

Submission to the Productivity Commission Independent Review of the Job Network

Introduction

The Salvation Army Employment Plus has been operating within the Job Network since May 98, the beginning of the new market approach. We provide services under Job Search Training, Job Matching and Intensive Assistance.

We were the third largest provider under the first Employment Services Contract and have won the largest percentage of Intensive Assistance contract in the second Employment Service Contract being 13 %.

We operate out of 89 service delivery sites in all states of Australia (with the exception of Northern Territory and ACT)

We employ over 1000 staff including service delivery staff operating at site level and over 100 staff performing organisational support, corporate services and general contract administration functions in our State and National Office.

Scope of this Submission

It is timely that the Productivity Commissioner has been asked to conduct this Inquiry. An independent review of some of the issues impacting on service delivery and the effect that the current model has on improving options for unemployed people will prove very helpful to government, the employment services sector, unemployed people and the general community

This submission reflects our practical experience derived from over 18 years as a provider of various labour market programmes and in particular the experiences gained through the last three years as the largest provider under the Commonwealth's Intensive Assistance programme. We believe we have a firm grasp of the issues confronting long term unemployed people and are fully conversant with the way in which the Job Network operates.

Over the past three years we have worked with over 100,000 long term unemployed people, facilitated over 95,000 job placements and been rated relatively well in the recent Star Rating system which assesses agencies in a comparative sense.

We believe that the current model has many benefits to both unemployed people and the community and applaud the fact that many of the elements of this model have built on and extended previously successful programmes particularly the individually targeted and flexible approach to working with long term unemployed people through Intensive Assistance.

However, there are some aspects of the current model which could be further enhanced to ensure that productivity improvements occur and that the service remains focussed on its primary task of assisting unemployed people into sustainable job opportunities and providing quality services to employers.

PRODUCTIVITY COMMISSION - ISSUES FOR DISCUSSIONS

QUALITY OF ASSISTANCE AND SUSTAINABLE EMPLOYMENT OUTCOMES

What were the problems in the CES and associated arrangements that motivated change?

The Commonwealth Employment Service was established shortly after World War 2 and provided labour force services focussed predominantly on frictional unemployment in reasonably buoyant labour markets, until the impact of Tariff changes in the mid 1970's saw an increase in unemployment amongst low skilled workers and the emergence of long term unemployment.

Through the late 70's and 80's, the CES not only provided direct services to job seekers and employers, it took on a significant role in administering labour market programmes. The CES in the 70's and 80's performed well in assisting unemployed people, and receiving, matching and filling vacancies.

The effect of various recessions saw increasing numbers of people who were remaining unemployed even during the economic upswings following recessions, creating a ratcheting up of long term unemployment.

The expectations on the CES changed particularly during the late 1980's and early 1990's as the increase in long term unemployment started to create new issues for government in terms of how to address the skills deficits of long term unemployed and shifted the attention to more active forms of labour market support through the Newstart strategy.

These changes and the demands of managing a range of complex labour market programmes in an environment of double digit unemployment had a significant impact on the CES and its focus became somewhat obscured amongst many competing and at times conflicting priorities. The CES became unable to effectively balance and manage the competing agenda's and as a consequence was seen as not very responsive to the needs of employers, as was evidenced by the fact that only 18% of all available job vacancies were registered with the CES during the early 90's. Job seekers too felt that their needs were not always being met by what seemed to be an overly bureaucratic structure, which aimed to deliver for government a range of programmes and outcomes.

Some of the constraints imposed by virtue of the fact that the CES and its employees were part of the Public Sector had the effect of curbing innovation and the development of effective relationships with job seekers and employers. Whilst many of the employees within the CES were committed, dedicated professional people they were not able for a range of reasons to respond quickly and appropriately to assist individual job seekers and employers, the rules, procedures and administrative law governing the bureaucracy created blockages to innovation.

The creation of Employment Assistance Australia (EAA) in 1994 whose role it was to deliver 'case management' services under the Working Nation Policy, was an attempt to create a new entity which would have the flexibility to work creatively with long term unemployed people to assist them to move towards sustainable job outcomes. EAA competed with Contracted Case Management agencies from the start of contracted case management (1995) through to the introduction of the Job Network in 1998.

How should 'quality of assistance' be defined and measured?

The importance placed on sustainable job outcomes is an important feature of the Job Network. Given the public funding investment it is important to examine how many long term unemployed people are gaining ongoing employment and this should continue to be one of the measures of success in the Job Network. However there are questions around measuring the quality of assistance provided to those job seekers who don't achieve a job outcome simply because they are further back on the job preparation continuum and require additional assistance to help them to become job ready.

