

NESA's Response
to the Senate Inquiry into
**The Appropriateness and
Effectiveness of the Objectives, Design,
Implementation and Evaluation of jobactive**



About NESA

The National Employment Services Association (NESA) established in 1997 is the peak body of the Australian employment services sector. NESA is dedicated to a vision of opportunity for everyone through employment and inclusion.

Employment inclusion and participation are cornerstones of the economic and social health of society. For the individual, employment participation is more than a means to income, it provides connection, purpose and inclusion. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians enabling access to such things as a well-functioning health system, quality education and strong social safety net.

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities.

NESA's mission is to lead a sustainable, effective and diverse employment services sector to support individual job seekers and employers and to help our nation achieve employment participation objectives. NESA membership encompasses the breadth of Australia's diverse labour market assistance programmes including jobactive, Disability Employment Services (DES), the Community Development Programme (CDP), Transition to Work (TTW), Youth Jobs PaTH, ParentsNext, Time to Work, Career Transition Assistance and Vocational Training & Employment Centres (VTEC). A large proportion of NESA members deliver multiple programmes.

Our membership is extensive and diverse, and open to all contracted providers (for-profit, not-for-profit and public). To illustrate, of providers of Australia's largest employment programme – jobactive – NESA members have a collective footprint covering 100% of Employment Service Regions.

NESA delivers intensive policy, operational and capacity building support to member organisations. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective delivery of labour market assistance and social policy. Our extensive membership, and intensive member and stakeholder interaction provide unique insight into the policy and operational settings that underpin labour market assistance.

Introduction

The National Employment Services Association welcomes the opportunity to contribute to this Inquiry. Joblessness and particularly involuntary joblessness is a phenomenon with serious economic and social impacts throughout the fabric of a nation. A socially inclusive society is one in which its members are afforded the resources, support and opportunity to fully participate in the social and economic life of the community. Social inclusion encompasses a range of factors and while not a panacea, many regard employment as foundational to overcoming economic and social exclusion. As such, the examination of the appropriateness & effectiveness of the objectives, design, implementation and evaluation of jobactive, has potential to make significant contribution to ongoing policy and program development.

While jobactive is our nation's largest employment service program, it is one of several programs and initiatives, which interact within a broad employment services framework. The employment services framework is dynamic with constantly evolving policy and program arrangements affecting implementation arrangements, efficiency, effectiveness and ultimately service users' experience.

NESA offers the following contribution in response to the Inquiry's terms of reference:

Nature and underlying causes of joblessness in Australia;

The employment services sector recognises that more Australians are achieving paid work than ever before with 94% of those considered in the labour market, working.¹ While proud of its contribution to workforce participation and employment objectives, the sector's attention remains focused on those left behind, including those who are unemployed, underutilised, underemployed and disenfranchised from the labour market.

Defining joblessness

Joblessness is a broad term that goes beyond unemployment in its frame of reference and recognises the plight of those whose circumstances are no less dire, but unaccounted for in official unemployment statistics. Australia uses the international standard adopted by the International Conferences of Labour Statisticians to measure labour force status. Applying these standards the Australian Bureau of Statistics (ABS):

Defines Employed as all persons aged 15 years and over who met **one** of the following criteria during the reference week:

- Worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (employees and owner managers of incorporated or unincorporated enterprises)
- Worked for one hour or more without pay in a family business or on a farm (contributing family workers)
- Were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week; or
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
 - away from work as a standard work or shift arrangement; or
 - on strike or locked out; or
 - on workers' compensation and expected to return to their job; or
 - were owner managers who had a job, business or farm, but were not at work

Unemployed is defined, as all persons aged 15 years and over who met one of the following criteria during the reference week:

- had actively looked for full time or part time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or
- were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then

¹ The next generation of employment services discussion paper, 2018

The ABS defines Not in the Labour Force (**NILF**); as all persons 15 and over who do not meet the conditions for classification as employed or unemployed.

Extent of Joblessness in Australia

Australia's official unemployment rate is (5.4%)² and exactly on the OECD average however, slightly higher than the commonly expressed "natural" range of unemployment, considered by most economists to be 4 - 5%. The highest unemployment rate since recording began in 1978 was 11.1% in 1992, it then declined reaching its nadir at 4.2% in 2008 subsequently rising to 6.3% in 2014 and has since been in gradual decline.

While using an international standard for measuring Labour Force Status has much merit, it is incumbent on policy makers to look beyond headline data to ensure its policy responses recognise the full extent and circumstances of jobless Australians, who want work but cannot find it. According to the ABS, this includes approximately 1 million Australians commonly referred to as the hidden jobless that **want a job** and are available to start work. These citizens have often become discouraged and ceased looking for work and considered NILF, and therefore not counted in the official unemployment rate.

Joblessness infers a lack of work, however policy responses should also address the plight of those underemployed. It is both a social and economic imperative to ensure that Australians are not working poor and have sufficient economic inclusion to support themselves now and into their retirement. Of all working Australians, 8.8% (approximately 1.1 million workers) are underemployed, growing from an estimated 6.6% a decade ago.³ This includes approximately 20% of the 848,558 Newstart and Youth Allowance (other) recipients with declared earnings, and therefore not counted in the unemployment rate (DSS demographic data March 2018).

ABS Labour Force data at June 2018⁴ indicates that part time work (worked less than 35 hours per week in all jobs) makes up 31.9% of all employment and continues to grow, rising from 31.6% over the last quarter. Part time and full time work (35 hours+ per week) includes those working in a single job or portfolio of casual, part time, commission or contractor work, which is often insecure and sometimes does not provide benefits such as superannuation.

Long-term unemployment / entrenched joblessness

Long-term unemployment; is officially defined as the situation of those who are unemployed for 12 months or more. The ABS indicates 173,100 Australians as being officially long-term unemployed in July 2018 (Figure 1). Australia's 2017 aggregate long-term unemployment rate of 23.5% was below the OECD average of 31%⁵ however, its continued upward trend represents a significant and growing problem, particularly given the exclusion of the hidden jobless in these figures.

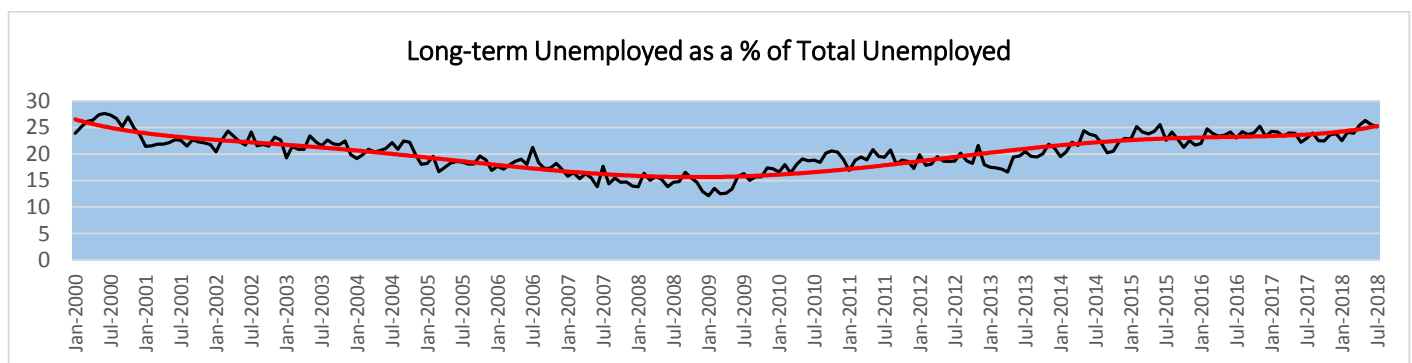


Figure 1 - Long-term unemployed as a proportion of total unemployed: 2000 - 2018 (Data: ABS 6291.0.55.001 - Labour Force, Australia, Detailed - Electronic Delivery, July 2018)

The negative effects of joblessness are significant and with its duration, the probability of workforce re-entry declines. Skills atrophy can occur quickly, particularly in context of the rapid technological advancement currently occurring.

² OECD Data; Unemployment rate Total, % of labour force Q2 2018 or latest available. <https://data.oecd.org/unemp/unemployment-rate.htm> accessed 19/9/18

³ ABS Barriers and Incentives to Labour Force Participation, Australia, 2016-17

⁴ Australian Bureau of Statistics, 2018, *Labour Force, Australia*, cat. No. 6202.0, viewed 1 August 2018

⁵ OECD Data – Long-term unemployment rate, total, % of unemployed. <https://data.oecd.org/unemp/long-term-unemployment-rate.htm> accessed 18/9/18

The effects of joblessness are compounding with potential of negative impacts on physical, mental, social and financial wellbeing creating further barriers to reengaging in work. Boyce et al. (2015)⁶ carried out a 4 year longitudinal study of the psychological effects of varying periods of joblessness on a sample of German job seekers, using McCrae and Costa's (2008) Five Factor Model (FFM). They found that more than 3 years of joblessness had a significant impact on the variables of *agreeableness*, *conscientiousness* and *openness*. These are *life skills* that are an important part of an individual's sociability as well as effective job seeking, employability and important characteristics for effective performance.

