ANGLICARE
TASMANIA

Review of Australian Government Employment Services

Response to the Minister for Employment Participation

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1. Executive summary: Anglicare's recommendations

Anglicare welcomes the opportunity to contribute to the Minister for Workforce Participation's review of the Australian Government's employment services. Anglicare believes that in order to promote workforce participation, build human capital and achieve a socially inclusive community, the Government must consider the following steps:

1. The level of income support payments need to be reviewed, and as a first step towards an income support system that provides recipients with a chance at a decent life, the level at which allowances are paid needs to be increased to the level of pensions.

2. The Government must follow through on its commitment to an 'education revolution' and invest significant funding into the education system from early childhood through to lifelong learning, with an emphasis on engaging all Australians in education and training opportunities and providing training and learning opportunities that are affordable, accessible and meet a range of needs. This is true 'early intervention'.

3. This review of employment services should prioritise improving the integration between different forms of support available to jobseekers, plugging gaps in that support so that all services are able to deliver to their maximum capacity on behalf of jobseekers and ending the focus on welfare compliance that is compromising outcomes for many disadvantaged people.

4. The performance management and associated administrative system that applies to employment services should be revised and replaced with a risk management model that allows services flexibility in responding to clients' needs and frees up workers to focus on direct client contact rather than compliance with administrative requirements.

5. The Government should proactively explore all the options open to it, from community education campaigns through to mandated requirements, to ensure that employers are actively engaging with disadvantaged jobseekers and that a range of appropriate, meaningful jobs are available to people seeking work.

2. About Anglicare Tasmania

Anglicare is one of Tasmania's largest community organisations, offering a range of services to the Tasmanian community including accommodation support, counselling and family support, disability and acquired injury support, mental health and employment services, a Registered Training Organisation, a social enterprise and a social policy, advocacy and research centre. Anglicare is committed to social justice and to supporting people in need to reach fullness of life.

As part of its commitment to supporting Tasmanians who want to work to access meaningful employment, Anglicare delivers three Australian Government funded employment services, the Personal Support Program, Job Placement, Employment and Training and the Disability Employment Network. We have previously been involved as a provider of other employment services, including Work for the Dole and Green Corps.

Anglicare is also a member of Job Futures, a national network of community based and not-for-profit employment and training providers. In Tasmania, Anglicare holds three seats on the Job Futures Tasmania Board. Through this connection, we have an understanding of many of the issues relating to

the Job Network and Work for the Dole, as Job Futures Tasmania currently delivers both of these programs.

3. Context: the changing world of work

> The continuing emphasis on the centrality of work, the persistent narrative that everybody can and should be working, and that not having a job is due to the failings of the individual concerned, means that individuals who are not in the workforce are likely to feel unworthy, despite the fact that joblessness is common (Morris 2006: 53).

A jobseeker faces a very different labour market to the labour market at the time when Australia's income support system was designed. Then, the unemployment rate was low and unemployment did not last as long. Being dependent on unemployment benefits for a long period of time was unusual (RGWR 2000). This is the reason why unemployment benefits and related allowances are set at lower levels than more 'permanent' allowances like pensions – because people were not expected to rely upon them for any length of time. In today's reality, despite falling unemployment and a booming economy, some jobseekers face long term exclusion from the workforce, generally because they have significant barriers preventing them from gaining work (McCallum 2005, Thomas 2007). For these jobseekers, the labour market is distinctly unfriendly.

There has been a significant shift towards casual work which has left many workers underemployed and with insecure employment, experiencing high rates of financial hardship and with reduced access to superannuation and training (Madden 2003). Full time job growth in recent years, including in apprenticeships, has overwhelming favoured adults aged over 25, and considerable numbers of low skilled and entry level positions have been lost, leaving many young people without employment opportunities (Jeffrey 2004). Increasing numbers of young people are reliant on part time work, despite preferring full time hours (Boese and Scutella 2006), and are at risk of becoming 'trapped' in these jobs (Quintini et al 2007). OECD research has confirmed that there simply aren't enough suitable jobs, and the jobs that are available are not appropriate for people who have been without work for long periods of time (OECD 2001 in Davidson 2002). The lack of permanent, full time work means that many workers are shifting between unemployment and short-term, unsatisfactory, casual work without ever earning enough money to lose entitlement to their income support payments (Madden 2003, ACOSS 2005a).