More work needs to be done to ensure that these job seekers are afforded every opportunity to address any issues which may be impacting upon them finding and keeping employment.

An approach which includes identification of presenting issues at referral and a report on how these issues have been addressed being required at exit, together with the detail of interventions provided could be one way in which the progression of an individual through Intensive Assistance could be measured and would assist in determining the next service option required to help that individual progress further towards economic independence or social inclusion. This could take the form of an initial report on referral, followed by an exit report. However the caution is that these reports should be simple and streamlined and not become a bureaucratic document that requires more administration.

A further approach the Department could take to measuring the quality of assistance is through the Quality Audit process as opposed to monitoring visit methods applied in the past. A comprehensive Quality Audit process should be able to ascertain the quality of service through a range of approaches including, -

- Job seeker satisfaction surveys
- Reviewing testimonials
- Looking at success stories
- Case study discussion with staff
- Examining client progression
- Evidence from significant others when looking at the social inclusion and participation aspects for very disadvantaged job seekers.

A further issue in measuring job outcomes is the methodology the Department uses to confirm the Interim and Final outcomes. Job Network members need to supply the Department with an electronic invoice when they are satisfied that the job seeker is still employed 13 and 26 weeks following placement. Sometimes this is difficult to substantiate for a range of reasons. Consequently the measure of outcomes could be much greater than those officially claimed or recorded against specific providers.

Does Job Network deliver 'better quality of assistance' to unemployed people compared with previous arrangements?

In our view the quality of assistance provided through Intensive Assistance is generally more comprehensive than previous arrangements. Certainly from our own agency's perspective the individually tailored services for people in Intensive Assistance seeks to meet the specific needs of each individual in an holistic sense, where we look beyond job placement to helping individuals address whole of life issues and reach their full potential through sustainable job outcomes. The services provided through Job Network are demonstrable more cost effective than previous arrangements.

However services to job seekers who do not meet the eligibility criteria for Intensive Assistance are probably less cohesive and coherent than previous arrangements. For example there is no clear indication to school leavers as to where they might go for career advice and job placement, people who are frictionally unemployed are encouraged to register with a range of providers to receive Job Matching assistance, however the quality and range of assistance often does not meet the expectations of those job seekers in need of assistance and support and results in frustrations and loss of confidence in the system.

How should the term 'employment outcomes' be defined and measured?

Given that one of the aims of Government is to reduce dependency on Social Security income support payments, outcomes could be defined and measured in two separate categories.

1. Where it is identified that a job seeker is no longer reliant on Social Security Income Support an outcome could be recorded, 3 months representing Interim Outcome and 6 months representing a Final Outcome.
2. Employment Outcomes should be differentiated between full or part time employment and should be measured by the number of hours a job seeker achieves in work. This definition should be simple and clear and not reliant only on the reduction in Social Security Income Support, although this could be the measure to accommodate several periods of casual work, which create the opportunity to generate sufficient income to cause a reduction in Social Security Income Support. The current time period of 13 weeks for Interim Outcome and 26 weeks for Final Outcome appears satisfactory, however further recognition should be given to positions which last for more than 12 months.

Furthermore, job seekers may obtain employment within a short time after exiting Intensive Assistance, it could be reasonably argued that the interventions during 12 months in IA had actively assisted the job seeker in terms of improving employability, Job Network members are not in a position to claim or record any outcomes which occur after exit, however this also would be a useful data analysis exercise that could be undertaken to examine the impact of IA and the quality of assistance provided.

Compared with previous arrangements, does Job Network offer better and more sustainable outcomes? Do short term outcomes endure into the longer term?

The key issue in determining appropriate employment options should be an individualised approach which takes into consideration the skills, needs and confidence of the individual job seeker. This is one of the underpinning attributes of the Job Network and should continue to be pursued.

If Intensive Assistance is to assist long term unemployed and disadvantaged people to escape from poverty traps then we should be aiming to achieve employment outcomes which lead to long term job options and economic independence.

However for some long term unemployed people who have been absent from the labour market for lengthy periods, short term placements can sometimes provide the most appropriate pathway back to a more permanent connection with the labour market. Furthermore, given the increase in temporary and casual employment, there are some labour markets and industries which do not present permanent full time employment options.