A puritan economist perspective may suggest, as we approach the non-accelerating inflation rate of unemployment of 5.0% as estimated by the Reserve Bank of Australia, that this could signal a break in required expenditure on labour market assistance. As noted by economic observers however, historically the unemployment and underemployment rates tended to move in unison (both in direction and in magnitude), but in recent years, the spread between the unemployment and underemployment rates has increased. This means that changes in the unemployment rate alone are no longer a sufficient proxy for changes in labour market slack.

A broader perspective of the social contract expects government to promote equity and inclusion of its citizens, underpinning the belief that stronger economic times present increased opportunity to address wicked social problems such as long-term unemployment, broader joblessness and economic exclusion. Minimising joblessness is a central concern of responsible government and expectations are a commitment to pursue full employment and strategies to address the underlying causes of joblessness.

Causes of involuntary joblessness in Australia

Macroeconomic factors

Pure neo-classical economic theories of equilibrium and market-clearing wages, sometimes presented as overarching causes for involuntary joblessness rarely match up in any useful way to the complex interlocking nature of real labour markets, despite their intellectual appeal. Bassanini et al (2009)⁷ are critical of many macroeconomic models, which they claim exhibit analytical practices that do not survive statistical robustness tests. These models often analyse policy reforms in isolation, failing to take into account the interactivity of the overarching policy environment. Theoretical models are appealing, but the *data noise* they attempt to dampen, in the case of labour market analysis, frequently contains the very variables that are most in policy makers' attention. In narrowly focussing on "unemployment", they fail to take into account details of specific cohorts, regions, dynamics and characteristics of the Australian labour market in all its complexity. Exploration of such factors is necessary to address the perennial issues of long-term unemployment, *entrenched involuntary joblessness*, uneven opportunity and labour market exclusion.

Labour Market Conditions

The balance of supply and demand for labour is a central cause of involuntary joblessness. Soft labour market conditions deliver fewer job opportunities than there are people available for, and want to work.

The Department of Jobs and Small Business data from the annual Survey of Employers Who Have Recently Advertised indicates that over the past decade quite consistent numbers of candidates employers considered suitable applied for each job. However, the overall number of candidates presenting for each vacancy has increased sharply⁸.



⁶ Boyce, C.J., Wood, A.M., Daly, M. & Sedikides, C. Personality Change Following Unemployment. *Journal of Applied Psychology* 2015, Vol. 100 No. 4, 991-1011.

⁷ Bassanini, A., and Duval, R., (2009) Unemployment, institutions and reform complementarities: Re-assessing the aggregate evidence for OECD countries. *Oxford Review of Economic Policy*, Oxford University Press (OUP), 2009, 25 (1), pp. 40-59

⁸ 2017 Survey of Employers' Recruitment Experiences. <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmployersRecruitmentInsights> accessed 25/9/18

Even where there is a perception of balance in demand and supply, the geographic distribution of available jobs and workers suited to those positions often do not align. This situation particularly contributes to high and entrenched joblessness in regional, rural and remote communities.

Technological and structural (economic) change

Structural unemployment arises due to a mismatch between the skills employers demand and those offered by candidates (skill gaps/mismatches). The misalignment between those available for work and demands of the labour market arises for many reasons and are evident on the jobactive caseload.

As recognised by Senator the Hon Michaelia Cash⁹, ***“There are now more jobs for higher skilled workers — the majority of growth over the past five years has been in occupations that require post-school qualifications, and this is likely to continue”***.

In contrast to market demand, Australia’s employment services caseload continues to feature a high proportion of job seekers with low educational attainment, low levels of literacy (digital and language)/numeracy and no post-secondary qualification. Economic and social observers alike predict the technological revolution will increase in momentum. As such, those already displaced, face greater barriers to securing work; with less skilled workers likely to experience the most significant displacement and risk of long-term unemployment as technology continues to change the nature of work.

Structural changes to the labour market also interact with geography, meaning skill gaps persist in a “patchwork” fashion. This is particularly true of geographically large nations with very unevenly distributed populations like Australia and variable local economies.

Recruitment Practices and Processes

McQuaid and Lindsay, (2002) discuss entrenched joblessness in buoyant labour markets in the UK, in terms of supply-side phenomena anchored on a broad concept of “employability” and the “need for individuals to possess transferable skills in order to operate effectively within an increasingly flexible (and insecure) labour market”. The authors recognise supply-side dominated conceptions, are open to valid criticism for their tendency to give rise to policy stances that inappropriately view “employability” as the (unique) responsibility of the individual, or worse, that a *lack* of employability as being the individual’s own *fault* (amounting to victim-blaming). They state, “a purely supply-side focus fails to acknowledge the impact of employers’ recruitment practices and the nature of contracts and conditions on the ability of job seekers to pursue certain opportunities¹⁰.” The experience of job seeking unsuccessfully in a competitive labour market where job seekers are unable to source vacancies at all or, in their line of work, or face repeated rejection because of characteristics such as age or disability; is discouraging, is demoralising, and leads to disengagement from the labour market¹¹.

As was experienced during the Resources Boom high demand for skilled workers can create greater opportunity for workforce mobility and increase availability of entry level and lower skilled roles. Under such conditions, employers often display greater flexibility in their prerequisite requirements and are more accepting of candidates with skills or experience below their preference. However, in highly competitive labour markets where supply exceeds demand employers, understandably, maximise their options to attract the best talent, often increasing requirements rather than making concessions.

Online Recruitment

Employers seek to continually improve the effectiveness and efficiency of their business and increasingly are embracing technology to reduce the considerable resources needed to recruit and manage human resources. Research indicates *that disadvantaged job seekers (e.g. unemployed job seekers who are low income and live in low-SES areas) are being ‘left behind’ and will continue to be ‘left behind’, as the Internet takes on a more significant role in the employment process¹²*.

⁹ <https://ministers.jobs.gov.au/cash/jobs-report-identifies-opportunities-all-australians>

¹⁰ McQuaid, R.M., Lindsay, C. (2002) The ‘employability gap’: long-term unemployment and barriers to work in buoyant labour markets. *Environment and Planning C: Government and Policy* 20, pp. 613-628.

¹¹ National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability © Australian Human Rights Commission 2016

¹² The Promise of the Sharing Economy among Disadvantaged Communities Tawanna R. Dillahunt, School of Information, University of Michigan, Amelia R. Malone, Department of Computer Science University of Maryland (2015)

Online recruitment platforms increasingly incorporate sophisticated tools to filter and shortlist candidates matched to their business needs. While efficient for employers and truly job-ready job seekers, the focus of these systems is to exclude potential candidates to identify the best available talent, generally resulting in lower success rates amongst disadvantaged job seekers. The manner in which these filtering tools and algorithms within e-recruitment systems identify candidates, is increasingly under scrutiny. The Human Rights and Technology Issues Paper¹³ provides examples of potentially unjust consequences from AI-informed decision making noting the use of algorithms to target candidates on the basis of age, gender or some other characteristic; including job-screening algorithms that exclude applicants with mental illness. There has also been broader discussion internationally regarding the use of algorithms to detect and exclude candidates based on unemployment and duration of unemployment.

With the rise in the proportion of recruitment conducted online; it is notable that while Australian homes are more connected, we are doing more online, and we are using an increasing number of connected devices, there is little argument that the digital divide continues¹⁴. The basic parameters of digital inequality in Australia are age, geography, education and income and these continue to define access to and uses of online resources with almost 2.6 million Australians not using the internet and nearly 1.3 million households remaining unconnected according to ABS figures¹⁵. The Measuring Australia's Digital Divide 2017¹⁶ report indicates that more than 4 million, or 1 in 5, Australians access the internet solely through a mobile device with no fixed connection. The report states that despite the benefits of mobile internet, this group have limited access to more advanced online activities, are characterised by a relatively high degree of digital exclusion, and possess a wider digital ability gap. As such, access to the internet and digital literacy are not mutually inclusive and need separate assessment. We note that providers assisting Culturally and Linguistically Diverse job seekers report high ownership of smart phones as these are often available in plans with international calling features, however many report struggling to use them for purposes other than phone calls. Sociodemographic groups that are Australia's most digitally excluded in 2017, with scores well below the national average (56.5) in ascending order are: people in low income households (41.1), people aged 65+ (42.9), people with disability (47.0), people who did not complete secondary school (47.4), Indigenous Australians (49.5), and people not in paid employment (50.2). Cost is a factor keeping households offline, with most people with jobs (95.1%) online, compared to just 72.5% of those not employed. Migrants from non-English speaking countries are less connected (81.6%) than those Australian born (87.6%). Australians with higher incomes are substantially more likely to have internet access at home, than those with lower incomes. 96.9% of the highest quintile income households have internet access at home compared to only 67.4% of the lowest quintile and 75.3% of the second quintile¹⁷.

The cost of life necessities such as basic food, shelter, transport and clothing easily consume and often exceed income support payments. The cost of job search and activity requirements, create additional financial pressure. Job seekers are subject to an asset test in order to qualify for income support meaning at best, they have marginal financial reserves from the onset; and these reserves dwindle rapidly with duration of unemployment. NESAs recognises the body of evidence that argues income replacement should be set at a level that maintains the motivation to find work. Worthy of equal recognition is the quantum of research that identifies financial distress and poverty as having significant impact on people's wellbeing including their mental and physical health; all of which affect employability and contributes to entrenched joblessness.