ACOSS argues that long-term unemployment is declining much less rapidly than the ABS figures, which determine whether a person is long-term unemployed by whether or not they have had casual work for as little as one hour in a fortnight in the last 12 months, suggest. While the ABS figures show a fall in long-term unemployment between 1992 of 2004 of 223,900 people, down from 333,800 to 109,900, the Centrelink figures on long-term recipients of unemployment benefits for the same period show a much higher level of long-term unemployment and a much smaller reduction – from 381,500 people to 341,600 people, a fall of just 39,900 people between 1992 and 2004 (ACOSS 2005a). The prevalence of long-term unemployment and the significant financial hardship faced by people relying on unemployment benefits for ongoing support are strong justifications for a review of payment levels within the income support system leading as a first step to an increase in the rates at which allowances are paid to the level of pensions (Madden 2003, Saunders et al 2007, ACOSS 2003)

The difficulties facing disadvantaged jobseekers in the modern labour market are not confined to Australia, and the response of many countries, including Australia, has been to shift to a 'mutual obligation' approach (Quintini et al 2007, Ziguras et al 2003). The Australian version of that approach has been classified by one researcher as competitive and authoritarian, rather than inclusive and

egalitarian (Dean 2006 in Carney 2007). Carney (2007) describes the approach taken by Australia as 'work-first' – that is, jobseekers are expected to accept any job, of any quality, for any length of time, rather than look for sustainable, meaningful work that meets their own needs, and jobseekers, rather than the Government, are responsible for finding work. In recent years, this approach has been accompanied by a highly deregulated industrial relations environment (ACOSS 2005b). Yet the 'work-first' approach doesn't work, if the goal is an inclusive society. In the US, where similar policies have been adopted, they have simply shifted people from income support payments into the ranks of the working poor (Carney 2007).

4. Who are our clients?

According to a range of measures and definitions, Tasmania's rates of poverty and disadvantage are higher – sometimes significantly higher – than the Australian average (TasCOSS 2007). Compared with other states, Tasmania has a higher long-term unemployment rates, lower rates of educational attainment and a greater proportion of low-skilled workers in the workforce (Madden 2003). Health status is poor, with Tasmanians having a lower average life expectancy, the highest rate of death from cancer, the second highest rate of death from diabetes and suicide, a higher rate of death from heart disease, a higher incidence of chronic diseases like asthma and arthritis and a higher rate of smoking by adults than the national average. Waiting lists and times for public dental care and elective surgery (including hip and knee replacements and cataract operations) are among the worst in the country, and Medicare bulk-billing rates and private health insurance coverage are still below the national average (TasCOSS 2007).

The three employment assistance programs delivered by Anglicare are the Personal Support Program (PSP), Job Placement Employment and Training (JPET) and the Disability Employment Network (DEN). The clients of these services all face particular disadvantages, and particularly in the case of PSP, highly complex issues. Identified predicators of long-term unemployment include being older, having a disability, poor educational attainment, poor English language or literacy skills, living in an area with high unemployment, being a single parent, being of Indigenous background, having been in jail, not having a telephone, being homeless or in insecure accommodation, not having recent full time work experience, not having any vocational qualifications and being from a country with very high unemployment rates (SCEWRWP 2005). In addition to all of these issues, Anglicare clients might also face problems with substance use, family and relationship breakdown, family violence, a history of criminal behaviour, geographical isolation, an abusive or traumatic background and additional challenges arising from being of different cultural or linguistic origin or caring responsibilities. Anglicare workers report that among PSP clients, poor health is a particular issue, with many clients living with chronic pain. Many chronic health conditions are linked to reduced workforce participation and poor health tends to be associated with other forms of disadvantage, such as lower incomes, poor education and inadequate housing (Allen Consulting Group 2007).

5. The effectiveness of the Australian Government's employment services

5.1. Minimising long-term welfare dependence through early intervention

Anglicare supports an early intervention rather than a crisis management approach in service delivery, but none of the Australian Government's employment assistance programs can really be described as 'early intervention'. They all encounter jobseekers who have already experienced difficulty in gaining work – that is, after all, the reason they have been referred. This is particularly the case for the services

in which Anglicare is involved, DEN, PSP and JPET. If the Australian Government is serious about averting dependence on income support payments through early intervention, then significant, ongoing, strategic investment in the education system, including early childhood education and support, is required to ensure that jobseekers are already skilled and ready for employment when they leave school. Higher educational attainment is associated with higher rates of workforce participation, lower unemployment, better employment, higher wages, better health, longer life expectancy and less chance of being involved in crime (Allen Consulting Group 2007). Anglicare welcomes the new Government's commitment to an 'education revolution' with its emphasis on investing in education across the life cycle (Rudd and Smith 2007), and the references in the Social Inclusion Agenda to early childhood and parenting support (Gillard and Wong 2007).

Limited education, problems with literacy and numeracy and a lack of formal qualifications are all clearly linked to unemployment and difficulty in finding work (Madden 2003; SCEWRWP 2005; TasCOSS 2007). Employers favour workers with post-school qualifications and 86% of occupations require them (ACOSS 2007). Workers with limited education are also less likely to find permanent, full time work: in a survey of the Tasmanian community, 48% of casual workers said they had no post-secondary education compared with 34% of all workers (Madden 2006). Across the labour market, a quarter of the workforce only have year 10 qualifications or less, and amongst disadvantaged jobseekers, this proportion increases significantly: it is 43% for mature age Newstart recipients, 63% for people with disabilities, 64% for very long term unemployed Newstart recipients and 72% for Parenting Payment recipients (ACOSS 2007). Job Network clients are increasingly presenting to services with complex needs relating to low educational attainment (Murray 2006).