Consequently encouragement and support should be given to assist unemployed people to develop the skills and flexibility to work in a casualised labour market, both through a more flexible Social Security system which will enable people to maintain access to benefits and Health Care Cards until they achieve economic independence.

What, if any, has been the effect of Job Network on overall unemployment? How can the influences of Job Network on outcomes be distinguished from the plethora of economic and social factors that continually interact to affect employment outcomes? What economic and social factors indicate that the measured outcomes of Job Network either understate or overstate its 'true' impact? How well would Job Network perform in different phases of the economic cycle?

The role of Employment Agencies is generally to facilitate the effective functioning of the labour market and this can be done most effectively by analysing trends and determining labour needs and attempting to prepare and direct job seekers into areas of employment growth.

Within the Job Network context, the employment service providers delivering Intensive Assistance aim to improve the opportunities for long term unemployed people, not to solve unemployment per se, which is of course impacted on by a number of macro and micro economic factors.

In well performing labour markets, the challenges for Job Network agencies is to assist in closing the gap between the expectations and requirements of employers on the one hand and the skills and experience of long term unemployed people. During times of economic boom, there is a sense amongst some employers and the general community that people are unemployed because they choose this as an option, however the reality is that the personal and structural barriers confronting many long term unemployed people make it difficult for them to gain and maintain employment even in healthy labour markets.

Whilst, during times of increasing unemployment, there may be fewer job opportunities, Job Network agencies play an important role in encouraging individuals and ensuring that they maintain a sense of hope and confidence and showing them how to search the 'hidden labour market' to identify vacancies which may never be advertised.

There is a critical role for Job Network agencies in both improving and diminishing labour markets, the measurement of success needs to be flexible enough to recognise the peculiar needs of differing economic situations.

What are the key success factors of Job Network? Are there examples of innovative practices put in place by Job Network providers? What have been its major pitfalls?

When the government first proposed the new Employment Services Market, one of the key imperatives was to have a diverse employment services sector with a view that job seeker choice would drive the market and improve service delivery through a competitive regime.

The Ministerial Statement, 'Reforming Employment Assistance – Helping Australians into real Jobs' – August 1996, discusses the competitive element as follows, 'A competitive market for employment services should heighten accountability to clients and the public, improve customer responsiveness and service quality and provide for greater efficiency. Competition amongst providers should assist in focussing on priorities: providers should be able to concentrate on providing services that they are best at. With competition, clients could also exercise much greater choice, allowing for a better match between job seeker needs and provider expertise.'

There has been a degree of success in creating a diverse employment sector, with the involvement of the three major sectors, i.e. community services sector, private sector and government sector. This variety in service providers brings to the sector diversity and creativity in the way in which unemployment can be addressed.

In establishing a competitive market driven employment services sector, competition was cited as a key driver in lifting the bar and improving service provision. To some extent that has happened as competition encourages innovation, keeps the focus on outputs rather than process and has agencies engaged in developing new programmes and strategies which will help give them a leading edge.

The Intensive Assistance service which has its focus on individualised tailored services designed to help disadvantaged and long term unemployed people to progress towards a sustainable employment goal by addressing any blockages or barriers, provides a great deal of flexibility in service provision. This flexibility is one of the greatest advantages within the system but at the same time creates the greatest concerns and tensions.

Government is rightly concerned to ensure that all long term unemployed people are provided with appropriate assistance to help them to progress towards an

employment goal however the tension is in how to ensure equity of access and assistance without overt interference in the service models adopted by the various independent agencies who are actively encouraged to find the formula for success which enables them to achieve greater outcomes than their competitors.

What changes would improve the quality of assistance and the outcomes of the Job Network?

The greatest danger to the effectiveness of the Job Network is the increasing complexity developing around process and procedures and definitions of claimable outcomes etc.

Over the past three years, new rules and regulations have been introduced some of which to address problems arising in the interpretation of contract requirements.

The contract requirements, whilst containing very generalised clauses, creates confusion in the obscurity of some parts, as has been evidenced by the different interpretations of various clauses by Departmental staff. Changes to contract requirements which have sought to bring clarity to some aspects of the contract has had the effect of increasing bureaucracy and overly complicating the ways in which information is obtained and recorded.

Many people operating within the Job Network comment on the increase in administration which seems to have little value added in terms of services to job seekers or employers, but seems to have been put in place to address operational issues.

Whilst all Job Network agencies understand that public accountability is of paramount importance and the need for public confidence in the system of services delivered to unemployed people goes without question. There is a concern however that an over emphasis on administration and bureaucracy will detract from the key focus of working with unemployed people to help them to improve their options.

We believe that there are other ways in which the Department could ensure proper accountability through a sensible risk management strategy which seeks to assess each agency and monitor performance against a range of benchmarks. Clearly a platform of simplified rules which articulate the requirements of Job Network members and unambiguously document how and when claims for payment is required to ensure that all providers understand contractual obligations.

.

What elements of ‘assistance’ should the Government be purchasing on behalf of the unemployed — eg training, preparation for employment, job search, referral to educational institutions? What elements should most emphasis be given to?

The flexibility afforded through Intensive Assistance allows providers in conjunction with job seekers to determine the most appropriate course of action required to address any barriers the individual may perceive to finding and keeping employment, eg. vocational training, job preparation, grooming and presentation assistance etc. The funding received can be managed in a way which maximises opportunities for all Intensive Assistance job seekers.

It may be appropriate however to allocate specific funding which could be used to provide wage subsidies to employers, along the lines of previous wage subsidy programmes and those currently in existence to assist Indigenous job seekers. Eligibility for wage subsidies could be determined in accordance with specifically identifiable target groups, eg. older unemployed people, people with complex needs etc. and provided to employers for set periods in order to identify additional opportunities for those who are more disadvantaged in the labour market.

Whilst some Job Network members allocate incentives to employers, there is no requirement to do so and no consistency in how or when this is approached which leads to a discussion about the appropriate targeting of subsidies and employer incentives.

To what extent does training and intensive assistance improve the quality of assistance and of outcomes? What improvements to such arrangements should be made?

We strongly believe that Intensive Assistance is the most appropriate option for long term unemployed people. An individually tailored plan of support which allows the flexibility to vary assistance in accordance with emerging needs has proven to be more effective than requiring unemployed people to attend training for the sake of training or simply to fill purchased courses.

Employers constantly advise that their key requirements in filling vacancies relate to positive attitude, personal flexibility and a passion and a commitment to the job. The process of Intensive Assistance, allows Job Network members to work with individuals to help them develop the confidence and self esteem to approach employers and to understand the business culture.

Training which relates to the specific skills required for various occupations is helpful when it produces tangible skills sets such as fork lift licence, specific tickets and endorsements, IT training etc. Many employers argue that they are

happy to provide on the job training if the individual demonstrates a positive attitude and a willingness to learn.

Are current arrangements flexible enough to meet the varying needs of the unemployed, including those of clients with low job search motivation?

Various studies have demonstrated that when people first become unemployed they are highly motivated to find employment. However, often the passage of time and constant rejection by employers can lead to a sense of hopelessness and anxiety about ever finding employment again. This can have a deleterious effect on an individual's sense of self worth and confidence and can lead them to become resigned to their state of joblessness. In order to avoid this spiralling downward effect on self esteem and confidence, it is essential that early intervention occurs to ensure that people are given the appropriate assistance to help them return to work.

The current system requires all job seekers to enter into a Preparing for Work Agreement (PFWA) as part of the mutual obligation framework for people receiving income support. For those not eligible for Intensive Assistance, the PFWA is negotiated by the Centrelink officer conducting the initial interview.

There is sufficient anecdotal evidence to suggest that most job seekers are not positively engaged in this process, nor do they understand the intent of this PFWA which in effect should be a return to work action plan. This plan should be developed with the express intent of assisting the job seeker to access services and supports which will enable them to find employment. In which case, Centrelink staff probably need training to develop a greater understanding of labour market factors so that appropriate information is provided and reasonable expectations are placed on job seekers.

The assistance provided to job seekers who are not eligible for Intensive Assistance services is articulated in Job Matching contracts with Job Network providers and includes basic job search assistance including referral to vacancies and assistance with resume preparation. Whilst Job Network members are expected to provide services to Job Matching eligible job seekers, there is no specific payment for this service.

The fee structure associated with the Job Matching service is linked to the filling of vacancies, consequently providers could be registering and assisting thousands of job seekers for which there is no fee, furthermore managing the currency of the data base becomes a complex and costly business as job seekers generally register with a number of agencies and don't notify each agency if they are placed or for some other reason cease to require assistance.

Given the current funding arrangement for Job Matching assistance, there is a concern that services offered to frictionally unemployed people or people whose only access to government funded assistance is through Job Matching will be limited and not always provided with the intent expected from government and the community.