Consultation and engagement in the design and implementation of jobactive

Given the significant societal, economic and individual impacts that arise from unemployment and employment, it is understandable that there is an array of stakeholders with interest in Australian employment services. Due consideration of each stakeholders perspectives is essential but none is more valuable than those who these services are intended to directly assist. Understanding the perspective of service users from direct engagement enables unique viewpoints and understanding not achieved through other commonly used information sources, such as data analytics¹⁸.

¹³ Human Rights and Technology Issues Paper 2018, Australian Human Rights Commission 2018. ISBN: 978-1-921449-91-8

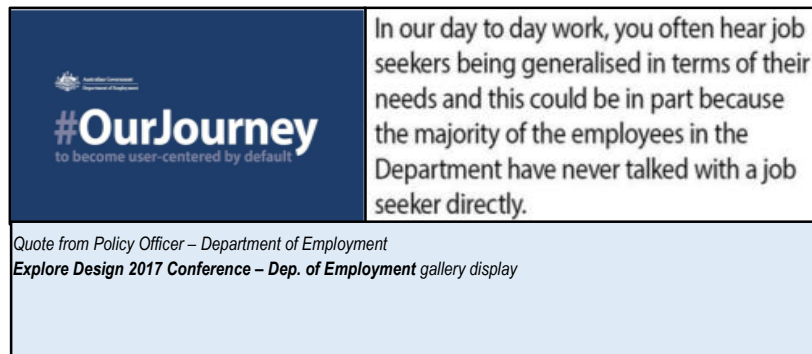
¹⁴ The Australian Household Use of Information Technology 2016-17 Australian Bureau of Statistics

¹⁵ Australian Bureau of Statistics, 2016 -17, *Household Use of Information Technology, Australia*, cat. No. 8146.0

¹⁶ Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E, 2017, Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2017, RMIT University, Melbourne, for Telstra.

¹⁷ Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E, 2017, Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2017, RMIT University, Melbourne, for Telstra.

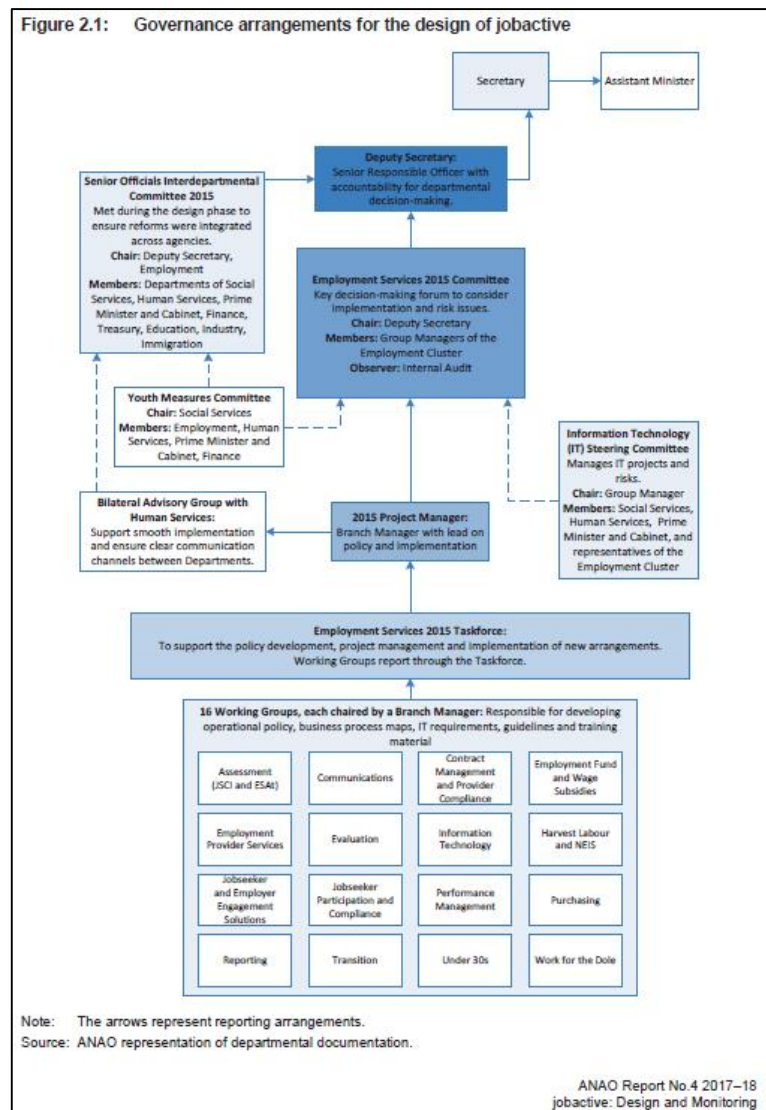
¹⁸ Explore Design 2017 Conference – https://docs.jobs.gov.au/system/files/doc/other/gallery_explore_design_2017_department_of_employment.pdf



Overview of the consultation and implementation process

In examining, the design and monitoring of jobactive, the Australian National Audit Office found ‘the governance arrangements established by the department for the design and implementation of the jobactive program were comprehensive, with strong senior executive engagement and support from the 16 working groups that had responsibility for developing the policy of specific subject areas’¹⁹. The report notes working groups also held responsibility for identifying key stakeholders.

The ANAO report indicates the following consultative processes contributed to the design of jobactive:



¹⁹ ANAO Report No.4 2017–18 jobactive: Design and Monitoring

- **Advisory Panel on Employment Services Administration and Accountability (the 'Advisory Panel')**—in late 2011 the Advisory Panel consulted with representatives from large and small Job Services Australia providers, peak bodies, and government organisations in Australia and the United Kingdom, as well as job-seekers, on opportunities for streamlining administration and industry-supported solutions to reduce unnecessary administration. Twenty-nine submissions were received in response to the Advisory Panel's discussion paper, with further consultations held with stakeholders in early 2012 before the panel's final report was released in September 2012.
- **Employment Services—Building on Success, Issues Paper**—following the release of the paper in December 2012, 37 consultation sessions were held across the country in early 2013, with 440 attendees representing around 300 organisations and businesses. The sessions were targeted at particular stakeholder groups including: employers; academics; job seekers; and service providers and community organisations. In March 2013, a Key Stakeholder Forum was attended by approximately 60 peak body representatives, and 180 written submissions were also received in response to the paper.
- While the public consultations in 2013 were not explicitly referenced in the June 2014 proposal to government (Referring to Model Proposals), feedback that had been obtained by the department was incorporated in the earlier versions of the model and was aligned to the final design.
- In August 2014, Employment also sought public feedback on the exposure draft to the Request for Tender, with amendments to the design made as a result of the 60 submissions received from potential providers, employers, peak bodies, and community sector representatives

The ANAO concluded that stakeholders were adequately consulted noting there were multiple opportunities for a broad range of stakeholders including job seekers to provide feedback on the jobactive model.

The extent of consultation of unemployed workers in the design of jobactive

The OECD Best Practice Principles on stakeholder engagement²⁰ says the central objective of government is to design and implement policies in the public interest; are only achieved with help from those concerned by regulations – the “stakeholders”. Open and inclusive policy making as promoted by the OECD is a culture of governance that builds on opening up policy-making processes to stakeholders to better design policies by broadening the evidence base, recognising that the public administration does not hold the monopoly of expertise. Targeted and tailored strategies should be utilised to engage key stakeholders (citizens, civil society, private sector etc.).

While job seekers and indeed other stakeholders had the opportunity to provide feedback, it is clear from the ANAO's report that the level of engagement of job seekers was low and subsequently, their voice not heard proportional to other stakeholders.

The OECD Best Practice Principles also state Governments should try to reach out to those who are usually least represented in the rule-making process.

NESA highlights the following observations regarding the jobactive consultation process:

The work of the Advisory Panel (APESAA) is included in the ANAO overview of consultative processes for jobactive. Established in 2011, the Advisory Panel's terms of reference focused on administrative requirements within existing employment services. Having a clear intent and designing process accordingly were key elements of quality consultation. APESAA was not specifically designed to gather views on a new employment services program design. NESA acknowledges implementation of some APESAA's recommendations occurred with the introduction of jobactive in 2015, but equally stresses the scope of responses were likely limited by the terms of reference. Similarly, information gathered from job seekers through processes such as Post Program Monitoring and other sources of program feedback are useful but do not replace specifically designed consultative processes.

The Building on Success Issues Paper 2013²¹ was a high-level document providing an overview of the existing strengths and weaknesses of Job Services Australia and Disability Employment Services but it did not propose alternative models of service. This paper was released in the context of the beginning of a program design process; which was to be conducted in partnership with

²⁰ www.oecd.org/.../regulatory-policy/public-consultation-best-practice-principles-on-stakeholder-engagement.htm

²¹ Building on Success Issues Paper 2013 Department of Employment

stakeholders. The paper posed broad questions on how to improve Australian employment services to meet job seeker and employer needs and keep pace with the changing population demographics, world of work, technology and economy.

