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Chapter 1: Background

This is an initial policy response from WorkPlacement Inc to the Productivity Commission Inquiry and its Issues Paper, An Independent Review of Job Network.

1.1 The 1996-7 Budget for the Coalition Government announced major changes to labour market assistance.

These involved:

- Eliminating the Commonwealth Employment Service, established 1946 (and a universal service available to all jobseekers.)
- Establishing Job Network under conditions of tighter eligibility (that required registration with Centrelink (and eligibility for benefits) as an entry point.)
- Changing the role of government by eliminating the independent regulator and reducing the role of *provider*, to the roles of both *purchaser* and *regulator*.
- Using competition between providers to drive efficiency and reduce costs (and thus outsourcing risk and duty of care to not for profit and profit making providers.)
- Using competition between providers to provide open choice for jobseekers (but subsequently curtailing open choice in line with mutual responsibility policy).
- Focusing on output and outcomes by Job Network providers rather than on processes, (assuming that an exclusive outcomes focus would provide incentives to achieve sustainable employment outcomes.)
- Abandonment of casemanagement methods and practices (and the effectiveness of mentoring relationships between jobseekers and casemanagers)
- The closure of specialist labor market programs (thus removing resources to which jobseekers can be referred for training and/or work experience or group activities.

1.2 The central inquiry issues for the Productivity Commission are:

- What are the main benefits and disbenefits of the Job Network policy framework?
- What is its record in comparing quality and cost effective assistance?
- How can it be improved? In particular:
 - tendering (price and incentives)?
 - performance (measurement and monitoring)?
 - co ordination (integration and seamlessness)
- Should the model be extended to other spheres of government services delivery?

1.3. This submission will discuss Job Network as it applies to young people. First, it must be noted that the Commonwealth Government has conducted several excellent policy exercises with regard to the future of Australian young people which provide benchmarks for assessing policies, programs and practices against a series of commitments, standards and principles for the treatment of Australian young people.

First, the Prime Minister's Youth Pathways Action Plan Taskforce, 'Footprints to the Future' (DETYA 2001) outlines a series of rational commitments to young people which guarantee the completion of education at secondary level and comprehensive supports to plan a job future in the knowledge based economy. In doing so, the 'Footprints' report notes room for improvement in the way that Job Network deals with young people, an issue which will be discussed later. There is continuing work between the Commonwealth and the States on the implementation of a series of policies and programs which will affect the future of all young people, including those who are disadvantaged. The policy issue is that by being incorporated into Job Network, young people are de facto (and unwittingly), removing themselves from a

series of policy loops which connect school and work in an ever increasingly complex economy. This submission questions the desirability of this.

Secondly, AusYouth, a government body, outlines a series of principles for working with young people which provide a framework of good practice. These principles can be summarised as emphasising the importance of 'empowerment' and the practice of 'conscious enterprise'.(AusYouth 2001)

Job Network members deal with the most disadvantaged young people in the Australian community, but appear to be peripheral to the emerging principles, policy thought and evidence base which is emerging in the quest to try to support young people's transitions from school to work. This is the major theme to be addressed in this submission.

Chapter 2: Introduction

2.1 WorkPlacement Inc is a nongovernment organisation, now a decade old and established with the mission of assisting disadvantaged young unemployed young people into the workforce. Its origins were with a group of Melbourne senior business people, including Eric Mayer (former CEO of National Mutual), the late John Bell (Esprit), Rupert Myer and Andrew Fairley, who joined with Jan Carter (at that stage at the Brotherhood of St Laurence) to establish Employment in the Community for Young People — later WorkPlacement. It sponsors innovative pilot programs for dealing with disadvantaged young people, tests and evaluates them. It also sponsors an annual lecture on youth disadvantage and unemployment directed to the business community and held in the name of its patron, Dr Peter Hollingworth, now the Governor General.. Its present directors are Rupert Myer of the Myer Foundation and the Myer Family Organisation, Mr Peter Laver, Mr Peter Acton, Ms Pamela Catty, Mr Andrew Fairley and Professor Jan Carter. It previously operated in Queensland, NSW and Victoria but at present its activities are confined to Victoria.