We need to develop a service model which will ensure that those people who are not assessed as eligible for Intensive Assistance, (i.e. Young people, frictionally unemployed people, people who have been made redundant, older job seekers, people who have not been accurately assessed through the JSCI disclosed) actually receive a measure of assistance which will include early intervention to avoid the difficulties that come with long term unemployment.

The current Job Matching model doesn't seem to address this well and needs some work in terms of either funding the service provision, or even moving the provision of this service into the public domain and resourcing Centrelink as the government gateway to better perform this function.

Furthermore the payment for Job Matching Placements has become a complicated system of rules designed to increase accountability and to ensure that the spirit of the contract is upheld by Job Network agencies.

It is suggested that it would be simpler to re examine the whole Job Matching service and look at a different model which doesn't need to attract fees but can be a service provided in the main by the public provider i.e. Centrelink and Job Network agencies through listing their vacancies on AJS in order to attract pools of job seekers to fill vacancies. This model would ensure that the service provision to meet the job seeker needs would be provided consistently and uniformly through Centrelink Self Help and Job Network Access Centres which are already equipped with physical resources. Centrelink staff are already working on Preparing for Work Agreements with job seekers and the extension to this could be the preparation of a resume, labour market advice and job search assistance.

Does the Job Seeker Classification instrument perform well in categorising people appropriately? What changes, if any, should be made to the instrument or its utilisation to improve the efficiency of allocating Job Network clients?

The process of identifying job seeker needs, requires sensitivity and perceptiveness in being alert to any behaviours which may suggest a more complex issue, eg. Substance dependence, psychological issues or mental illness, personal crisis.

This requires high skill level on the part of the assessor and the right environmental factors, eg adequate time, face to face interviews in safe and comfortable environments. This is not always the case when job seekers are assessed to determine their employment support needs through the application of the JSCI.

Often the completion of the JSCI is undertaken in the last 5 minutes of a lengthy interview with Centrelink staff primarily to ascertain personal and financial details in order to assess income support entitlement.

Furthermore the physical setting in which the interview is undertaken can mitigate against the job seeker disclosing personal factors that impact upon their present situation. Centrelink staff should be encouraged and trained in how to develop rapport with job seekers and job seeker assessment interviews should be conducted in a confidential environment where the individual feels supported and encouraged to discuss their personal situation.

We believe that the JSCI must be administered in a personal one on one interview situation to maximise the scope for correct assessment. Self disclosure will often be an issue which may not be resolved except through several meetings during which trust is built. It is also suggested that the ability to appeal the JSCI rating and for job seekers to be reassess needs to be much more accessible.

To what extent, if any, does Job Network help those who do not need assistance to find work? Can the assistance provided by Job Network be better targeted?

Our experience shows that all those presenting at our agency need assistance in finding work. In fact often job seekers who are eligible for Job Matching assistance demonstrate additional barriers and needs which suggests that they need greater levels of assistance than that available through Job Matching.

For these people, a shorter version of Intensive Assistance would be very helpful and may prevent them from becoming long term unemployed. Providing earlier intervention in the form of a truncated and less costly form of Intensive Assistance would provide individualised services much earlier and could in fact provide cost savings in preventing the effect of long term unemployment.

Research also needs to be undertaken into the impact that multiple terms of Intensive Assistance has on very long term unemployed people to determine the optimum supports required and a suggestion for alternative programme options for those people who have been through the Intensive Assistance programme more that two or three times. A suggestion is to reassess the individual's progress through multiple terms in Intensive Assistance and refer to a more

appropriate course of action. A perceived lack of progress through multiple terms within the same programme can have a negative impact on the job seekers approach to yet another referral. However it is important to ensure that options are provided if the person is at risk of social and economic exclusion.

PURCHASER RATHER THAN PROVIDER

One of the key challenges for government is to balance the role it has as a regulator in ensuring contract compliance and accountability with an approach which enables individual agencies to develop their own unique service models. Another issue is the fact that the Department of Employment no longer has a 'service practice' arm and therefore may lose the opportunity to fully understand the issues confronting unemployed people and the effective functioning of the labour market. Centrelink as a government agency could play a much more significant role in providing intelligence and advice on supports requirement.

Tendering Issues

In order to facilitate longer term planning and investment in systems and processes, organisations probably need the certainty of a 5 year contract. However the government should always be able to annul contracts in instances where providers are not fulfilling their obligations to the Commonwealth and to job seekers and employers.

Agencies must be able to demonstrate previous experience in delivering employment services to a diverse range of job seekers and employers and also articulate a clear understanding of working within a government regulated framework.

Whilst it is important that agencies spell out their general service model in the tender, it needs to be recognised the effect of a changing labour market and job seeker needs may necessitate changes in the way services are delivered. Consequently tenderers should state on a more general level how they hope to achieve outcomes and allow for flexibility in developing new initiatives designed to place people in work.

The selection criteria should relate more to the organisational capability, its infrastructure, strategic alliances, previous experience, human resource plan, accommodation strategy and general service model. One approach could be to expect providers to go through an accreditation process which assesses the ability to deliver services and to be an effective and financially viable operation. Providers should be able to demonstrate how they would operate during various different labour market conditions and to demonstrate that they understand the unpredictability of cash flow and to show how they might develop contingency plans to ensure stable operation throughout the life of the contract.

Contracts should not be awarded where it is clear that there will be insufficient funding to maintain the service, this has been particularly evident in awarding Job Matching only contracts to agencies who had no other infrastructure to support these services. The closing of Job Network 'Job Matching only' sites in the first few months of Job Network had a very destabilising effect on the public confidence in the system and this was to the detriment of those providers endeavouring to gain the confidence of employers and job seekers.

Clearly in implementing measures to assist disadvantaged unemployed people in an outsourced and competitive environment, care needs to be taken to ensure that the funding and construct of the model creates behaviours amongst the provider agencies, which will achieve the outcomes you are seeking. There is a need to ensure that upfront fee is sufficient to enable funding for an effective infrastructure, however there also need to be measures in place to ensure that the most disadvantaged job seekers are given the support that they require. Perhaps more flexible options in allowing people to exit from providers in instances where they do not feel their needs are being addressed may provide greater options for unemployed people, clearly under this model, it may be appropriate to remit the upfront fee or part thereof if the job seeker exits early in the service relationship.

ROLE OF COMPETITION AND CHOICE

Whilst ostensibly job seekers are encouraged to exercise choice, in reality choice is not the overriding factor in referral to a specific provider. For example the supply of job seekers vis a vis the availability of places drives the referral process. If a job seeker makes an informed choice to be referred to a specific provider and there are no available spaces in that provider's contract capacity, then the job seeker will be referred to the next available space.

Conversely, many job seekers are so ill informed about the whole programme of Intensive Assistance and have limited knowledge of the various providers that they do not exercise a choice and are referred through an automated process.

Furthermore the bureaucratic letters and complex messages given to job seekers when informing them of programme assistance often obscure the benefits and do not engage job seekers positively in the process.

When it comes to employers, the Job Network does offer choice and whilst this is exercised in many instances where some companies develop strategic relationships with specific agencies in a 'preferred supplier' relationship, there are many employers who lodge vacancies with several providers, which creates a race amongst providers to be the first to refer and fill the vacancy thereby attracting the placement fee. Sometimes the same job seeker will be referred by

different providers to the same vacancy resulting in confusion and conflict as to who is entitled to claim the placement fee.

What additional costs, if any, do current arrangements impose on unemployed people? For example, do clients incur additional costs in 'shopping around' for assistance? Is there any wasteful duplication of service?

As stated previously in this submission, the services available under the generic Job Matching eligibility criteria needs to be revisited. It is a source of great frustration to many job seekers that they are expected to travel to different agencies to register and be referred to job vacancies.

We believe that there needs to be an overhaul of the services available to frictionally unemployed people or 'Job Matching only eligible'. There are many different models which could be implemented from allocating people to specific providers at a much earlier point in time through to developing a service model which operates through the Australian Job Search system, managed through Centrelink which can be utilised directly by employers or Job Network providers.

The current model requiring job seekers to register with various Job Network providers even when it is unlikely that the job seeker will be assisted creates frustration on the part of the job seeker and the provider. A more discerning approach, which aims to link job seekers with providers who are able to more actively assist them, would be more productive and effective.

What scope is there for diffusing 'best practice' among Job Network providers and what are the impediments to such diffusion? Would 'sharing the secrets of success' result in competitive disadvantage?

Initially during the establishment phase of Job Network it was evident that some of the cooperative approaches that were common particularly in the community sector had diminished as agencies become more and more concerned about survival beyond the next tender. However, as the new employment services sector matures there appears to be a greater degree of contact and sharing between employment service providers. There is a sense that this will increase and further develop after the awarding of the next round of contracts and organisations become more secure of their place in the Job Network.