Submissions to the paper, while as one would expect, focussed on the authors areas of particular interest and varied in their points of emphasis and perspective; had common themes. Some of these themes included the need for improved:

- access to and greater intensity of service for disadvantaged job seekers – addressing classification and assessment processes
- stronger human capital and capacity building strategies – enabling more and better directed training and development as well as employability and foundational skill development
- employer engagement and servicing – incorporated suggestions on provider and government initiatives and practices
- partnership with community and the community and health services sectors
- place based approaches and consideration to place in program settings
- reduced administration and program complexity – for job seekers, employers and providers; and restoring the focus of service on the person rather than administration and compliance
- Appropriate resource allocation to enable objectives to be met – overall and distribution to service points and outcomes

The aim of consultation should be to gather perspectives as a basis for robust investigation and analysis. Such investigation should build understanding of how policy, program design and the broader employment services framework individually and their interactions affect service delivery and job seekers' service experience. Without such investigation, program design is compromised and often address symptoms rather actual underlying causes having little prospect of achieving intended service improvement objectives and potentially resulting in unintended negative consequences.

A subsequent consultation occurred in 2014 with release of the Draft 2015-2020 Employment Services, which provided information on the overarching structure of the proposed program, later called jobactive. There is no transparency in how feedback from stakeholder groups to the Building on Success Discussion paper; was investigated, interpreted or applied in the design of jobactive.

Opportunity to respond to a discussion paper is a basic form of consultation, inferior to co-design and co-production approaches and exclusionary for those less able to compile a response.

The OECD Best Practices Principles for policy makers engaging stakeholders²², indicates providing equal opportunity and multiple channels to access information is in essence foundational, and does not replace the need to actually actively engage and consult, particularly those that will be affected by the policy; it (*best practice consultative process*) is user-centred. The OECD promotes efforts to proactively search for opinions of those who are either "able but unwilling" or "willing but unable" to participate in the public debate and make every possible effort to remove any obstacles for their participation.

The Employment Services 2015 – 2020 Draft release provided information on overarching structure of the proposed jobactive program and was insufficient to ensure informed contribution by stakeholders. Consultation sessions did not provide significant additional information or forum for debate.

The provision of adequate information to stakeholders to enable informed contribution and feedback is essential. A high-level discussion paper for an area of human services as complex as employment services regularly fails to adequately inform those outside of the technical areas of the system, how proposals will play out in implementation. Indeed, even experienced providers well versed in the employment services framework cannot fully comprehend new models and all their elements until the point of implementation when all guidelines and operating systems are fully transparent.

The employment services framework and jobactive program requirements are complex. The jobactive program; is detailed in a 219 page DEED with 137 clauses each with numerous requirements and 2340 pages of guidelines, factsheets and templates. Many interdependencies between the DEED, guidelines and job seeker characteristics (e.g. Stream eligibility, assessed work capacity, recognised caring responsibilities etc.), direct the implementation of services and application of requirements in line with Government policy objectives. Other elements of the framework that drive the jobactive program and influence job seeker services include the provider Compliance Framework, Performance Management Framework; Quality Assurance Framework; the allocation and

²² www.oecd.org/gov/regulatory.../BPPs-for-Public-Consultation.docx

accessibility of resources and the Employment Services System (that being the database for recording data, job seeker information and reporting functions to DHS) to achieve the stated aims of the program.

To illustrate, the Employment Services 2015 – 2020 Exposure Draft paper while providing an overview of the proposed jobactive program did not provide sufficient detail to enable informed discussion about the adequacy of services. Stream A is a basic service that is suited to job seekers with a high level of independence in their job search and designed for the 'job ready'. It would not have been transparent to stakeholders that the proposed model would today result in Stream A consisting of 40% long and 25% very-long term unemployed, and that it would be the service level afforded to job seekers facing issues such as homelessness, mental health, disability, substance dependency, recently released prisoners or recent humanitarian arrivals. The Next Generation of Employment Services Discussion paper regarding 2020 reform; contains similarly insufficient description of the cohort of job seekers likely to receive a digital only service in the next iteration of services proposed to replace jobactive. Stakeholders commonly misunderstand terms such as job ready used in these papers as to describe actual job readiness. Rather, this term relates to Stream A job seekers; regarded as comparatively more job ready than those in Stream B or C according to the Job Seeker Classification Instrument (JSCI). Many stakeholders perceive the JSCI to be an assessment tool, where in reality it is rationing tool. The JSCI scoring and thresholds are set and are amended to contain or reduce expenditure. As disadvantage becomes more concentrated across the jobactive caseload, a greater proportion of job seekers receive inadequate service eligibility. Additionally, these discussion papers reassuringly describe mechanisms for job seeker movement if their circumstance change, but fails to describe the complexity and restrictions imposed in the required processes.

In the case of jobactive, while there were changes made to the proposed model based on the Exposure Draft phase of the consultative process many regard those adopted as at the margins. Of those publications published, none appear to be submitted by individual job seekers.

Providers have long advocated for an improved role in co-producing programs and similarly, that service users be engaged in co-design.

The Harper Competition Review²³ stated that "In fostering a diverse range of service models that meet the needs of individuals and the broader community, governments can benefit from working collaboratively with non-government human services providers to effectively 'co-design' the market, incorporating the services that users are demanding and how they might be best delivered." The report also says: "Human services reform must focus not just on users but also on providers, whose ability to respond positively to policy change will be an important factor in ensuring that Australians continue to enjoy access to high-quality human services."

Consultative processes in the design of employment services are often highly structured and silo stakeholders stifling robust dialogue and contribution. The unique perspectives of the consumer, they being those most affected and those delivering the service, are essential to understanding how elements of the framework individually and/or through interaction, either enhance or hinder achievement of objectives and the service experience at the point of delivery.

Consultation in implementation

NESA is not aware of any consultative process engaging unemployed workers in the implementation phase of jobactive.

A Transition Reference Group established to support implementation comprised of the Department of Jobs and Small Business, employment services peak bodies and six provider representatives. This group's role was to primarily monitor the progress of implementing the jobactive model, identify and resolve issues in the lead up to implementation and over the first three months of the program. Participation in this group was subject to a confidentiality agreement; therefore, its activity was not subject to discussion.

Ongoing consultation and continuous improvement

NESA continues to advocate for a formal ongoing continuous improvement framework, which includes key stakeholders to inform and promote evidence based better practice, policy, program design and evaluation. It is important to note that the employment services framework is dynamic with program requirements and policy settings evolving over the life of the program. Within such a dynamic framework, improvements informed by consultation and achieved in the design phase are often lost through the life of the

²³ The Australian Government Competition Policy Review 2015 Professor (Harper, Anderson, McCluskey & O'Bryan QC)

program. To illustrate, since the commencement of jobactive, there has been seven General DEED Variations. The level of change introduced with each variation differs but includes significant change to program service arrangements, job seeker and provider requirements. The DEED gives the Department of Job and Small Business the unilateral authority to issue variations to the DEED, guidelines and operating frameworks for jobactive. As noted by a number of observers including the ANAO and Productivity Commission such change often occurs without 'consultation' of key stakeholders. While programs are dynamic, implementation of identified opportunities for immediate improvement take considerable time to come to fruition and are often rolled into the design of the next program. Formalised and ongoing consultative process focused on evidence-based improvement has potential to facilitate the responsiveness and quality of programs and services to support better outcomes for job seekers and employers.

Long-term solutions to joblessness

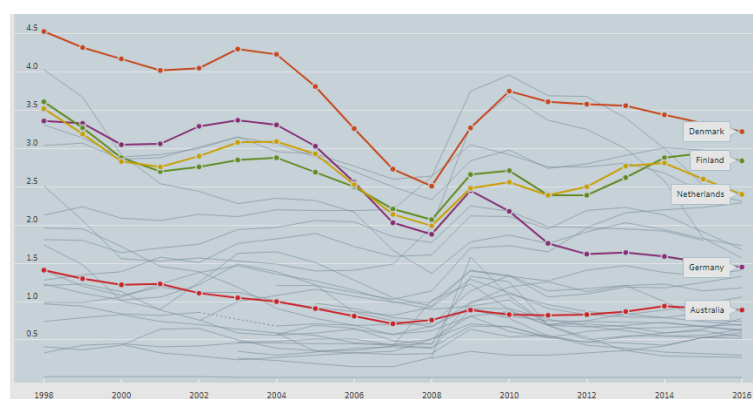
Labour Market Assistance programs such as jobactive are only one part of the necessary response by Government to deliver long-term solutions to joblessness. As the OECD stated, policy needs to be broad and dig deep and crucially, developed with understanding of the combination of employment barriers that individuals are facing to target and tailor activation policies successfully. Barriers to employment are diverse and solutions encompass economic and social policy measures including education and training, health, housing, care services and transport and other infrastructure, job creation and the transfer system.²⁴

Employment interventions in isolation are insufficient to bring underrepresented groups into the labour market and provide the integrated support they need to address barriers, develop skills and work experience to gain employment. Employment services design (programs and frameworks) should facilitate holistic approaches and enable collaborative servicing with social, health and cultural services. Solutions to joblessness also require a simultaneous focus on both supply and demand factors to remove unwarranted barriers to sustainable labour market attachment.

There is little argument that funding is a key determinant of service quality and effectiveness. jobactive is Australia's largest labour market program and is currently assisting approximately 663 thousand people, some who are Australia's most vulnerable citizens. Within the political dialogue, there is continued emphasis on the importance of improving employment opportunities and workforce participation to support our Nation now and into the future. Whilst this Inquiry focuses on jobactive, it is relevant to reflect on how this emphasis aligns with overall investment in labour market assistance.

Australia's expenditure on labour market programs as a % of GDP over the last 20 years has been consistently lower than that of the majority of OECD countries with current investment remaining well below the OECD average.

Public Spending on Labour Markets



Source: OECD (2018), Public spending on labour markets (indicator).

NESA notes that the OECD data on public spending on labour market programmes includes Public Employment Services (PES), training, hiring subsidies and direct job creations in the public sector, as well as unemployment benefits. PES includes placement and related services, out-of-work income maintenance, benefit administration and other expenditure.

²⁴ OECD (2017), Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia, OECD Publishing, Paris.

There has been decline in expenditure on Australian public employment services and administration such as jobactive, as a proportion of GDP since the commencement of contracted employment services in 1998, as illustrated in the graph below.

Public Spending on Labour Markets – Public Employment Services & Administration, % of GDP, 1998 - 2016



Source: OECD (2018), Public spending on labour markets - PES (indicator)

The spike in expenditure in 2003 – 2004 relates to the commencement of Job Network 3 and the implementation of the Active Participation Model (APM). The APM broadened access to ongoing employment services to all job seekers for the first time. This resulted in an increase of 58% in the number of job seekers commencing assistance compared to previous program arrangements²⁵. Interruption to the decline in investment occurred in 2009, with the onset of the Global Financial Crisis (GFC), which in response included additional funding for assistance to displaced workers. Introduction of targeted labour market assistance initiatives such as the Tasmanian Jobs Programme trial in the 2013 – 2014 year attracted additional investment.

The quantum of funding, allocation and accessibility of those resources are significant determinants of the quality, nature, level and effectiveness of services and programs. The Australian employment services sector has long advocated for program co-design, which includes a robust evaluation of the cost of delivery. In contrast, the typical methodology is to determine the preferred model and services and then set service eligibility criteria, allocate resources to service points and outcomes based on policy priorities and a predetermined funding envelope. This often results in service requirements being more ambitious than the funding structure.

jobactive Funding

In the transition from Job Services Australia to jobactive NESAs noted in its response to the Exposure Draft and draft Deed that the 2014/15 Portfolio Budget Statement had approximately \$5.56 billion in the forward estimates for 2015 to 2018 for Job Services Australia. The jobactive Exposure Draft²⁶ noted \$5.1 Billion in funding equating to a reduction of over \$450 million over three years, noting that there also appeared to be increased contractual requirements particularly in relation to job seeker compliance.

Outcome Driven Funding

The outcomes driven funding model has been a core element of contracted employment services for two decades. Providers are accustomed to being accountable for outcomes and as a general principle accept outcome based funding. However, the growing degree to which outcome payments are required to subsidise delivery of up front, core and prescribed services; has become

²⁵ Active Participation Model Evaluation: July 2003 — June 2006 Evaluation and Program Performance Branch Research and Evaluation Group Department of Education, Employment and Workplace Relations Nov 2007

²⁶ NESAs Submission <https://www.jobs.gov.au/feedback-exposure-draft-employment-services-2015-2020-purchasing-arrangements>

excessive. NESA in its submission on the jobactive Exposure Draft²⁷, highlighted that the jobactive administration payment equated to just 56% of the Job Service Australia service fees they replaced, and would be insufficient to cover the administrative cost of managing the DEED and in effect jobactive had become almost wholly outcomes based. As further noted in NESA's response, outcomes-based funding would have more potential to be viable in a truly 'black box' model with providers able to design service strategies, with a focus on quality standards and continuous improvement to deliver outcomes to job seekers rather than a model with service time being absorbed by prescribed job seeker compliance activity.

Outcome driven models shift risk from the government to the provider. There is significant investment required of providers to establish the mandatory human and capital infrastructure to enable delivery of employment services. The financial model used generally does not deliver any return until at least the second half of the contract term and only if the provider is delivering expected performance levels. In such models internationally the risk reward ratio is far more balanced than the Australian market and the level of prescription is minimal. Enabling a return on investment is critical to ensuring adequate resources are available to maintain and develop an effective employment services workforce²⁸, facilities and the capacity to fund trials and new approaches.

A welcomed addition to jobactive was the re-introduction of regional loadings, which in part addressed the long-standing issue of disparity in revenue potential in thin labour markets. Within such locations, employment services often compensate for gaps in community infrastructure and services e.g. mental health and training services to support job seekers work readiness. In such markets providers can be high performing according to Star Ratings, demonstrating they are achieving above expected outcomes, yet still face viability challenges. NESA advocated that in isolation. The loadings were insufficient to ensure quality services in such locations. NESA's recommendations to amend outcome criteria to reflect the disparity in labour market conditions and apply regional status to additional labour markets; however were not adopted in the final jobactive arrangements.

Shift in the terms of trade

Compounding a tight financial model is the significant impact on the terms of trade set at the point of commissioning throughout the life of jobactive resulting from ongoing amendments to the program and service delivery requirements. In contrast, providers are required to maintain all commitments made at the point of commissioning. To illustrate, the Mid-Year Economic and Fiscal Outlook (MYEFO) late in 2015 altered policy around stronger participation measures for young people reducing investment by \$126.4 million from jobactive over three years.

A further illustration is the requirements imposed on the sector to prepare for and implement the Targeted Compliance Framework. This has involved a significant investment of human and financial resources to manage change, train the entire workforce, rewrite process and procedures, and establish monitoring and review procedures. While the responsible branch within the Department has worked in a highly collaborative manner with the sector to achieve a smooth implementation, there was no discussion regarding the cost of the implementation. In a unilateral manner, NESA was advised that the Department assessed that there would be efficiencies for providers in the delivery of this new approach to job seeker compliance. There has been no transparency regarding how estimation of anticipated efficiency gains was calculated. NESA is conducting a survey of its jobactive membership to estimate the cost of implementation including costs associated with a significant proportion of the frontline workforce having to repeat the Department's Learning Centre modules as IT issues prevented proper recording of mandatory module completion. NESA contends that significant costs such as these go beyond what is reasonably expected and such change should occur with due consideration to the effect on service delivery arrangements in partnership with providers. Provisions to unilaterally change terms of trade would be intolerable in other comparable purchaser-supplier contract arrangements.

NESA notes that there are misconceptions that providers receive reward or in some way benefit from undertaking job seeker compliance activity. Such activity is required under the contract, providers receive no benefit and if not undertaken they risk sanctions under the terms of the DEED.

²⁷ NESA Submission <https://www.jobs.gov.au/feedback-exposure-draft-employment-services-2015-2020-purchasing-arrangements>

²⁸ Refer to Appendix 1 Employment Services Workforce Snapshot

Funding and capacity to deliver outcomes

Examining the adequacy of the jobactive funding model is complex. With jobactive achieving target expectations at a cost per employment outcome of \$1,453, it is clear there are inadequate resources.²⁹ It is concerning, that the actual cost per outcome is well under the target of \$2,500, the Employment Fund is under expended and the sector has provided feedback about financial constraints; yet minimal collaboration with the sector has occurred to investigate barriers affecting access to resources to support service delivery and outcomes.

Factors affecting capacity to deliver outcomes:

The sector considers that a major obstacle to assisting job seekers to address barriers to employment result from systemic misalignment between job seeker actual need and service level eligibility.

The Next Generation of Employment Services discussion paper indicates jobactive caseload as at 31 May 2018 consists of:³⁰

Current caseload	Stream A	Stream B	Stream C	Female	Regional
673,780	39.2%	42.9%	16.4%	51.1%	35.2%

Stream A, job seekers (often referred to as 'job ready') includes approximately 40% long term unemployed job seekers and of those, 25% are very long term unemployed (administrative data DJSB Dec 2017). Furthermore, a significant proportion of these job seekers have what many would regard as complex issues such as (but not limited to) homelessness, mental health, refugee status and recently released prisoners. Stream A is designed to assist job seekers that have a high level of independence providing a very basic level of assistance, including Stream A Self Service.

