

Job Network Review  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2612

## **INDEPENDENT REVIEW OF THE JOB NETWORK**

The Aboriginal and Torres Strait Islander Commission (ATSIC) welcomes this opportunity to make comment to the independent Review of the Job Network by the Productivity Commission. ATSIC continues to be concerned about the performance of the Job Network in relation to Indigenous job seekers. As the following statistics demonstrate, there is a critical need for the appropriate, effective provision of employment support services to Indigenous job seekers.

The Indigenous population represents 2% of the total Australian population, but is growing at nearly twice the rate (2.3% compared to 1.3%). The proportion of the Indigenous population under 25 years of age was 60% in 2000, compared to about 21% for the total population. In 2000, the unemployment rate for Indigenous people was estimated to be 23%, compared to the national average of less than 8%. The Indigenous figure would approach 50% if Community Development and Employment Project participants were counted as unemployed. To achieve Indigenous employment equity comparable with the rest of Australia, a total of 77,000 jobs will need to be created by the year 2006.

ATSIC views the Job Network as a significant means to address the Indigenous employment equity challenge. However, there is little evidence to suggest that changes to labour market assistance since the inception of the Job Network on 1 May 1998 have been of substantial benefit to Indigenous Australians.

This submission brings the Productivity Commission's attention to the following areas of the Job Network and Indigenous-specific labour market support:

- Low Indigenous participation levels
- Lack of knowledge of the Job Network and associated services by Indigenous job seekers
- The application of the Job Seeker Classification Instrument by Centrelink
- The perceived performance of some Job Network members and Centrelink
- Lack of performance data on Job Network performance in respect to Indigenous employment outcomes
- Job Network payment structures and their impact on Indigenous job seekers
- Lack of Indigenous-specific service providers
- The Indigenous Employment Centres proposal
- The third tender round of the Employment Services Market

Where possible, suggestions are included for solutions or improvements to existing problems.

#### *Low Indigenous participation levels*

DEWRSB's own evaluation of changes to the Employment Services Market identified that Indigenous participation levels remain below that of other job seekers, that their actual participation rate in Intensive Assistance is significantly below predictions and the level of outcomes is also low relative to other job seekers.

#### *Lack of knowledge of the Job Network and associated services within the Indigenous community*

ATSIC's own consultations and research has revealed that there is a poor understanding among Indigenous jobseekers about the Job Network and the services it provides in assisting the unemployed. Many Indigenous job seekers live in locations where both Centrelink and Job Network members are often hundreds of kilometres away. A further finding was that some Indigenous people feel confused on how Centrelink and the Job Networks operate and what services they provide. Others feel that the services provided are not culturally appropriate. Because of this they will not approach Centrelink or Job Network to look for work or for employment assistance.

ATSIC believe more resources are required to raise awareness of the Job Network amongst the Indigenous community. Information and marketing of the scheme must take in to account potential cultural and language barriers in reaching the intended audience.

#### *The application of the Job Seeker Classification Instrument (JSCI) by Centrelink*

As a "self-assessment" model, ATSIC views the JSCI as problematic for many Indigenous jobseekers. If people understate, or are unwilling to discuss their barriers to employment, they may be incorrectly rated and referred to an inappropriate or inadequate service for assistance. This problem may be compounded if the Centrelink staff carrying out the JSCI are not experienced in dealing with Indigenous clients, and able to communicate effectively. This is highlighted in the lower than expected rate of Indigenous referral to Intensive Assistance.

ATSIC wish to see a review of the mechanisms used for assessment and registration of participants that addresses these shortcomings, taking in to account local socio-economic, geographic and labour market conditions.

#### *The perceived performance of some Job Network members and Centrelink*

ATSIC's own consultations with Indigenous job seekers, including CDEP participants, reveal a number of consistent concerns about the service provided by some Job Network members and Centrelink, including:

- A lack of field visits by Centrelink staff – especially in remoter areas of Australia
- Several remote area respondents felt that the Job Network cannot provide any meaningful assistance because there are simply no employment prospects within the region (locational disadvantage)

- A lack of accessible information for Indigenous job seekers – generally the processes and procedures are not understood, particularly those with low literacy or whose first language is not English
- A lack of responsiveness by some Job Network members – many respondents report a lack of interest in providing services to Indigenous job seekers with many ending up in a “virtual waiting room” after initial referral.