The National Employment Services Association (NESA) has been formed with the primary aim of creating a healthy employment services industry renowned for its professionalism and commitment to improving options for unemployed people and through various professional development forums, NESA is also helping to facilitate contact and linkages between providers.

The fundamental model of providing employment services is reasonably generic and 'value added' services are developed throughout the sector in accordance with the specific focus of individual organisations. The diversity of Agencies should be celebrated and encouraged and we believe that the spread of best practice will occur as a natural development of the maturing of the sector. To artificially intervene could have the effect of creating homogenous groups of providers and could stifle the creativity and effectiveness of agencies.

Furthermore the movement of staff throughout the Job Network ensures an effective spread of information relative to the standard benchmarks.

ROLE OF THE RELEVANT PLAYERS

Centrelink Role

Centrelink's role is to be the gateway to a number of services offered by various Commonwealth Government departments to a range of groups within the community. When the service was re-badged and relaunched just over 3 years ago, the concept was that the staff would provide the 'link' between the various services and supports offered.

In order to promote a greater understanding, their needs to be closer links between local Centrelink offices and local Job Network providers which should include specific liaison and sharing of information relevant to supporting individual job seekers. This could be facilitated by nominating specific Centrelink contact officers who could liaise specifically with Job Network agencies on a partnership basis.

It is also critical that job seekers see the linkages between their relationship with Centrelink and their relationship with their Job Network agency. This linkage should be predicated on developing a pathway for job seekers which is designed to help job seekers progress along a continuum which addresses barriers and ultimately leads to a sustainable job outcome.

The preferred approach is to have a personal referral to Job Network and other programmes, during which the detail of the programme should be explained in positive terms and every effort made to assist the job seeker to make an immediate connection with the provider.

A new Job Network Access Pilot is currently underway involving several Centrelink Offices across Australia. The pilot aims to improve the referral process by ensuring that there is a Centrelink officer available to provide advice to job seekers and proactively encourage them to choose a Job Network provider and then to facilitate immediate contact

The 'level playing field' aspect of the competitive tender, means that Centrelink as the referring agency cannot be seen to be influencing a job seeker's choice of

provider. Job seekers are encouraged to make their own choice of provider impartiality through visiting providers and asking questions.

However we are concerned that some job seekers need assistance in identifying how an agency can support them and address their specific needs, and consequently we believe that more could be done to help expose job seekers to the range of services provided by individual Job Network members without expecting job seekers to seek out agencies to understand the differences in style and operations.

Furthermore, there needs to be greater opportunity for job seekers to request a change of agency should they discover that the provider of choice is not able to meet their specific needs.

Role of the Department of Employment, Workplace Relations and Small Business (DEWRSB)

Clearly, Government needs to be convinced that taxpayer funds are expended appropriately and consequently needs to hold accountable any agency receiving government resources.

To date the approach taken has been one which requires Departmental contract managers to monitor contract compliance through scrutiny of Information Technology systems and paper records at a very micro level.

This is creating an enormous administrative burden at the service delivery level and the great danger is that bureaucracy will overcome the ability to respond quickly and innovatively to the local needs of both job seekers and employers, thereby destroying one of the key principles behind the whole arrangement.

Many within the Job Network believe that the system is becoming so process oriented that the real intent of achieving successful outcomes for people is becoming obscured and that staff within the Job Network require extensive administrative skills at the demise of effective relationship and other professional skills required to engage with unemployed people and assist them into employment.

There is a real concern that the increased bureaucracy will see the creation of a network of agencies who become moribund or paralysed because of the increased focus on the process as opposed to the outcomes.

Finally, the current State based contract management approach means that National Agencies, which have sites in each state, are required to interact with a range of DEWRSB State based Contract Management staff who sometimes interpret contract requirements differently. A preferred approach would be to

have a single National Canberra based contract management arrangement to ensure consistency of information and contract management processes.

Role of the Department of Family and Community Services.

The Department of Family and Community Services has a key role in developing policy and services particularly in relation to the administration of the Social Security Act. It is imperative that policies and interpretations of the Act are clearly conveyed to all stakeholders within the system, This has not always been the case and there have been instances where there has been confusion between Centrelink offices and the Job Network in respect to the interpretation of some of the guidelines and policies.

An approach to simplification and streamlining policies and processes would create greater understanding not only for job seekers but also for those required to administer programmes and policies.

Are current IT arrangements effective? How can they be improved? What are the cost implications?