WorkPlacement, as part of the Job Futures consortium, contracted for Job Network business when it became clear that Job Network was to be the principal Commonwealth Government program for assisting unemployed young people. However, as a member of Job Network, WorkPlacement has not been able to specialize in its core mission, to help disadvantaged young people into sustainable employment in the Australian community. This is because Job Network does not support age specialization at a programmatic level, since Job Network providers are required to service all age referrals from Centrelink in an undifferentiated way. This has led to a number of internal compromises within WorkPlacement with regard to its mission which cannot be the subject of this paper. Suffice it to say that it has been extremely

difficult for the WorkPlacement Board, management and staff to hang in with its mission at a time when, arguably, disadvantaged young people have fewer employment related services (and less choice) available than before the establishment of Job Network.

2.2 This submission will argue that Job Network's 'one size fits all ages' program delivery fails to take account of the complex issues faced by unemployed young people many of whom are seriously disadvantaged personally, educationally, socially and economically: that 'preparation for work' for a young person requires quite different approaches from the 'return to work' approaches required for adults who have been out of work. If 'preparation for work' differs from 'return to work', this argues for examination of the resource base and skills required to prepare young people for first time jobs. In the sociological literature a distinction is made between 'socialisation' (in this case, preparation for work) and 'resocialisation' (or return to work).

2.3 Unemployed young people have the misfortune to be at the intersection of several separate and disconnected policy domains. By definition, all unemployed young people present with 'joined up problems', but Job Network does not now provide them with joined up solutions, that is, linked service activity across levels of government and across a range of agencies and/or portfolios. In so far as a rare integrated response is offered, it comes from an occasional nongovernment agency with the commitment to organising an appropriate service response across departmental boundaries and despite the competitive environment which inhibits service collaboration. Clearly this ad hoc approach to completing the policy task of assisting young people to achieve transition from school to the workforce is unsatisfactory.

For most young people, there are increasing Commonwealth and State policy responses, organised around the formal transition processes which provide a continuous highway from general education in schools to post secondary education, from secondary school to VET training or from school to apprenticeships and thence to work. The institutional arrangements supporting these transitions for most young people in Australia are currently being strengthened and as they result in a higher than average of qualified young people who are in jobs, it might be said that for most young people they work well. (Sweet 2001)

For those who leave school early, that is before completing a secondary education at age 18 years, though, it is a different matter. Not only have the formal transition policies failed, but young people who fall off the transition pathways when they leave school early have two options. They can remain outside the labor market altogether or they decide that they need income and or a job and thus become 'unemployed'. They then fall out of the education domain with its relatively new interest and accountability for transitions and into the domain of welfare/work policy. In the highly complicated welfare/work domain, no one body or person is responsible for any more than an episodic contact with any unemployed young person : no one is responsible over time, for ensuring the connection of any young person with either welfare or work.

Such a young person may, or may not decide to enter the labor market and to apply at Centrelink for income support. If so, he/she maybe directed to a Job Network provider. Once registered with an JN provider, there may not be a staff specialist who understands the needs and requirements of early school leavers. Then, there may, or may not be the availability of entry level jobs in the particular small area labour market location of any particular Job Network provider (JNP) and a particular JNP may or may not know about these. As this

submission shows, the Job Network experience for any unemployed young person or any group of unemployed young people is essentially “hit and miss”, because such young people fall between the currently disconnected policy regimes of education and transitions on the one hand and welfare/work policy on the other hand.

2.4 In Job Network , policy thus ignores:

- what is known about the characteristics of early school leavers and the Australian unemployed young people
- what are the requirements about incorporating young unemployed people into work
- what is the nature of youth labor markets, including the requirements of employers.
- the obstacles faced by Job Network providers wishing to provide a seamless service to young people.

2.5 This submission will cover these matters in the following ways.

First, a policy analysis of unemployed young people, their requirements and some issues of youth labor markets; (Chapter 3) and

Second, a discussion of the obstacles to providing a continuous, seamless service to unemployed young people, as evidenced by the experience of WorkPlacement, as one Job Network provider which is attempting against the odds discussed, to specialize in assisting unemployed young people into sustainable work (Chapter 4).

The experience of WorkPlacement will be discussed in response to selected key questions raised by the Productivity Commission in its Issues Paper September 2001, An Independent Review of Job Network.