Tasmania performs particularly poorly against education indicators, with the lowest year 11 and 12 retention rates in Australia; the proportion of working age Tasmanians without post-school qualifications is above the national average and the tertiary education completion rate is below the national average. The 2005 unemployment rate for Tasmanians who had not finished year 12 was 8.8%, compared to 6.3% for those who had finished year 12 and just 3.4% for those with diploma-level qualifications (TasCOSS 2007).

Some groups in the community have difficulties in accessing quality education, such as people with disabilities (SCEWRWP 2005; Hinton 2006). Because the onset of a severe mental illness typically occurs in the teens or early twenties, young people with psychiatric disabilities often have severely disrupted educations – a study comparing young people with psychosis to young people without a disability or long-term health problem found that of the group with psychosis, just 24.2% managed to complete post-secondary school study following the onset of their illness (Trajkovic 2007). Yet for people with mental health problems, participation in employment is highly correlated with education (Javakody and Stauffer 2000 in Perkins 2006). Lack of educational attainment is also linked with other forms of disadvantage – a Brotherhood of St Laurence study found that at age 16, children from low income families had weaker engagement with school than children from high income families, and this weaker engagement was also linked to low wellbeing, high levels of risk taking behaviour, limited educational attainment by parents, living in a single parent household and negative family relationships (Taylor and Nelms 2007). Young people leaving school without qualifications are more likely to find themselves participating in neither employment or education compared with those who do have school qualifications (Quintini et al 2007).

The OECD consensus is that youth unemployment must be tackled by addressing failure at school (Quintini et al 2007). Examples of possible interventions include school-based VET initiatives, structured work placements and school-based apprenticeships, early intervention programs for at-risk students, mentoring for students at risk of early school leaving or who had already left school and school-to-work transition support programs that include brokerage funding (SCEWRWP 2005, ACOSS

2003). Unfortunately, willingness to invest additional funding into initiatives that re-engage young people with education falters when it is linked to the idea that some young people are 'deserving' while others are 'undeserving' (Patterson 2007), that they are either 'achievers/winners' or 'at risk/troublemakers' (Wyn and White 1997 in Boese and Scutella 2006). In reality, while many young people disengage from school, this doesn't mean they are opposed to further education if it is designed appropriately to meet their needs (Patterson 2007). Yet currently, many people who miss out on formal education in early life have limited subsequent opportunities to re-engage (Allen Consulting Group 2007).

Family background has been shown to have a stronger influence on outcomes at school than what happens at the school itself (Considine and Watson 2003). Educational outcomes can be improved by attention to early childhood education and care. Among ten policy principles developed by a panel of Australian and international experts were the need for early childhood education and care to be regarded as a public good deserving significant public investment and a national, universal and integrated system that was affordable and accessible for all children prior to starting school (Pocock and Hill 2006). A range of research exists on models that have successfully engaged disadvantaged young families and on what constitutes best practice (see Carbone et al 2004; Homel et al 2006).

5.2. Relevant services

5.2.1. Personal Support Program

An interim evaluation report on the Personal Support Program (PSP) (Perkins 2005) found that many elements of PSP are in line with international best practice, including the holistic approach to assistance, the emphasis on local partnerships, the more intensive and personalised support provided to clients and the recognition that some clients will not be able to work until personal barriers are overcome and that time and space needs to be provided to achieve this. Yet the same evaluation found that some best practice elements were missing, including adequate resources, especially brokerage, ongoing professional development for staff, integrated employment and community participation activities for clients who had the capacity to undertake them, ongoing support post-employment, and continuity for clients after they exit the program. The evaluation recommended adopting a more integrated approach that concurrently delivered specifically developed employment initiatives and support with overcoming personal barriers.

Anglicare workers have observed a number of elements in the Personal Support Program that prevent it from responding as effectively as it could to the needs and circumstances of jobseekers. Many of Anglicare's PSP clients' barriers to employment are related to poor health. A number of people are in chronic pain and dependent on over-the-counter painkillers, and oral health problems are prevalent. Professional treatment could help them to become job ready, but many clients are unable to access bulk-billing GPs or physiotherapy, hydrotherapy (for pain management) or dental services because the services are too expensive or the waiting lists too long. There were 9,300 people on Tasmania's public oral health services waiting list in 2007 waiting for general care, which includes partial dentures (DHHS 2007). Some services could be purchased from private providers, but PSP does not have access to the amount of brokerage funding needed to do so. The shortage of brokerage money also means PSP is unable to broker driving lessons, license fees, short courses, TAFE fees, equipment for courses and other items that might support the client to become more job-ready. The program's dependence on clients being able to access free or low cost health and welfare services has been noted by ACOSS, which recommended a 50% increase in funding to provide PSP with the necessary brokerage funds to purchase services for clients as they need them (ACOSS 2003).

Anglicare is also concerned about the limited capacity of PSP clients to access Intensive Support and Customised Assistance (ISCA) through the Job Network. Under the guidelines, people are limited to only two opportunities to receive ISCA. Some Anglicare clients have been told they have 'used up' one of their participation opportunities even though their engagement with the program was for as little as two days. Other PSP clients have already participated in ISCA twice, which means that PSP is unable to refer them to the service once they have completed PSP and are ready for such intensive support. A significant cut in Job Network funding in 2005 contributed to restrictions on access to ISCA; ACOSS has recommended reinstatement of this funding (ACOSS n.d.; ACOSS 2005b).

5.2.2. Job Placement, Employment and Training

A review of school-to-work transition processes across the OECD found that even the most successful active labour market programs for school leavers struggled to engage very disadvantaged young people (Quintini et al 2007). Many young people face significant disadvantages that affect their capacity to engage with work and training; in 1999, mental illness and related substance abuse disorders accounted for 60% of the non-fatal disease burden for 15-24 year olds and these high levels of psychological distress are associated with poor education and employment outcomes. Homelessness is also a significant issue – 36% of all homeless people on Census night 2001 were aged 12-24, and 15-19 year olds are the largest client group accessing Supported Accommodation and Assistance Program (SAAP) services (Boese and Scutella 2006).

Anglicare workers report that, as with PSP, access to ISCA is an issue for JPET clients. In the case of JPET clients, however, the issue is that a young person can be participating in JPET and in ISCA concurrently, even though many of them are not yet ready for the intensity of the ISCA requirements, which can expose them to participation failures and potential breaches. But they are prevented by the guidelines from exiting ISCA once they commence with JPET. The restrictions on access to ISCA then mean that when these clients are ready to take advantage of the additional support, they will not be able to access it. Anglicare workers suggest that it would make more sense for JPET clients to be able to concurrently access a program like Green Corps, which provides structured training and work experience and is designed specifically for young people, yet this is not possible under existing guidelines.

Like other Centrelink clients subject to the mutual obligation regime, JPET clients are required to adhere to activity agreements – more than one, in fact, as JPET clients are concurrently clients of a Job Network provider as well. Yet research indicates that activity agreements do not always meet the needs of young people. A study commissioned by Centrelink on the administration of Youth Allowance activity agreements (Jope and Beaumont 2003) found that many Youth Allowees did not understand the purpose of the agreements, and did not know that they could negotiate the content with Centrelink officers. Because Centrelink completed the agreement at the young person's first interview, the agreements did not include accurate assessments of the young person's capacity, job readiness or barriers to finding work. Many of the agreements were therefore standardised and focused on job search rather than developing job readiness or addressing barriers to finding work.

5.2.3. Disability Employment Network

Like other DEN services around Australia, Anglicare's service is increasingly supporting involuntary rather than voluntary clients. While the Welfare to Work reforms allocated an additional 21,000 DEN places over three years, most of these were earmarked for new applicants for the Disability Support Pension (DSP) who had been assessed as capable of working 15 hours a week and therefore diverted onto Newstart Allowance (Davidson 2006 in Carney 2007). The Welfare to Work reforms also effectively discourage existing or 'grandfathered' DSP recipients from accessing DEN support to look for work as people are reluctant to risk their entitlements (ACE 2008).

The new Federal Government is promoting workforce participation as a means to social inclusion (Gillard and Wong 2007). Many people with disabilities want to work, especially younger people (Morris 2006), yet pensions are fast becoming 'dead-end' payments with people unwilling to take the risk of losing their entitlements and being forced onto the lower Newstart Allowance and into greater financial hardship by trying part time work (McCallum 2005). DSP recipients interviewed by Hinton (2006) prior to the introduction of the Welfare to Work reforms indicated that anxiety about the consequences of the reforms was already affecting their employment-related decisions, with some interviewees reporting that they had reduced their working hours to below 15 hours a week to safeguard their eligibility for the DSP.

Anglicare supports the recommendations of the DEN peak body, the ACE National Network, outlined in its future blueprint document (ACE 2008). These recommendations include improving access to the service and removing disincentives such as those faced by 'grandfathered' DSP recipients, establishing a centralised waiting list to better manage unmet need, promoting an ongoing support model focussed on sustainable employment outcomes, acknowledging the role of the Disability Service Standards in driving DEN practice and facilitating access by DEN clients to other potentially helpful programs such as the New Enterprise Incentive Scheme. The overriding goal of DEN services is to support people into sustainable work that enables career progression over time. DEN workers provide clients with considerable tailored support to help them to meet personal goals and recognise that the nature of the disability may mean support is required over a long period of time – longer than the three year funding cycle. Anglicare is deeply concerned at the move to change the focus of specialist services like DEN to that of a 'work-first' approach aimed at achieving one-off job placements.

5.2.4. Work for the Dole

Some years ago, Anglicare withdrew from providing Work for the Dole. Our decision was based on three concerns: the program's punitive language and policy goals, the fact that the program does not provide accredited training or meaningful work experience to participants which means it has limited capacity to assist people into work, and the minimal, inadequate payments received by jobseekers for participation, particularly when compared to payments received in other work-based employment programs such as Green Corps. Employment programs should provide pathways for people into meaningful participation in the workforce and society, and a program like Work for the Dole does not provide a pathway.

Our concerns are not isolated. The 2005 parliamentary inquiry into workforce participation raised the disparity between Work for the Dole, which has a poor link to formal training and work experience which is not connected to employment opportunities, and Green Corps, which includes accredited training, work experience, a training wage and skill development (SCEWRWP 2005). The comparison with Green Corps is appropriate – many of the Work for the Dole projects undertaken in Tasmania include activities similar to those undertaken by Green Corps programs: path construction, pruning, weeding, tree planting and brush cutting, stone wall and boardwalk construction, maintenance, fire hazard removal, landscaping, painting, environmental management and building and seating construction. Only a minority of activities relate to non-manual labour.[1]

An OECD report identified serious weaknesses in the Work for the Dole approach, stating that it did not help people into the workforce partly because the program was not necessarily focussed on employment outcomes and partly because there was no link to the requirements of the private sector and therefore potential job vacancies – projects were in fact selected on the basis that they did not

[1] Information about Tasmanian Work for the Dole activities approved in July 2007 taken from <www.workplace.gov.au> and compared to activities undertaken by Green Corps projects previously overseen by Anglicare.

actively compete with jobs in the private sector (Quintini et al 2007). Davidson (2002) argues that the essential problem with Work for the Dole is that it is not an employment assistance program but part of the compliance system – it is a punitive approach designed to force people to find a job in order to avoid it.

Anglicare's position is that Work for the Dole needs to be overhauled and significantly reformed so that it provides genuine, meaningful opportunities for jobseekers. Successful social inclusion depends upon people feeling valued and supported by their communities, not on humiliating and punishing people for being without work.

5.2.5. The compliance regime

The community sector has a long history of concern about the impact of Centrelink's compliance regime on the most vulnerable of jobseekers. In 2002, such concerns drove a coalition of community groups to fund an independent review of the compliance system. The report of the review found that in many cases, the system could be "arbitrary, unfair or excessively harsh", could negatively affect a person's capacity and opportunity to look for work, and overlooked basic principles of the rule of law in its administration (Pearce et al 2002: 12-13). The report pointed out that requirements imposed upon jobseekers should encourage positive engagement with the labour market, not discourage cooperation with the system that is supposed to be providing assistance or impose additional barriers such as financial hardship.

Forthcoming Anglicare research into Centrelink's debt management practices indicates that in the years since the independent review, Centrelink has maintained its focus on enforcing compliance, often at the expense of encouraging and improving jobseekers' participation (Hughes 2008, forthcoming). The Welfare Rights Centre (2002) points out that while Centrelink clients are nominally entitled to negotiate their activity requirements with Centrelink, the balance of power between the benefit recipient and the Centrelink officer is not neutral, effectively biasing the negotiations.

A particular anxiety for Anglicare workers is that they are contractually obliged to report jobseekers who do not comply with activity requirements to Centrelink, exposing them to potential penalties that could include having their income support payment cancelled for eight weeks.

5.3. Intensive support for disadvantaged jobseekers

Compelling jobseekers to actively participate in looking for work is an effective strategy for jobseekers who are relatively skilled and capable but lacking in motivation. It does not work for people who lack skills and capabilities as well as motivation (SCEWRWP 2005). Australia's 'work-first' approach fails to achieve positive outcomes for those jobseekers facing the most disadvantage (Perkins 2006). The Job Network struggles to engage with disadvantaged individuals, although it is successful with matching job-ready people to jobs (SCEWRWP 2005). A review of jobseekers classified as long-term unemployed or highly disadvantaged and receiving Customised Assistance through the Job Network in the last year found that only 17% had full time work three months' later. Twenty-nine per cent had a part time job. Nearly two thirds of those who were working were earning so little they were still eligible for unemployment benefits. Some of the jobs were only casual, rather than permanent, ongoing work (ACOSS 2007).

Davidson (2002) argues that part of the problem is that the risk of investing in support for disadvantaged jobseekers has been shifted from the Government to providers. If providers decide to take the risk of investing additional resources, they could find these resources wasted if the individual does not find a job – and in the current labour market, which is heavily tilted towards qualified, highly

skilled workers, accurately predicting outcomes for disadvantaged jobseekers is difficult. In addition, if the provider does decide that they will take the risk and invest in more expensive interventions, like vocational training or subsidised work experience, over cheaper alternatives, like job search training or providing advice to the jobseeker, they will need to bid for tenders at a level well above their competitors, potentially jeopardising their funding.

Nevertheless, local and international research shows that more intensive, integrated models are the most effective when dealing with disadvantaged jobseekers. A review of mutual obligation by Ziguras et al (2003) recommended the development of a new program model that combined personal support, access to health and mental health services, housing assistance and additional employment support over an extended period of time. US research cited by ACOSS (2007) suggests that programs combining work experience and training are the most effective, and recommends the provision of additional resources to provide subsidised work experience in mainstream jobs, vocational training and basic education, as well as opportunities for ongoing skills development for disadvantaged jobseekers and disadvantaged workers more generally. Best practice interventions for people facing significant non-vocational barriers to employment incorporate small case loads and intensive assistance, long-term support, use of work as part of the recovery process and careful job-matching (Perkins 2006).