There is some uncertainty at present in relation to IT systems and requirements. Initially the Department of Employment, Work Place Relations and Small Business indicated that individual agencies would be required to develop their own IT systems and connect to the Departmental system in order to access job seeker information and referrals, lodge vacancies, record placements and make claims. Furthermore, it was made clear that if agencies required greater functionality from IT systems, this would be their own responsibility and they would have to incur the cost of developing or purchasing their own system.

As a result, some agencies developed their own systems or purchased third party software to facilitate the effective management of records and service delivery.

Since the start of Contract 2 there has been shift in thinking and direction in relation to Information Technology and there is a lack of clarity as to what will be required of providers in the area of IT.

There are concerns amongst Job Network providers about the heavy reliance on IT to undertake the majority of the basic functions in the provision of service and of particular concern is the fact that if the IT system is down or slow because of poor connectivity there is an enormous negative impact on productivity and service quality.

To assist providers plan for future development they need to be given a complete understanding of the strategic direction the Department has for IT as well as

sufficient information to make informed decisions about IT investment and future development.

There also needs to be some stability in the IT systems and providers need to be given some assurance that their investments are secure.

Clearly the department needs to be satisfied that individual IT systems and third party products are of an appropriate standard to be able to interface with Departmental systems. One way of assuring this, could be achieved through a certification process undertaken by the Department against a set of published benchmarks and specifications.

A basic IT system which performs the fundamental processes should be available to Job Network members who do not wish to purchase or develop their own system.

State and local governments also have programs for assistance people find work and with training and so on. How well does Job Network interact with such programs? What improvements can be made in the way Commonwealth, State and local government programs work together.

There are some difficulties in Job Network interacting effectively with State Government funded programmes, particularly where specific State Funded programmes target the same group of people who are also eligible for Intensive Assistance. Clearly a duplication of funding and efforts should be avoided and this is not always the case.

There needs to be greater attention given to identifying the gaps in service provision.

A current gap, which could be appropriately filled by Local and State Government is the provision of effective services in the area of local labour market information. 'One stop shop' Information Bureaus and General Labour Market Access Centres for school leavers and new entrants to the labour market would prove useful to both job seekers, employers and other service providers.

Are there particular areas of service which should be reserved for government delivery? Conversely, are there areas that are most appropriately privately provided? Can guiding criteria be developed?

We believe that it is essential that the Commonwealth Government maintain its involvement and commitment to the provision and equitable access to Income Support, Pensions and Government Allowances and Ancillary Benefits.

The entitlement to Income Support for various target groups is an essential pillar of our Social Security System and it is critical that this remains the responsibility of government.

The Commonwealth Government also needs to ensure access and equity of service provision particularly in areas where competitively priced services might be perceived as commercially unviable. Ultimately Government must maintain its obligation to ensuring that social and community services are provided to all Australians. It is essential to ensure that deprived geographical areas and the more disadvantaged people are not overlooked through the process imposed by market forces.

CONCLUSION

Australia, like most Western democracies is grappling with the issue of 'so called' Welfare Dependency, and attempting to create programme responses which will assist long term unemployed people and other groups, such as lone parents and older workers to reconnect with the workforce and thereby reduce the high incidence of poverty amongst these groups.

The Job Network has been described as a radical experiment and is attracting some interest from policy makers, academic researchers and programme developers. Whilst the approach has become accepted within Australia and is gaining status as a credible way of assisting long term unemployed people, there are some aspects, which still need some refinement.

The Job Network has presented significant challenges for both the private and the community services sector. It has seen the formation of 'consortiums' of small community groups who feel there is a greater opportunity to win contracts by being part of a national network and the unfortunate demise of some small niche providers. It has, in some respects seen an erosion of the co-operative and collaborative approaches which were more common amongst the community sector prior to competitive tendering.

Notwithstanding this, Job Network has given rise to innovative approaches and creates an environment which encourages agencies to constantly 'lift the bar' in developing programmes and strategies which will achieve positive outcomes for long term unemployed people.

As the sector matures and achieves greater confidence from employers and job seekers, the sharing of best practice and ideas amongst Job Network providers should increase, particularly when agencies have greater security in the future tenure of contracts.

One of the key challenges for government is to balance the role it has as a regulator in ensuring contract compliance and accountability with an approach which enables individual agencies to develop their own unique service models.

The critical issue being to ensure that a fair and equitable service is delivered to all unemployed people in a cost efficient manner, which maximises outcomes for people.

November 2001