#### *Lack of performance data on Indigenous outcomes*

ATSIC is concerned about the quality, transparency and accessibility of performance data for the Job Network. Performance data supplied by DEWRSB has tended to focus on registration and referral information, without providing sufficient detail on placements, retention periods and employment outcomes. The star-rating system used to assess Job Network members is not transparent – especially in respect to an assessment of the services provided to Indigenous job seekers.

ATSIC wish to see a strengthening of the performance framework in Job Network contract arrangements to focus on Indigenous employment outcomes including enhanced transparency.

#### *Job Network payment structures and their impact on Indigenous job seekers*

ATSIC’s consultations indicate that many Job Network Members do not see Indigenous job seekers as a value for money business proposition. Job Network Members may be reluctant to take on Indigenous job seekers as it is perceived to be extremely difficult to achieve outcomes for this group. As highlighted previously, Indigenous job seekers are the only group to have both low participation and low outcomes for Job Search Training and Intensive Assistance.

ATSIC suggests that the incentive to place Indigenous job seekers be raised to improve placement activity but also reflect the disadvantage in the marketplace for job seekers and Job Network Members.

#### *Lack of Indigenous-specific service providers*

In December 2000 there were only 4 Indigenous owned service providers in the employment services market and only 12 Indigenous specialist providers nationally. Given the poor skills base and lower levels of education, low levels of literacy and numeracy skills, language problems, poverty resulting from entrenched long-term unemployment and isolation from labour markets contributing to the disparity between Indigenous Australians and the general population, a sound understanding of these issues is essential to assisting the Indigenous unemployed.

ATSIC believes that the employment services market must recognise the importance of specialised support for Indigenous job seekers, and that Indigenous specialist providers should be supported in tendering for contracts in the employment services market.

#### *Indigenous Employment Centres (IECs)*

ATSIC sees potential in the proposal to assist CDEP organisations in viable labour market locations to establish IECs to assist participants move through the CDEP scheme to mainstream employment. ATSIC believes that the proposal itself recognises the failure of the Job Network to secure employment outcomes for Indigenous job seekers. The challenge is how to facilitate effective partnerships between IECs and Job Network Members and to more effectively link Indigenous Employment Policy programmes to CDEP participants. The eight CDEP organisations currently involved in early trials of the IEC concept have all reported difficulties in developing effective partnerships with Job Network members.

ATSIC suggests that the Productivity Commission review would be well informed through meeting with representatives of those eight CDEP organisations and is willing to facilitate such a meeting if it is considered appropriate.

### *Third round of the Employment Services Market*

ATSIC considers that any changes to the tender arrangements to the third tender round must focus on effectively addressing these issues and strengthening the opportunity for Indigenous specialist providers to be supported in tendering for contracts. ATSIC also considers that further work must focus on strengthening the performance framework identified in existing contract arrangements to focus on improving Indigenous employment outcomes.

To this end ATSIC will seek to be involved in the any consultations on the development of any further submissions to Government relating to Job Network service policy and funding/assistance levels. It has not always been the case that ATSIC has been properly consulted.

New arrangements should include a focus on:

- Increasing the number of Indigenous specialists
- Reviewing mechanisms for assessment and registration of participants
- Strengthening contract and performance requirements for Job Network members
- Promoting innovative approaches which improve Indigenous employment outcomes by existing Job Network members.

In summary, ATSIC believes that changes to the current Job Network are needed to adequately address the needs of Indigenous job seekers. There is a need to improve the awareness and understanding of the Job Network within the Indigenous community. There is also a need to improve the system by which Indigenous job seekers are assessed by Centrelink and placed with Job Network providers. There is a lack of adequate data on the effectiveness of the Job Network, particularly in relation to Indigenous job seekers, which makes it difficult to assess service provision by Job Network Members. The current payment structure works to the detriment of Indigenous job seekers, who as statistics show are in most need of assistance, but are not seen as a value for money business proposition. Finally, there is a need to ensure that the outcomes of this review are known in time to influence arrangements, especially those for Indigenous and other disadvantaged job seekers, for the third Employment Services Market.

ATSIC looks forward to the outcomes of this important review and is available to meet with review representatives to discuss the above and any other issues. The contacts within ATSIC are Mr Geoffrey Richardson (National Policy Manager) on telephone (02) 6121 4781 or Mr Cliff Cobbo (Manager CDEP Program Development) on (08) 8237 2303.

Michael O’Ryan  
Manager  
CDEP National Program Centre  
5 November 2001