As just one example of where additional investment could deliver better results, providing greater resources to PSP would allow the program to provide more intensive support for very disadvantaged clients, as the currently monthly appointment and limited brokerage capacity does not provide sufficient time and opportunity to adequately address the needs of people with mental health problems, entrenched lifestyle dysfunctions and severe disadvantage. Additional investment in broadening the availability and accessibility of literacy and numeracy training, with strategies in place to engage young people leaving school with limited literacy skills, would also have significant benefits.

5.4. Training incentives

Many jobseekers are keen to get involved in further training to develop their skills, and this has a significant potential benefit for the economy. The OECD estimates that a mere 10% increase in the time spent in adult education or training by a jobseeker increases workforce participation by 0.4% and decreases the risk of unemployment by 0.2% (ACOSS 2007). As well as improving people's employability, access to education and training also has positive flow on effects for people's physical and mental health, housing situation, economic resources and social participation. Yet ironically, one of the most common ways to access education and training is through paid work: in 2001, 82% of employed people received some form of training in the previous year, compared to 47% of unemployed people and 23% of people with only marginal attachment to the labour force (Allen Consulting Group 2007).

The high cost of training and the limited additional support provided to people who want to undertake education or training is a significant barrier. Two fifths of participants in the Welfare to Work pilot programs were interested in specific training courses, but of these people, less than 10% actually participated. Over 30% of those surveyed said that the cost of the training was the main reason for their non-participation (ACOSS 2007). Carney (2007) argues that, as part of the 'work-first' approach, the Welfare to Work reforms limit access to longer-term, more intensive training in favour of short-term assistance with job search skills, like resume preparation, and jobseeker presentation. Disadvantaged Job Network clients currently receive an average of just three days' training each, and jobseekers are sometimes encouraged to abandon training courses in favour of short-term or casual employment (ACOSS 2007).

Australia would go a long way towards improving jobseeker employability and addressing the national skills crisis if the Australian Government provided additional financial support so that people accessing training could adequately meet the associated costs – course fees, books and equipment, transport and child care – and ensured that the policy guidelines on access to income support payments and employment assistance promoted engagement in additional training and skills acquisition, even if this delayed the move into paid work for a short time.

5.5. Appropriate training for jobseekers

Ensuring that the system supports jobseekers can engage in meaningful training that supports them to develop the skills, the capabilities and the confidence needed by employers is one way that the Government can ensure that training for jobseekers is appropriate. The Australian Government's proposal to establish a statutory advisory body, Skills Australia (Rudd et al 2007), to identify areas of skills shortage and areas where retraining and up-skilling may be required is welcome, and it will be critical to ensure robust lines of communication between Skills Australia and employment assistance services. However, it is also important that training is delivered in ways that meet the learning needs of students.

5.5.1. Jobseekers with disabilities

In 2003, 5.3% of students in the vocational education and training (VET) sector had some kind of disability (Trajkovic 2007). In fact the numbers of disabled students in the higher education and VET sectors have been growing considerably in recent years, but the same increase hasn't been noted in the workforce (Hinton 2006). One study found that while 77.6% of non-disabled VET students found employment following graduation, only 52.6% of students with disabilities found work (Trajkovic 2007).

Some of this is probably due to the barriers to employment experienced by people with disabilities, which include discrimination, the additional costs involved for both employee and employer, and the complexities in managing the interaction between wages and income support payments (Hinton 2006). But part of the problem may also be that there are very few training programs that are fully accessible and few trainers with the expertise required to appropriately deliver training courses (SCEWRWP 2005). Anglicare workers have also expressed concern about the appropriateness of some of the courses offered to people with disabilities. Despite the push to engage students with disabilities, training courses are not adjusted to their needs. Enrolment in TAFE involves extensive paperwork, but there is no routine assessment of the student's capabilities and learning requirements. The timeframes for achievement of competencies are not revised and TAFE's Adult Literacy and Basic Education courses are not able to provide sufficiently intensive support for all students who need it. The result is that many students are spending long periods at TAFE without achieving any of the required competencies. Substantial investment in additional support for students with special learning needs is required to ensure that students with disabilities are able to benefit from training as much as their non-disabled counterparts.

5.5.2. Mature age jobseekers

Mature age workers are among the groups that require additional support to overcome barriers to workforce participation (RGWR 2000) and mature age is one of the predicators of long term unemployment (SCEWRWP 2005). Figures from the Department of Employment and Workplace Relations in 2005 indicated that three months after receiving Customised Assistance from the Job Network, only 28% of workers aged over 50 had part time work, and just 14% had found full time work (DEWR 2005 in ACOSS 2005b). Mature age workers can face considerable discrimination from employers, and others have found that the jobs that required their expertise no longer exist (Madden

2003). When age is combined with disability, there is an even greater disincentive to participate in the workforce – in one study, older DSP recipients were more likely than younger recipients to feel that they were unlikely to ever be employed again, reporting that exhaustion and pain were their major reasons (Morris 2006).

Training is one way that mature age jobseekers can build their capacity to work and acquire skills appropriate to the modern labour market. However it is important to ensure that the training is appropriately designed for the needs of mature age learners, and the provision of personalised support may be needed to overcome initial barriers to learning (SCEWRWP 2005). It is also important to ensure that the jobs that mature age workers are being trained for are appropriate to their inclinations and interests – someone who has always done manual work outdoors may not be suited to an office-based, IT support position (Madden 2003). And for mature age workers it is particularly critical that there are work opportunities available following completion of a training course (SCEWRWP 2005).

5.6. Performance management

The performance management system applying to employment services have been comprehensively criticised as it applies to the Job Network. Murray (2006) found that the Star Ratings and Outcome Fees system failed to support the needs and goals of jobseekers, that it was inaccurate and penalised services that were committed to the best results for jobseekers while rewarding those services that placed people in poor quality, short-term jobs that led to a return to welfare, that the incentives structure encouraged delayed service and placement, shorter-term placements, poor quality placements and fewer placements of very disadvantaged jobseekers. The use of historical data to calculate the Star Ratings mean that the manipulated outcomes and questionable practices of some providers were being built into the system. The increased competition – for funding and for results – was also having a detrimental effect as service providers chased outcome volume over service quality. Thomas (2007), a researcher with the Parliamentary Library in Canberra, has noted that the increased monitoring and regulation has restricted the capacity of providers to provide the flexible, tailored support that is needed to support long-term unemployed jobseekers and jobseekers with complex needs into work.

Anglicare's experience of the performance management regime confirms many of the concerns outlined above. Workers find that the Star Ratings system, by linking individual service performance measures to the performance of other services, encourages competition at the expense of cooperation on behalf of clients, that it provides few incentives to improve performance and that some of the key performance indicators that services must meet are dependent on outside factors. For example, PSP is obliged to meet requirements around the length of time between referral and commencement, the ratio of referrals to commencements, and the number of economic outcomes. None of these requirements are appropriate for the nature of the service – for example, return to study by a client for less than 15 hours a week is not considered to be an economic outcome, despite the fact that this may be a significant step for that person in overcoming their personal barriers.

The following are real problems encountered by Anglicare's PSP service in trying to meet the requirements around timeliness of commencement following referral: the client misses their initial appointment due to being in the hospital's psychiatric unit; the client misses their initial appointment due to being in custody; the client is interstate and is not due to return for several weeks; the client has changed their address and not informed Centrelink, which means that the PSP service does not have their current address; the client is of 'no fixed abode' and the address they have provided is care of a crisis service with which they are no longer in contact; the client lives in a rural area serviced only by an outreach service and the next outreach visit is six weeks away; and the client is listed as living at a residential drug and alcohol service but the service's confidentiality policy means that the service will

not confirm whether the person is there or not. In the last case, the client may reply to letters from the service, but the rehabilitation service places restrictions on their movements and they may not be able to attend an appointment for some time. Incidents like these can mean that a client is not 'commenced' for several months, and the structure of the Star Ratings system means that just a few incidences can lead to a dramatic decline in overall performance.

In relation to DEN services, Anglicare is in agreement with the view of the DEN peak body, the ACE National Network, that the performance management system is inappropriate because it measures transitory goals and milestones rather than recognising the need for ongoing, long-term support and sustainable, significant employment outcomes required when working with people with disabilities. To address this, ACE has suggested exploring a modified funding model that combines results based funding with other funding that is provided on a targeted basis to areas that need improvement (ACE 2008).

5.7. Administration costs

The interim evaluation of PSP found that the payment structure imposes a significant administrative burden on services (Perkins 2008). Murray's review of the administration of the Job Network found that the administration system was burdensome and costly, with micromanagement of process by the Department rather than management of outcomes leading to high demands being placed on providers and resources being diverted from direct client contact into administration (Murray 2006).

Anglicare's experience confirms this. Three PSP workers who have recently resigned from our service cited the focus on administration over client contact as their reason for leaving. It is not good for clients for their support workers to be diverted from the direct provision of support into paperwork and it is not good for clients to constantly have their support workers changing because of high staff turnover caused by an overly bureaucratic and rigid administration system.

The processing of Activity Agreements is a particular concern of Anglicare workers, who have identified a number of problems with the development and processing of the agreements, including that they hinder rapport-building with the client, detract from the initial assessment of the client's needs, are inappropriately complex for clients with limited literacy skills, require regular updates for administrative purposes rather than service delivery purposes and consume large amounts of staff time that could be better spent directly supporting clients through the need for regular updates, checks and renewals.

Unnecessary bureaucracy also attaches to the development of intervention plans within PSP. Currently, PSP clients are referred to PSP having had a 45 minute Job Capacity Assessment through Centrelink. This assessment includes the identification of the particular barriers facing the PSP client, of which there can be up to 20. Within three months, the PSP worker is required to have produced a separate intervention plan for each barrier, using the EA3000 Smart Client computer system. Developing interventions to address barriers would be part of the normal approach of workers in supporting clients facing significant personal challenges, but many workers fail to see why this level of documentation is required.