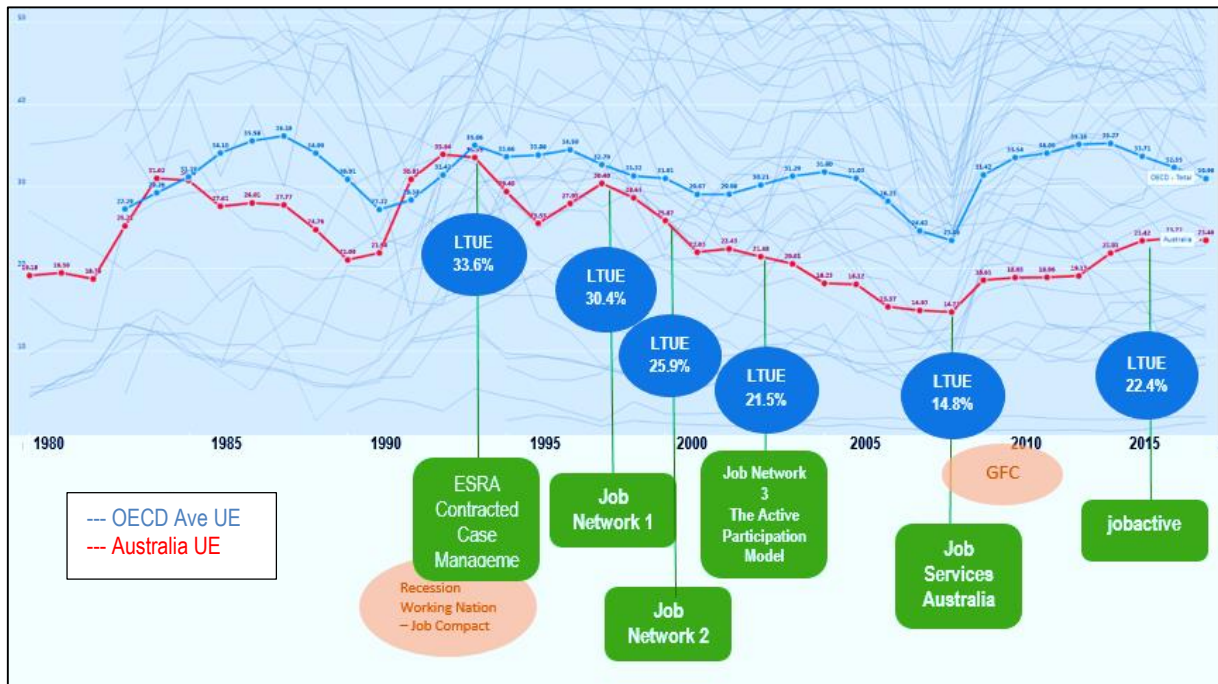
The sector considers that accurate assessment and streaming is essential to ensure an adequate and quality service. Policies that perpetuate underservicing hamper performance and user satisfaction. The employment services sector has long argued that the Job Seeker Classification Instrument (JSCI), its method of administration and change of circumstance arrangements is problematic. While recognising the various reviews of the JSCI, this tool is primarily a rationing instrument that assigns job seekers to a level of service based on their relative disadvantage to other job seekers and controls service eligibility in line with budgetary allocations. As the number of job seekers remaining on the caseload falls and concentration of disadvantage increases a greater proportion of job seekers are engaged in inadequate levels of service.

Over the two decades of operation Australian employment services has made significant contribution to addressing joblessness. The sector notes that progress in reducing the proportion of long-term unemployment (LTU), was disrupted by the onset of the Global Financial Crisis (GFC). The sector however also attributes some of the rise in LTU to program changes implemented with the introduction of Job Services Australia which included greater controls to restrict movement of job seekers between Streams and which have continued in jobactive. Amongst these changes was the removal of the contribution of duration of unemployment to the JSCI score affecting Stream eligibility and an increase in hurdles to obtain an Employment Services Assessment (ESAT).

²⁹ More Jobs. Great Workplaces: Department of Employment Annual Report 2016 - 2017 <https://www.jobs.gov.au/annualreport2017>

³⁰ The Next Generation of Employment Services, Appendix F – Performance of jobactive, Department of Jobs and Small Business 2018

Unemployment and Proportion of Long Term Unemployment Across Milestones of Contracted Employment Services



Source OECD Data: Unemployment rate Total, % of labour force, Q2 1980 – Q2 2018

Trust and confidence are significant factors in choice to disclose personal circumstance. Centrelink conducts the JSCI on first contact with income support applicants, most often by phone and in a conversation lasting approximately 5 minutes. It is not surprising that many job seekers do not disclose barriers until they have entered services and form trust with their consultant. The controls imposed on completing a change of circumstance including requirements for documentary evidence verifying the job seeker's circumstance often results in service eligibility remaining inadequate. The fact that a newly released prisoner, a person experiencing homelessness or mental health issues, or a newly arrived refugee subject to trauma and torture can be 'correctly' allocated to Stream A should demonstrate that the tool and/or its settings is not identifying disadvantage in the manner in which the community would expect. For some job seekers, fear about having details of their disadvantage recorded in a government system is overwhelming.

Rather than a relative assessment of probability of being unemployed for more than a year, access to services should focus on actual barriers and the nature of intervention required to address those barriers.

Employment Fund

The Employment Fund (EF) intends to provide a flexible pool of funds to support job seeker development towards employment. The EF operates on a reimbursement model and providers do not receive compensation for the costs of arranging purchases or the significant administrative requirements in claiming reimbursement (which often exceed the cost of purchase). Since the introduction of the EF in 2003, through quarantining 20% of service funds, there has been a steady increase in restrictions of EF use as well as shifting funding for previously core service costs to the EF. An illustration of requirements within jobactive is to have expenditure on employer required training to enable job seekers to take up specific roles approved by the Department prior to purchase. Time taken to write proposals and get approval reduces the responsiveness of the sector to employer needs and diminishes job seeker opportunity. These restrictions reduce accessibility to much needed resources to support service delivery and the EF is regularly underspent.

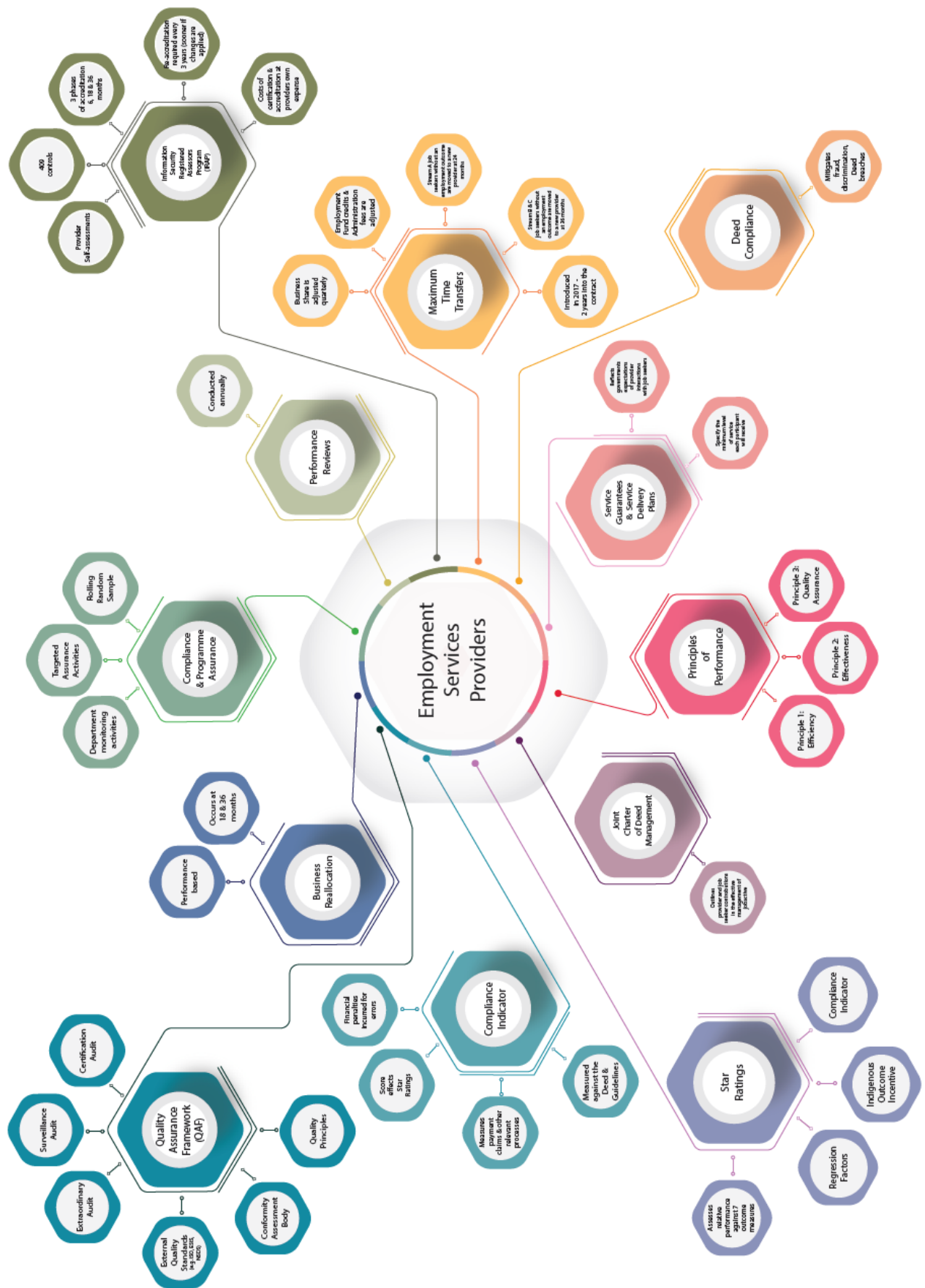
Complexity of Arrangements

The providers of jobactive work in a highly complex framework with an array of mechanisms in place to drive their performance and service quality. These mechanisms often result in tensions and unintended consequences. One of the core elements is the level of administration and provider compliance that absorbs a significant proportion of funding away from direct interventions to job seekers and reduces innovation and best practice at the frontline.

