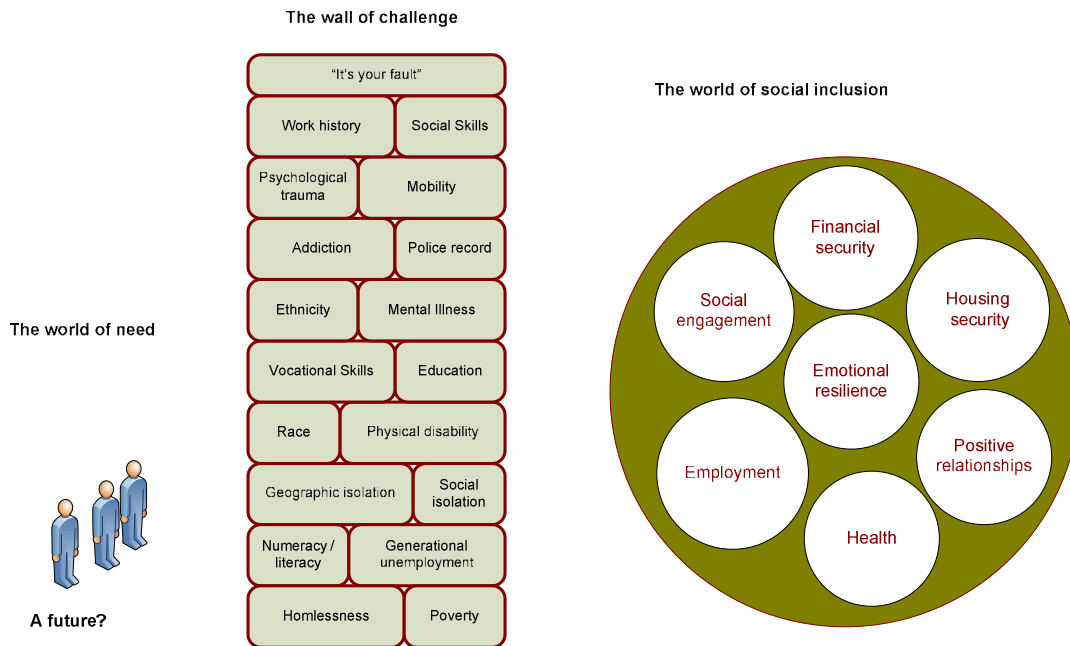
The assessment of job seekers needs and capabilities:

- must be conducted face to face;
- must be of a significant length of time – e.g. at least one hour for first assessment;
- must recognise that a service relationship will reveal issues which may not have been identified at the time of initial assessment and there needs to be scope to review the original assessment and so re-refer the person to the most appropriate service/program; and
- reassessment and referral to the appropriate service should be possible from the point of engagement with a client – i.e. either Centrelink or specific service provider.

Current arrangements do not align with these principles and as such need to be reviewed and tools developed that provide accurate, timely and transparent assess of individual needs.

6.3 Supporting people with complex needs.

As indicated above, job seekers are not homogenous. Each individual has specific needs that are an amalgam of their life experience and opportunities or lack of them. The diagram below indicates some of the needs that providers of employment services may need to deal with to assist in the progression of an individual from the world of need to the world of social inclusion and participation. (Note that the challenges described are not encyclopaedic.)



Given the buoyant state of Australia’s labour market and the low levels of unemployment, it is becoming increasingly evident that many of those people who remain unemployed, despite the growth in workforce participation, have a range of complex needs and often multiple barriers to securing employment in the short term. These barriers can include poor mental health and/or poor general health, co-morbidities, addictions, chronic homelessness. For many of these individuals, employment is not necessarily their immediate need, their lives are frequently chaotic and often daily survival is their main objective. They need to be supported in connecting to community and broader supports to help build their personal and emotional resilience and stabilise some of the conditions which make life a constant struggle.

These people interact periodically with the church and community sector through meals or social programs designed to improve the quality of life and general well being for people whose social and economic status often creates loneliness and alienation.

Some of these people have been referred to the Personal Support Program (PSP), however there are some difficulties with the current operation of PSP and how this has evolved over the past 10 years. The narrowing scope of PSP has seen this program become a pre-employment program with a focus on job seeker compliance and an increase in the regulatory aspects of the program.

PSP is labelled as a pre-employment program, however it needs to be acknowledged that PSP in effect fulfils the role of a community connection/social inclusion program. The complex needs of many PSP participants require intensive support and a long term commitment to help these individuals to develop confidence and self esteem, social and interpersonal skills and personal resilience.

While PSP is reasonably well regarded amongst providers as one of the options to support people with complex needs, there is a need to expand and reorient the program to:

- make it more accessible to people with complex needs (who are currently unable to be referred because of waiting lists); and
- ensure that the goal of the program remains focussed on providing individualised support and connection for individuals who are marginalised and excluded as a result of multiple and complex barriers to participation, such as poor health, poverty, chronic homelessness etc.

6.4 Early Intervention

The aim of early intervention in any sector is to ensure that potential problems do not become entrenched. There is much evidence to suggest that the longer a person is unemployed the more difficult it will be for them to reattach to the labour market, both from a skills atrophying perspective and from the personal perspective where loss of confidence and self esteem cause the individual to become totally demoralised and they become resigned to their situation and lose hope of every finding employment. Our experience on the ground is that loss of hope and fear of failure are as disabling for a person as a lack of skills or education.

7. A new approach

7.1 Labour Market Advice and Placement Portal (LMAPP)

The need for early intervention through the provision of effective labour market advice and support should be paramount when an individual first becomes unemployed or enters the labour market for the first time.

The level of assistance will need to vary depending on individual needs, however it can be argued that a basic level of assistance must be available and accessible immediately a person finds themselves unemployed. The assistance should include:

- job search assistance – including advice on how to develop a resume and write a job application;
- guidance on interview techniques and job search protocols;
- access to a pool of job vacancies through, newspapers, journals, data bases etc;
- advice on labour market trends and emerging opportunities;
- advice on local industry developments and introductions to local employers;
- career path planning advice and support; and Job placement services;
- referral to more appropriate options, e.g. Specialist Case Management, Disability Employment, Community Linking, Work Experience Bridging;and
- advice and referral to education and training providers to enhance and increase individual client educational and skills needs that reflects local labour market requirements.

Assistance to employers and industry more broadly will include:

- vacancy listing;
- vacancy matching;
- vacancy filling and follow up;
- advice on workforce development and local workforce planning;
- advice on training initiatives;
- advice on partnering with other businesses and organisations to address local employment skill shortages;
- advice and the provision of post placement mentoring services for clients with particular placement support needs (eg. Individuals with disability, Indigenous Australians, parents re entering the workforce); and
- the establishment of partnerships with relevant service providers that have a level of expertise to work with clients with significant needs and barriers to employment.

These fundamental and general job placement and industry advice services should be positively and actively promoted to both employers and potential job seekers and should be accessible to anyone in the community who is seeking employment.

7.2 Early intervention - those with multiple barriers - Specialist Case Management

While the general job placement and industry advice services provided through the LMAPP, will be available to everyone seeking employment, there are people who experience barriers which prevent them from immediately accessing the labour market, these barriers may include low educational attainment, lack of recent work experience, limited skill levels, lack of transport, health issue, and/or other personal factors.

People with higher support needs should be referred to an appropriate service as quickly as possible to provide them with the support and interventions required to address barriers. The individualised and tailored support provided through a specialist case management approach will provide the interventions necessary to help these individuals overcome the barriers preventing them from entering and staying in the labour market. The assistance available within the Specialist case management stream include:

- access to appropriate services to overcome specific vocational barriers;
- literacy/numeracy training;
- vocational skills training course;
- general counselling;
- support in accessing transport;
- personal skills development;
- presentation skills;
- job placement support; and
- intensive post placement mentoring.

7.3 Work Experience Bridging

Programs which provide people with the opportunity to gain work experience in a supported environment have proven to be highly successful in helping unemployed people to reattach to the formal labour market. Throughout the history of employment services in Australia, there are several examples where these types of programs have been a critical part of the skill development of people who have been disengaged from the workforce. Some of these include Community Employment Program, Job Skills, New Work Opportunities and more recently the Work for the Dole program.

One of the constant criticisms of the Work for the Dole program is that the pejorative title of the program does little to endear this program either to participants, community providers, employers and the wider community. We acknowledge and commend the Government's commitment to re-title this program, to remove the punitive element and promote the positive aspects of community contribution and community work experience.

Besides a re-badging and re-branding, this program could become more effective by increasing the training elements contained within the program, so that participants gain theoretical and practical skills. There is also an argument for encouraging input from local employers both in the planning of potential work experience projects and the provision of follow up placement opportunities for graduates from the work experience programs, to create genuine pathways for people.

Work Experience Bridging is about building an individual capability through a real experience of work complemented by formal training support. The assistance available within the work experience bridging stream include:

- developing practical work skills – through on and off the job training;
- understanding the working environment and acceptable work behaviours;
- learning to work in a team;
- understanding workplace relations, i.e. supervisors role, task completion, working within a time frame;
- developing interpersonal skills, e.g. flexibility, reliability;
- developing positive work behaviours; and
- developing work supportive life skills (eg. Time and money management, healthy living).

7.4 Disability Employment

The Welfare to Work “grandfathering arrangements” have had a deleterious impact on the voluntary participation of many people who are currently in receipt of Disability Support Pension (DSP). Many of these people are keen to access services which will enable them to progress towards securing meaningful employment, however there is a high degree of nervousness about entering a service system, which may ultimately cause them to lose access to DSP.

There needs to be an acknowledgement that many people in receipt of DSP will have periods of wellness when they are willing and able to work, but the episodic nature of many illnesses will mean that there are times when they require a period out of the workforce. To encourage these job seekers to access work when they are able, the system needs to have a built in assurance to allow people to return to their DSP and in particular have access to ancillary benefits such as transport assistance and health and pharmaceutical benefits, when they are unable to work.

The importance of supporting Australians with disability to enter and sustain employment has been recognised over the years through the provision of a continually evolving legislative framework that underpins activity in relation to disability employment. The Roadmap to Employment recognises the fact that disability employment is different and as such incorporates much of what has recently been published in *The Disability Employment Blueprint* by the

Disability Employment Network (DEN) within the roadmap approach.²³ Key issues for the DEN that need to be addressed in order that they may provide the service support necessary include:

- Removal of the cap on service provision that currently exists.
- Establishment of a centralised waiting list - for the Disability Employment Network (if the cap cannot be removed).
- Removal of the disincentives to participation for grandfathered DSP recipients volunteering to seek employment assistance (mentioned above).
- Ensuring security of ongoing support. Disability is for life and as such disability employment services engage with clients and families over significant periods of time. The current purchaser provider model, with the potential for provider turnover every three years does not support the operation of effective support services.
- Research, development and implementation of a National Disability Employment Strategy - in line with the Human Rights and Equal Opportunity Commission 2005 recommendation.²⁴

To increase the sustainability of disability placement there is an opportunity to establish an investment fund approach to support job seekers with disability to maintain and retain employment. This could be achieved through using an individual's Disability Support Pension equivalent for two years to sustain placement, by providing in work mentoring, training and ongoing support in employment.

At an individual level disability employment support will take the form of:

- pre-employment support and preparation activities;
- specialist matching of individuals to specific employment opportunities;
- provision of advice, guidance and support to employers;
- provision of advice, guidance and support to individuals with disability to enter and be sustained in employment; and
- post placement support, job assessment and ongoing mentoring for up to two years.

7.5 Community Links and Personal Resilience

An expanded personal support program should focus on helping individuals who are at risk of social exclusion, to reconnect to community through a range of interventions which will:

- develop life skills including budgeting, financial management and general socialisation skills;
- meet immediate physical needs e.g. food, shelter;

²³ *Disability Employment Blueprint Project, Principles and Practices*, January 2007, ACE.

²⁴ See the Human Rights and Equal Opportunity Commission's *WorkAbility II Solutions Report*, 2005

- create opportunities to develop relationships with others within the local community;
- provide recreational and social activities;
- address specific individual barriers to participation;
- provide general counselling and advice; and
- provision of the “life and work” skills assistance to support future entry into employment.

7.6 Non structural supports.

UnitingCare Australia believes there are a number of non structural supports that need to underpin the “roadmap” described above. They include:

- The development and provision of incentives to support participation in pre employment / employment focused activities. These incentives need to be in place for two reasons. Firstly employment preparation activity can be a significant cost to individual job seekers, a cost which many will find difficult to bear. Secondly it may be useful to use some form of incentive to encourage individual job seekers into circumstances that will assist their eventual employment. Such an approach was suggested in 2000 in the McClure Report. It was recognised then, that Participant Supplements/Accounts might ease the burden on unemployed people and at the same time act as incentives to encourage them to participate in specific education and or training activities.²⁵ This observation is as relevant today as it was in 2000.
- A process of industry engagement is needed to connect employers and employment service providers. Significant skills shortages exist in Australia and this has been the case for some time. Currently there is little evidence of connection between industry and the labour market. If there is any focus it is on the supply side with employment service providers, where possible, attempting to develop job seeker skill sets with limited resources. Surely there is opportunity for all stakeholders, employers, employment services providers and vocational education institutions to work strategically to work on the demand side of the equation as well.
- Linked to the point above it may be an appropriate time to consider the use of targeted wage subsidies to support entry into and maintenance of employment. Such support could be used as a lever to assist employers to reconsider the demand side of the work force planning / skills need equation. This would have clear benefits for potential job seekers and industry more broadly.

²⁵ Commonwealth of Australia, (2000) ‘Participation Support for a More Equitable Society’ Final Report of the Reference Group on Welfare Reform’. Canberra p 29

7.7 An important reflection

This paper primarily assumes that the openly competitive nature of the employment services market is likely to remain. It may be useful to ponder the following question however. Is unbridled competition an appropriate tool for the delivery of social/economic policy outcomes?

The answer to this question, if it was only focused on economic outcomes is likely to be “yes”. Unemployment and particularly long term unemployment is not just about access to work. Long term unemployment invariably has a mix of multiple disadvantage sitting behind it, much of this resulting in a lack of meaningful engagement with community and society more broadly.

A community based approach to working with unemployment tends to recognise the complexity and interconnectedness of the circumstances that sit behind long term unemployment. A community based approach also recognises that for individuals to be fully functioning in the labour market, they need to be seen as and feel part of their local community and the broader Australian society.

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Attachment 1

2006- 2009 Indicative Active Participation Model (APM)- Service Fees, Outcome Fees and JSKA Credits

Confirmed current and effective - 1 November 2007