While a unified and consistent IT platform has many benefits, the EA3000 Smart Client system is not always reliable. If an error occurs in the system midway through the processing of an activity agreement or intervention plan, considerable time and work can be lost. There are also minor problems with the system that add up to considerable frustration for both workers and clients. For example, when referring a client to a Job Capacity Assessor, the system requires the worker to enter in the chosen

provider, the worker's contact details, the reasons for the referral and any special needs the client may have before it will indicate whether or not the provider has any available appointments. There is no way to find out which providers have free appointments prior to starting the process.

The ACE National Network recommends that the Department could reduce bureaucracy by moving away from a compliance model of contract management to a risk management approach. This would lift some of the administrative burden from all parties and allow for flexible and innovative practice to occur within services (ACE 2008).

6. Workforce participation and social inclusion

Saunders et al (2007) identify three forms of social exclusion: disengagement from social and community activities, inability to access adequate essential services and lack of economic capacity. Anglicare notes the reference in the Minister's letter to the Government's new social inclusion strategy and the implied linkage between that strategy and this review of employment services. A social inclusion approach to employment assistance has been adopted in the UK, where the Government has sought to boost workforce participation by investing in human capital and recognised that social participation outside the market can have benefits for the community (Carney 2007). In Europe, programs that otherwise operate similarly to PSP also include a commitment to reducing the social exclusion of people who are disadvantaged and vulnerable in the labour market (Perkins and Nelms 2004). These ideas are not new to Australia. Integrating employment assistance with social inclusion issues was central to the recommendations of the McClure report on welfare reform in 2000. The reforms proposed by that report were designed to minimise social and economic exclusion by reducing joblessness and dependency on income support and building stronger communities that provided more opportunities for participation. The report envisaged that all sectors, including the private sector and business, would be engaged in this process (RGWR 2000). Anglicare welcomes a return to this approach.

Perkins (2006) points out that working is a determinant of social inclusion because it provides people with income, status, social interaction, social participation, self-esteem and a sense of purpose. For this reason, some researchers argue that working should be viewed as a citizenship right, and, given the evidence that people with personal barriers are able to successfully participate in employment, a responsibility. However, this does not mean that the very real barriers people face should be denied or minimised, or that the state should adopt a tough approach. Rather, if work is a right and responsibility, then government and employment programs should face greater accountability to provide appropriate support. As ACOSS has argued, joblessness is not a behavioural problem that can be solved with incentives and a rigid compliance system: Australia needs more secure, full time employment, better education and skills training, more support for people with disabilities and chronic illness, and more investment in addressing the social barriers to employment (ACOSS 2003 in SCEWRWP 2005).

In this context, Anglicare welcomes the Government's recognition, in its social inclusion strategy, that social inclusion not only includes access to employment, but also access to services, personal, social and community connections, resilience in the face of personal crisis and a voice in decision-making, and that achieving this for all Australians requires a cooperative and joined up response and significant investment in people and their capabilities (Gillard and Wong 2007). We urge the Government to live up to this ambitious agenda.

7. The need for job creation

While providing people with assistance in relation to employment, education and training assists people to be come more employable, it cannot alone solve the problem. A SANE survey found that for 53% of people with a mental illness, the major barrier to finding employment was the lack of suitable work (SANE 2006 in Trajkovic 2007). Another study concluded that attempts to move DSP recipients into the workforce would fail unless there was a significant improvement in the labour market (Argyrous and Neale 2003 in Morris 2006). Many of the areas where people with disabilities may once have been more likely to gain employment, such as the community sector and government agencies, have taken on an increasingly corporate approach (Morris 2006). Any strategy to increase workforce participation must include a substantial focus on job creation.

Many advocates and researchers have recommended strategies and incentives to encourage employers to take on disadvantaged jobseekers. For example, alongside additional investment in employment assistance, child care and support services, ACOSS recommends the Government encourage and support employers to take on jobseekers whom they would not normally consider, such as people with disabilities, older workers and the long-term unemployed, and provide these workers with flexible, family friendly working conditions (ACOSS 2005c). A parliamentary inquiry into workforce participation also suggested encouraging employers to recruit more employees (SCEWRWP 2005). Anglicare research has also looked at this issue: Madden (2003) outlined a range of job creation strategies, Hinton (2006) recommended employer education, incentive schemes and subsidies to support the employment of people with disabilities and programs to raise employers' awareness of the needs of carers in relation to flexible employment (Hinton 2007) and Cameron and Flanagan (2004) recommended the development of supported employment programs designed to meet the needs of people suffering from serious mental illnesses.

Morris (2006) takes it a step further, arguing that if disadvantaged workers – in the case of his argument, disabled workers – are to be effectively engaged in the workforce, then Government must be prepared to be interventionist and drive the kind of structural change that is required. Morris cites European models which include quota systems, reserved employment and financial penalties for employers who don't comply. Such approaches may be politically unpalatable, but there remains considerable scope for less interventionist strategies such as incentives and specially designed programs to encourage employers to take advantage of the pool of labour represented by disadvantaged workers and to promote the social inclusion of these workers through workforce participation.

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