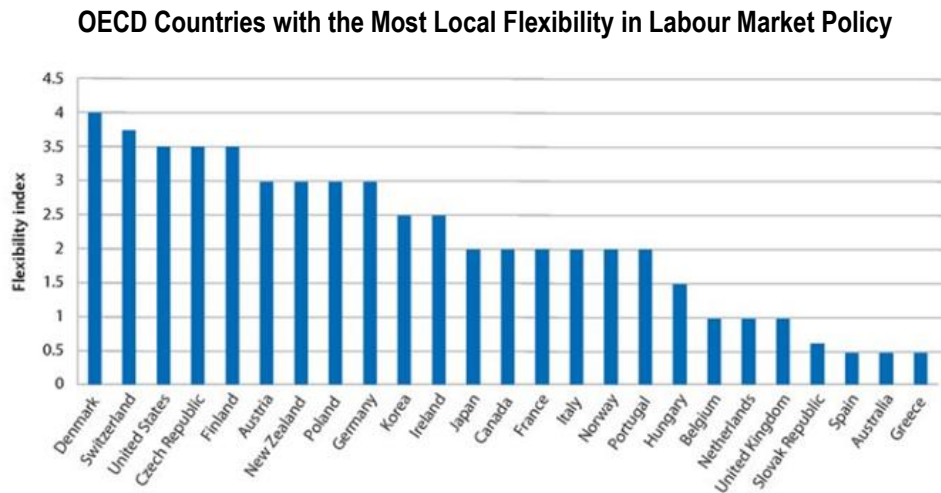
The sector welcomed the jobactive contract duration of five years, rather than three years as was typical for predecessor programs. Providers have long asserted that to address complex needs a longer duration of stable service was necessary. However,

mechanisms such as Business Reallocation, Maximum Time Transfers within the jobactive framework, intended to increase competition and drive high performance negates some of the intended benefit. These measures result in increasing the imperative to focus on quantum rather than quality of outcomes.

Performance and Service Quality Drivers that impact jobactive Providers



The OECD examined labour market program governance and in its report 'Breaking Out of Policy Silos: Doing More with Less'³¹ noted that the ability of labour market actors to effectively deliver interventions to address entrenched difficulties such as multi-generational unemployment, social exclusion and at the same time harness economic opportunities are best delivered through joined-up approaches. Such approaches require central agencies' stewardship and flexibility to influence program delivery in partnership to meet objectives. The OECD found that flexibility in the management of government policies is the most important factor affecting policy integration at the local level. As illustrated in the graph below, Australia ranked 25 of 26, participating countries.



Note: This analysis was carried out using a flexibility index which ranked flexibility according to a number of different factors including (1) input into the design of policy, (2) budget management, (3) eligibility criteria, (4) performance management, (5) outsourcing, and (6) collaboration with other actors. The research drew on the results of the Questionnaire to the Employment, Labour and Social Affairs Committee (ELSAC) on Activation of Labour Market Policy in 2007. The findings were supplemented by further research in March and April 2008.

Source: *Breaking Out of Policy the Silo's: Doing More with Less'* (2010)

The Job Plan

The role of and nature of return to work planning has evolved significantly over the life of Australian employment services. When contracted services commenced in 1998 providers were required to prepare an Activity Agreement outlining job seekers mandatory activities and obligations related to receipt of income support. As best practice, providers also developed individualised return to work plans with holistic strategies to assist job seekers.

Development of return to work plans has been a fundamental aspect of employment services for many decades. To be effective individualised return to work plans ensure the person has agency, focus on pathways that enable the person to achieve their aspiration, adopt a holistic approach identifying vocational and non-vocational factors influencing employment prospects, and are informed by labour market conditions and opportunities. In monitoring implementation of return to work plans, the emphasis is on working in partnership with job seekers to understand what strategies are working, which are not and why, and informing the plans evolution.

To codify best practice into standard practice the Department broadened the scope of Activity Agreements to include a broader range of return to work strategies. However, in doing so some underpinning elements of this best practice were lost. One of the key benefits of separation of activation/mutual obligation requirements and individualised strategies was the clarity given to providers helping vs monitoring roles.

³¹ Froy, F. and S. Giguère (2010), *Breaking Out of Policy Silos: Doing More with Less*, Local Economic and Employment Development (LEED), OECD Publishing, Paris, <https://doi.org/10.1787/9789264094987-en>.

A Job Plan is an 'employment pathway plan' for the purposes of social security law. Job Plans as used within jobactive underpin the provision of services the provider must deliver to a job seeker and detail all the Mutual Obligation Requirements the job seeker must undertake under Social Security Law, which includes the requirement to enter into a Job Plan.

The act of recording activities in a formal document lodged in a Government system influences job seeker decisions regarding disclosure and agreement to participate in voluntary activities e.g. rehabilitation programs. With the adoption of Job Plans and as job seeker Activity and Mutual Obligation requirements have increased so too has the emphasis on monitoring compliance, influencing the provider – job seeker relationship. The requirements associated with creating a Job Plan begins with explaining the purpose of the plan, rights and responsibilities including all the potential consequences for non-compliance. Job Plans are commenced at initial appointments with job seekers provided up to two days think time where required to enter into an agreement. A large proportion of the Plan consists of mandatory actions required to meet obligations for continued receipt of income support and address disclosed barriers according to their assessed circumstance, largely as recorded in the JSCI e.g. assessed work capacity, and reflective of their Stream eligibility. The Department of Jobs and Small Business conduct ongoing review of the adequacy of Job Plans penalising providers where they do not meet requirements.

In response to sector feedback Employment Pathway Plans were introduced with the implementation of Job Services Australia; the predecessor program to jobactive. While Job Plan as applied in jobactive; remain Employment Pathway Plans for the purpose of social security law, they are different to those applied in Job Services Australia. In its submission on the design of jobactive, NESA noted,

“the Job Plan appears to return to the more administrative focussed functions of the old Activity Agreement. While NESA understands the need to record a job seekers mutual obligation requirements, one of the important points in the way that the Employment Pathway Plan has evolved is that it has moved past that function and is now, considered a tool for engaging job seekers in their journey to work and the activities required to help get them there. Without the focus on the pathway to work, it becomes a purely punitive and administrative function, which job seekers struggle to see the benefit of undertaking. This may have the unintended consequence of decreasing the motivation of job seekers to participate in work”.

The sector recognises that the vast majority of job seekers want to work and some need support to realise economic inclusion goals. The employment services sector agrees that well-designed activation policies can help job seekers find work. As the reference by the OECD³², research highlights activation can be very effective. However, for some job seekers with complex needs experience indicates that a work-first approach may not deliver the intended results and sets some up for failure when they are clearly not ready for employment. Job seekers who become overwhelmed by activation may also opt out through applying for a suspension of requirements. Suspensions are a major issue and highly disruptive to job seekers' preparation for employment and further entrench joblessness.