Chapter 3: Unemployed Young People

3.1 Introduction

There needs to be recognition of the gulf, which has become apparent in the pathway between childhood and adulthood for those young people who do not progress smoothly through general secondary education into VET, apprenticeships or higher education. This gulf is in the nature of a 'disconnect' and it has been a general concern across the OECD. The metaphor of 'pathways' has been used to describe the main educational options after reaching the age of non compulsory education (Raffe 2001). The recent OECD review *The Transition from Initial Education to Working Life* distinguished three principal types of pathways in OECD countries: through upper secondary education and beyond it to work or tertiary study: general education pathways, school based vocational pathways and apprenticeship type vocational pathways (OECD 2000). All governments are addressing the lack of attractiveness and accessibility of VET and apprenticeship education.

Young people who are unemployed are essentially those who have fallen off the official pathways (or highways, see Carter 2001). In the Youth Pathways report, 'Footprints to the Future', (DETYA 2001) there is a discussion as to how young people who are excluded from pathways, can be returned to school. This is not easy as most unemployed people have negative experiences of school (see below). The general approaches adopted by the Youth Pathways report are: to prevent young people leaving school, to develop strategies for an early return to school, and more recently, to prepare to test alternative options to school for young people above the compulsory school leaving age.

For young people who leave school early and enter Job Network, either for income support reasons or for job search reasons, there are no formal pathway connections back to school or now, to other forms of education. The disconnection of Job Network from educational pathways is, a serious policy flaw with longer term repercussions and costs for the young individuals concerned and for the GDP.

The Youth Pathways report offered a critique on Job Network. It argued that:

- the support for assisting young people is insufficient
- Job Network providers do not have specialist information on youth based jobs
- Job Network providers do not have staff who understand young people's special needs
- young people are daunted by Job Network bureaucracy
- the Centrelink application process is onerous and unhelpful as seen by young people
- young people are breached by Job Network providers who don't understand difficult personal experiences
- linkages between Centrelink and Job Network providers are not youth friendly or seamless.
- income support is not integrated with other forms of support
- young people have high upfront costs with job search, e.g. clothes, travel, not covered by income support
- young people dropping out of youth allowance and returning to school find school is often unwelcoming
- breaching (and withdrawal of income support) takes place for trivial reasons and guidelines for breaching are rigid
- Centrelink is not well connected to youth providers
- The level of income support for young people not at home is inadequate.

The Youth Pathways Task Force recommended the following:

Recommendation 13

- the Department of Employment, Workplace Relations and Small Business (DEWRSB), the Department of Family and Community Services (FaCS) and Centrelink develop and implement strategies to:
 - ensure that preparing-for-work agreements take into account the individual situations of young people, are culturally appropriate and focused on local community circumstances;
 - examine existing activity test and administrative breach arrangements with a view to taking better account of the individual circumstances of young people who face difficulties in meeting existing requirements;
 - better integrate income support with Job Network assistance for young people and more broadly, consider and implement ways of integrating services for young people accessing income support; and
 - investigate the circumstances under which young people are breached on the recommendation of Job Network providers, with a view to implementing guidelines that take account of an individual young person's circumstances.

(WorkPlacement will be undertaking a review of the above issues over the next months.)

3.2 What is known about Australian unemployed young people?

3.2.1. There are two frameworks for looking at unemployed young people. The first is from the perspective of all young people, looking at the deviations from the educational norm.

The second is the more traditional selective social problems approach, which is to examine the characteristics of unemployed young people and describe them by their deficits. The two approaches need to be brought together.

3.2.2 To take the first approach first, Australia's transition results, that is, the progress from school to work, are mixed when compared with OECD countries. Employment rates for young people are above the OECD average and relatively high numbers of young adults achieve university level tertiary qualifications. *However,*

- teenage unemployment is worse in Australia than the OECD average;
- early school leaving rates are relatively high; and
- early school leavers are educationally disadvantaged in the labor market when compared to their peers;
- the number of Australian teenagers who are not in education or work is larger than the group looking for work (Sweet 2001);
- a large group of young people drift in and out of unemployment, inactivity and marginal casual work after leaving school (McClelland et al 1998, Marks and McMillan 2001);

3.2.3 Despite the overall increase in the past 15 years in the number of young people completing Year 12, since 1996 there has been a drop in rates of school completion. There are now significant predictors of non school completion and thus youth unemployment. The (national) Longitudinal Study of Australian Youth (LSAY) study conducted by the Australian

Council of Educational Research(ACER) shows that more non school completers have the following characteristics:

- low socio economic status
- low literacy and numeracy levels;
- attendance at a government school;
- maleness;
- Australian born parents;
- located in rural Australia. (Marks and McMillan 2001)

3.2.4. The most common reasons for leaving school, provided by respondents to the LSAY survey are work related and school related. With respect to work, some young people still leave school because of their urge to get a job or have their own income. The most common school related reason was 'I didn't like school' and 'I wasn't doing well at school' (Marks and McMillan 2001). It is clear that there are still some young people who see leaving school as a solution rather than the commencement of a problem.

Whilst two thirds of those in the LSAY survey who don't complete school say they do find full time employment, a third does not. Fewer non completers engage in post secondary education and training, especially in degree level courses. More male non completers are unemployed and more female non completers are outside the labor force altogether (and are not studying) when compared with school completers who do not undertake post secondary education.

3.2.5 There is no tracking information on the experience of early school leavers with Job Network. It is not clear, year by year and cohort by cohort, how many unemployed young

people access Job Network and who does and who does not. This is in itself a national problem (Boston Consulting Group 2000). It is clear that there is a group of young people disadvantaged in the labour market for whom there is no special policy or program provision.

WorkPlacement has kept comprehensive data on two projects(not Job Network) funded by philanthropic trusts for unemployed young people in the southern metropolitan area of Melbourne over two years. Within this group of young people aged from 15 to 20, there is a high proportion of early school leavers, often resulting from informal or formal expulsion from school; of young people with fragile living circumstances, including living away from family, for example in a refuge or on the streets; a high proportion of intra family conflict; a considerable proportion of substance abuse; literacy and numeracy problems; and major financial problems. Amongst the 18 to 20 year olds there has been a history of short term unskilled casual positions. Both areas in which the projects are sited have above Victorian average rates of unemployment.

It is worth noting that rewarding strategies have been crafted by WorkPlacement staff for developing relationships of trust, then engaging these young people in creative group activities, (including public drama performances) prior to formal casemanagement. The data records successes in returns to school and TAFE and part time work.

3.3 What is the nature of youth labor markets?

3.3.1 Finishing school is not in itself a guarantee of sustainable employment. In WorkPlacement services there are a number of young people who complete school successfully who cannot find jobs in their local labor market. WorkPlacement has developed

a program supported by a consortium of state and local agencies and private employers to provide a year long program which aims to deal with land degradation and youth unemployment simultaneously. The program components mix for each young person: work for a local employer, work with colleagues on a notable public environmental program plus study at a local TAFE for a certificate of environmental conservation. Whilst the Melbourne based WorkPlacement sponsors the Regional Environmental Employment Project(REEP), a local community owns the project through a stakeholder based local management committee.

3.3.2 The bifurcation of labor markets into above and below average rates of unemployment must logically have a major impact on the chances of young people finding entry level jobs.

Similarly, it is clear that school completion rates are bifurcated. In Victoria, (where school completion rates are higher than in Tasmania, Queensland and WA,) inspection of data shows major differences between school completion rates in metropolitan Melbourne, compared with country Victoria. Overall 85% of students in metropolitan Melbourne complete Year 12 compared with 70% in country Victoria.

This data in itself argues for a different weighting and type of Job Network service for young people in country Victoria and presumably other states as well. Early school leavers can no longer rely on “top up” training programs through the aegis of Job Network, as the labor market program aspect of Australia’s employment assistance system has been almost completely eliminated. With the exception of the JPET program, (but now controlled by DETYA and not taking into account the growth since 1996 of apprenticeships) the specialist resources to which Job Network members might refer young unemployed people (who are by definition not work ready) now do not exist. From 1995/6 when labor market and training measures for unemployed young people cost \$311.4mill, to 1998/9 when such expenditure

cost only \$90.6 million, a two thirds reduction, there has been little investment in young people not in school or fulltime work.(DEET 2001)

Whilst the number of young people not in fulltime work or in fulltime education is similar to the 1988 rate- 14.4 and whilst the proportion of such young people has dropped from a peak of 17.0% in May 1994, as mentioned earlier, this global figure is misleading since it disguises major regional variations.

There is a frequent assumption amongst policy makers that casual work leads to a secure job. This may not be so. The ABS employment survey 1994-1997 (Catalogue 6286.0) found that of those jobseekers in casual jobs, only a fifth moved to permanent jobs. A Quarter were in no job at all. By its focus on provider outcomes and its lack of interest in quality, