

Productivity Commission; Independent Review of Job Network

Joint Response by Kimberley Job Network Providers.

Facilitated by Kimberley Area Consultative Committee

Meeting Date; 22/10/01

Present: Kimberley Job Network members: Rural Tech, SkillShare
Centrelink
Kimberley Area Consultative Committee

Representatives were:

Rural Tech (Gus Tampalini, Glenda Teede)

SkillShare (Karen Bradd)

Centrelink (Kevin Tasker)

Kimberley Area Consultative Committee (Fran Westmore)

Apologies from Workbase (Simone Wardle), who provided input to this response after the meeting.

The response was based on Box 1 of the paper as follows:

Question - what are the main benefits of the policy framework underlying the Job Network?

- For the Job Seeker: There is a competitive environment that means clients have a choice of service providers. This drives JNM's to be pro-active, creative and cost effective in providing their range of client services. It is therefore driven by commercial realities including factors such as operational structures, knowledge and professionalism of staff and flexibility in services delivery. The private enterprise structures and lower staff levels are a reflection that the Public Service mentality of the CES is gone.
- For the Government: This delivery of employment and other services are much more cost effective and provides improved value for money to the Government as a purchaser of these services.
- For the Employer: The service is customised to individual needs of employers whereas the CES was most likely less flexible when sourcing job listings. The JNM can provide a more effective service as they can review applicant resumes and not refer inappropriate applicants (under CES an applicant could insist on being referred to a position, irrespective of skills, ability or prior experience). The JNM can reject jobseekers that are, for example, aggressive or violent as inappropriate for vacancy referrals.
- For Centrelink: It is now possible to offer Job Seekers a choice, which mitigates issues such as conflict with specific providers. However, it is important that the client's choice is respected and that they be referred to their selected JN provider so that the benefit of a performing JNM, and the effort they have made in to developing a market, is not compromised in a competitive environment.

What are its main disadvantages?

- No disadvantages for employers were identified.

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- The structure of JNM and the competitive intent of the DEWRSB contract do not encourage collaboration between JN members (eg referring one of your clients onto someone else's contracted area).
- Milestone limits on numbers are restrictive and penalise performing JNM. In a number of cases in the Kimberley region (a high unemployment area) the milestone numbers for Job Matching have been very unreasonable and achieved much more quickly than that designated by the framework milestone period. There are also major issues with seasonality in the Northern Region of Australia (Kimberley; Northern Territory and Far North Queensland) where outcome might require either 13 or 26 weeks periods of employment. However, the position is terminated due to the dry or tourist season ending before the outcome claim period can be reached. (See also other points regarding milestones)
- The DEWRSB framework often forces JNM's to provide free services to service Job Seekers due to lengthy delays in resolving Milestone issue and increased numbers to JNM's at both State and Federal levels. As a result of the competitive intent of the DEWRSB contract JNM's must maintain the ongoing provision of services, even though they are not being paid for the services provided, to maintain their market share. Other issue that impact on JNM's is operational cost increases due to amendments or changes to program or specific guidelines after contracts has been finalized between DEWRSB and the JNM.
- The "one size fits all" approach does not offer enough recognition of the difference between regions. For example, Kimberley Area Consultative Committee was recently told to advertise JNM's for the "peak season" – this came at the start of our wet season, when few jobs are available and most employers are winding down their operations and staffing levels. There also needs to be recognition by DEWRSB of the limited industries that are available in remote and rural regions of Australia, and in particular the Kimberley.
- Although payments for services by JNM's form part of the tendering process it appears that DEWRSB tends to establish their guidelines for payment on a national basis, regardless of region or remoteness of the areas serviced. In the Kimberley, costs for staff, telephone charges, resident accommodation, business infrastructure and services are much higher than in larger regional centres or cities. Also, the cost of accessing clients and delivering JN services is considerably higher, with extensive travel and regular accommodation requirements associated with field trips.
- The difficulty of access for both the JNM and Job Seeker in remote communities is not sufficiently accommodated within the DEWRB framework. Long distances are involved for both parties (eg residents on Aboriginal communities and remote pastoral stations), and sometimes access by JNM's is rendered impossible by weather during the wet season. Strict requirements such as lodgement of original documents can put an unfair stress on Job Seekers and are often not practical in these remote regions. In addition, communications by mail are impractical in situations where the job seeker has no access to mail collection.
- Access to contracted activities such as Job Search and Work for the Dole programs need to be made more broadly available to JNM's, particularly those in remote and rural areas where there is high unemployment so as to enable JNM's a broader base and greater opportunity to achieve outcomes.
- The JNW structure is not a genuine free enterprise environment. While competition is encouraged in pricing, management and operation of the business is heavily regulated and restricted. This mix between competitiveness and regulation does not work. A fundamental principal of commercial business is growth, however JNM's are allocated a finite level of business, and are not paid for work done once milestone numbers have been

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achieved. This is restrictive practice and penalises JNM's who are excelling and performing well above projections.

- The allocation method has disadvantages for all parties. For example, if a JNM is allocated 100 clients, what happens to the 101st applicant? Does the JN provider turn the client away? Does the JN provider service the client not knowing if it will ever be paid for the service? Is the employer disadvantaged as the JNM can't or won't offer the Job Seeker employment? The end result may be that the jobseeker remains unemployed, the government must then continue to support the unemployed person and the provider is denied an opportunity for valid business growth. In reality, JNM's generally do not turn away clients, choosing instead to provide the service without payment if no other option is available, however this is not a reasonable or fair result for the JNM.
- The structure of CDEP participation (a non activity tested client) does not link into the structure of Job Network so as to enable providers to be effective and achieve outcomes with indigenous people, which have been identified as a high priority target market.
 - Under the Centrelink contract, 10% of JNM client's referrals must be CDEP participants. However, CDEP organizations and remote Aboriginal communities often do not want JNM's to become involved with CDEP participants for fear of loosing administration funding based on the maintenance of CDEP numbers or skilled participants.
 - JNM's are effectively hamstrung in their performance and ability to achieve outcomes with non-activity tested CDEP participants, because participation within Job Network is voluntary. Therefore the normal compliance methods including the basic, yet effective "carrot and big stick" approach cannot be used.
 - When breached by JNM's, clients can often move on to CDEP, which nullifies any breach impact. Indigenous people are able to move easily between CDEP organizations, Job Network and Centrelink then back to these organizations to evade compliance issues.
 - Aboriginal communities rely on CDEP as a subsidised labour. The administration or project officers of these organizations will often be unhelpful and openly state that they do not want CDEP participants in contact with JNM's.
- The fundamental principles of employment services expected by DEWRSB do not sufficiently address JNM's providing services in regions that are jobs poor. There is an underlying assumption at Federal level within Government that jobs are available for all JNM clients. However, in remote communities and some Kimberley townships this is simply not the case. Participation in training programs and other JNM initiatives engenders frustration when it offers little practical chance of a successful outcome.
- People in remote and rural areas are disadvantaged by the structure of JNM's as the focus tends to be on urbane or more populated parts of Australia and as a result Job Matching tends to be technology driven. Jobs creation and employment incentives or opportunities in remote parts of Australia need to be a priority, due to high unemployment in these areas. In the Kimberley, JNM's participation in sourcing, developing and providing a broader range of services should be encouraged so that Job Matching can be more active in addressing the negative aspects and social impact to unemployed people. JNM profiles applicable to Job Seekers should not discriminate as much as is currently the case towards short term unemployed people in areas where there is high unemployment.
- Although contracts contain local information, much of the research, analysis and statistical collection are nationally based, without sufficient influence exerted by local intelligence. For example;
 - 3 JNW providers is too much coverage for Broome
 - Large National providers without a local presence lack the knowledge and expertise needed to provide services in remote areas.

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- The move toward contracts with large national providers (“big fish swallowing little fish”) will provide business growth for the few, but will negatively impact the provision of JN services and simply recreate a privately run CES type structure.
- The goalposts move often (eg requirements for Intensive Assistance, Job Matching, IT and legislation), which can make it difficult for a provider to plan for service delivery within the original budget. Such changes often come at a cost to the JN provider but there is no provision to make up the deficiency by DEWRSB.
- The monitoring process is generally appropriate, although mention was made of some instances of inequality.
- Indigenous people, particularly in remote communities and rural centres face unique barriers to employment. It is felt that DERWSB does not fully recognise the environment or uniqueness circumstances in servicing these remote regions. It was felt outcome timelines for indigenous people maintaining continuous employment for outcomes was too long (13 or 26 weeks) due to cultural issues and seasonal impacts. These issues are as divergent as CDEP participation or being of a culture that sees work as a low priority (eg work for a little money then leave, travel long distances for a funeral, stay home to babysit young relatives etc). The Indigenous Wage Assistance program is fundamentally flawed in that the employer payment outcome is too long into the program. There is little incentive to an employer spending time and money providing training and skills development, when no payment is made for 6 weeks and the indigenous person lasts only 4 weeks. An employer is less likely to consider an indigenous person when next sourcing staff. As a result, the issue of opportunity for indigenous people is significantly affected. Quite simply the system is not working in the Kimberley.
- Despite the move from CES/Centrelink to private JN providers, there is a lack of recognition of JNM in the marketplace, which is particularly highlighted in remote area and aboriginal communities. In these areas there is also a lack of awareness of client obligations to attend scheduled interviews resulting in high levels of non-attendance. People who are familiar with the system use creative methods to evade compliance issues applied by JNM’s, particularly those in remote communities
- While JNM’s liase to some extent on areas pertaining to cross referral situations and common problems, commercial in confidence constraints obviously exist. At times, each provider deals with a problem common to all. For example, one provider expended considerable money on a computer communication problem and subsequently discovered that it was a problem also experienced by other local providers, and the money could have been spent more wisely.

Question: What is the record of Job Network compared to previous arrangements?

- It is the labour market that dictates sustainable outcomes.
- Outcomes are achieved that are not reflected in statistics, because of long outcome timelines (eg season ending before the framework period is reached).
- The reality of more choice has enhanced the marketplace
- In the Kimberley, there is a shortage of non-skilled jobs, but the underlying assumption of the Job Network program is that the jobs are available for everyone.

Question: How can Job Network be improved?

- Guidelines, protocols, payment schedules and marketing activities need to be more flexible and more attuned to local regional conditions such as cost, distance and travel.

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- Benchmarks and monitoring need to compare apples with apples with much more recognition of the local region (accommodate and work within local issues).
- The program needs to recognise the issue of job poor areas and lack of unskilled jobs, and accommodate these in both its strategies and guidelines. The corrective actions needed for these issues are quite different to those where a job market is available
- DEWRSB needs to recognise and develop specific strategies to manage indigenous unemployment and tackle the CDEP barrier. This includes
 - Links at both practical and strategic levels among ATSIC, Centrelink and JNM's
 - Removal of Intensive Assistance from Aboriginal communities for CDEP participants.
 - Remove the ability of Job Seekers to move freely between JN programs and CDEP
 - Enable JNM's providers to effectively breach all Job Seekers not complying with their agreed Activity Agreement.
 - Encourage development of a work ethic by progressively rewarding small successes (eg short outcome timelines)
- The method of allocation and ceilings needs to be reviewed. If the aim is to reduce the number of unemployed, it is not productive to constrain how many unemployed people can be serviced. This cannot be managed as an exact science – there must be an inbuilt flexibility to react to JNM's advice on changing trends and client needs. At the very least, the Kimberley region needs to be allocated more places.
- Profiles for unemployed people need to be more realistic and recognise regional differences, local issues, industry base and high unemployment levels (eg less than 6 months unemployed, greater than 6 months etc)
- NEIS needs to be restructured. Areas of concern include;
 - At present there is no payment until the panel, which could be 3 to 6 months later, and there is no payment at all if the NEIS panel does not pass the client. The program needs an up front payment of around \$300-500 for the provision training and materials during the pre NEIS compulsory period.
 - The overall payment is lower than it should be
 - The program could be more helpful in jobs poor areas such as remote townships or Aboriginal communities if made more flexible and applicable to conditions these areas
- There needs to be a broadening of what can be offered to mainstream clients, such as Job Match, Job Search Training, Work for the Dole and Intensive Assistance, without a requirement to tender separately. In the Kimberley, the framework would be more effective if these services were distributed between all JNM's. For example, there needs to be recognition that all JN providers are doing Job Search Training from the day the Job Seeker walks in, regardless of tenders or guidelines.
- A framework for the collection and appropriate consideration of local issues needs to be added to both the policies and procedures of JN. This should include regular interaction with providers at a local and regional level. Monitoring visits could offer an opportunity to capture local concerns and needs.
- There need to be more practical, achievable incentive type offers to Job Seekers and employers as well as greater recognition of employment barriers applicable to Aboriginal people. Outcome timelines must be shorter for both jobseeker and employer, and different measures of success must be used, particularly for Aboriginal people. Some examples of incentives are paying long term unemployed Job Seeker to attend scheduled appointments or encouraging employers and job seekers to consider job sharing.
- It would be beneficial if remote Aboriginal community and townships where elders, influential residents and Job Seekers were briefed on what JNM's services are all about

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and how it can help local people. A similar program to the one implemented to create awareness of compliance issues with the introduction of the GST would be very beneficial. This was seen as a potential role for the Area Consultative Committee

- If a competitive environment is seen as desirable by DEWRSB, JNM's must be enabled to develop in a genuinely free marketplace. On the other hand if regulation is seen as crucial, JNM's must be structured in such a way that competition within the structure of JN is not an issue in achieving outcomes.
- Within the bounds of commercial confidentiality, there is an opportunity for JNM's to liaise with each other and DEWRSB to solve problems and identify best practice in common procedural issues. This is seen as a role already played to some extent by Area Consultative Committees, but which could be further enhanced
- It would be helpful to review the technology base of JNM's and identify possible enhancements and/or other effective delivery mechanisms for remote areas
- JNM contracts with suppliers should either remain unchanged in relation to scope and requirements, or allow for variations when changes result that will also allow the JNM to be compensated for additional work.

Question: To what other areas could the model be extended

- Disability Employment Services
- Community Support Program
- Centrelink (not a 1 stop shop in its current form)