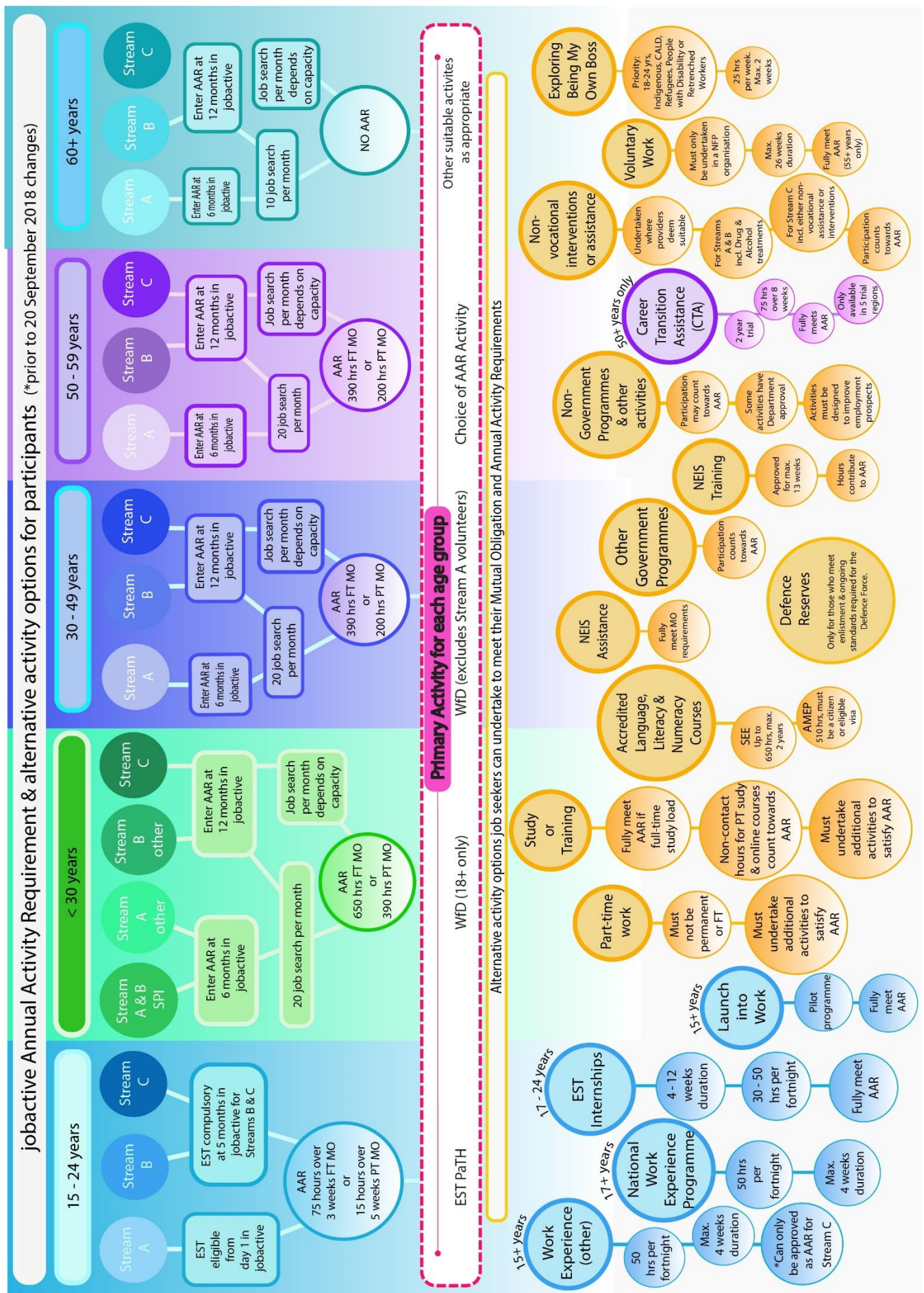
Annual Activity Requirements and Mutual Obligation

The Next Generation of Employment Services discussion paper proposes a person-centred model for the most disadvantaged job seekers. Person Centred planning approaches have a motivating impact on people and will be welcomed in new arrangements. However, ensuring job seekers have genuine agency in their employment pathway will be essential to success and if mandatory requirements and obligations are excessive choice becomes ineffective.

Activation is broadly, accepted as a positive influence on employment outcomes. However, ensuring the right balance in the nature and volume of activities is essential. Internationally often a blend of incentives and requirements are used to activate job seekers.

Current Annual Activity Requirements (AAR) are complex with choice tied to job seeker stream eligibility and characteristics as outlined in the following diagram.

³² OECD Activating Jobseekers How Australia Does It DOI:<http://dx.doi.org/10.1787/9789264185920-en>



Expectations of prime AAR activities for job seeker cohorts are established and monitored with providers penalised for not commencing job seekers into Mutual Obligation activities promptly. The extent job seeker choice can be accommodated depends on the availability and accessibility of options. For example, preferred study and training courses and access to rehabilitation programs are often misaligned with individuals' AAR. There are considerable challenges compiling a portfolio of activities to meet an individual's AAR. Non-vocational interventions such as attendance and duration of appointments for drug and alcohol or mental health issues for example will rarely satisfy all requirements, and tracking and monitoring of hours completed is administratively burdensome.

In response to the jobactive, Exposure Draft NESA recommended that a reduction to the proposed requirements of 40 job searches per month and discretion to enable individual circumstance and place to be considered. Subsequently, a reduction of Job Search to 20 per month with some discretion for person and place was adopted. There is argument that quantity over quality of job applications has adverse consequences on individual's engagement in looking for work, employers' responsiveness and outcomes achieved.

Work for the Dole

Work for the Dole, is primarily designed to develop experience in a work like environment and build employability skills e.g. routine for work, teamwork and taking instruction in activities that deliver community benefit. The employment services sector has a long history of delivering different iterations of the Work for the Dole program. NESA's members advise that effective implementation of Work for the Dole requires a degree of flexibility and discretion in activity design and delivery. Earlier iterations of Work for the Dole provided great scope in the nature of activities, allowed incorporation of accredited and non-accredited training and provided better funding to support host organisations supervise and deliver the program and achieve community benefit.

Within jobactive, the emphasis on Work for Dole is on securing individual placements rather than group activities. In its submission to the jobactive Exposure Draft NESA stated, the experience of the sector in relation to Work for the Dole is that it is important to build employability skills leading to paid work opportunities. Some members are concerned that the current model does not allow the training to achieve this. NESA recommended a more flexible approach to training to provide a direct and meaningful link to the labour market.

An employment services ombudsman;

NESA strongly considers there is a need for greater independent oversight within the employment services framework and believes the appointment of an employment services ombudsman would strengthen arrangements.

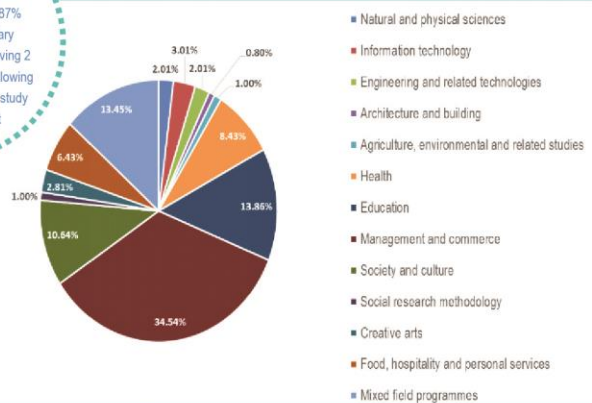
APPENDIX 1 – Employment Services Workforce Snapshot

EMPLOYMENT SERVICES WORKFORCE SNAPSHOT

NESA conducted a Workforce Capability and Diversity Survey in August 2018. The survey was responded to by 2251 frontline workers.

In contrast to the urban myths about the skills of employment services frontline staff, 87% possess post-secondary qualification with 43% having 2 to 3 qualifications. The following graph shows the field of study by workers' highest qualification.

Field of Study of Highest Qualification

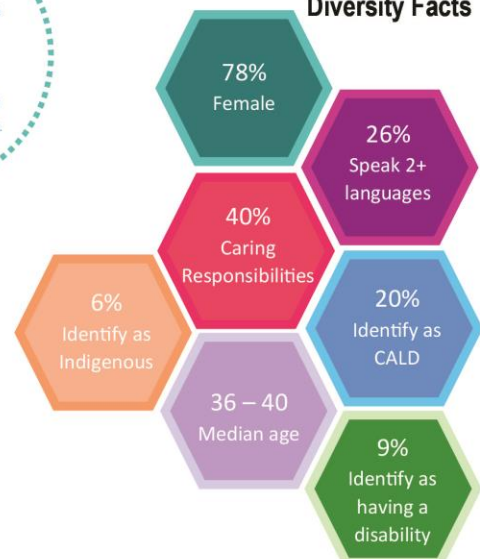


Highest Level of Qualification



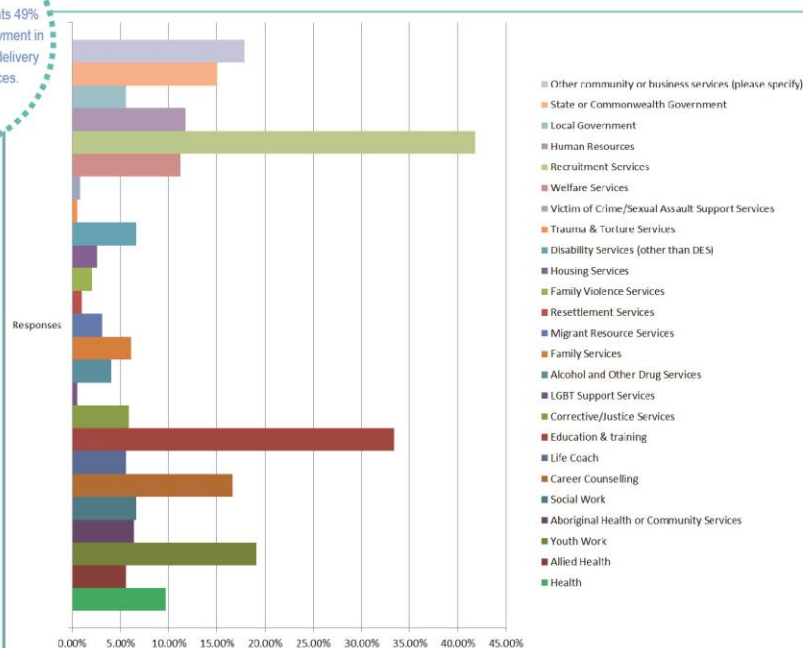
The 13% of the frontline workforce without post-secondary qualifications were typically administration trainees or mature workers with considerable sector experience including up to 40 years in employment services commencing with the CES.

Employment Services Workforce Diversity Facts



Previous Employment in Relevant Sectors

Of the survey respondents 49% had previous paid employment in a sector relevant to the delivery of employment services.



All data sourced from the:
Australian Employment Services Workforce Capability and Diversity Survey (2018)

#weR4jobs

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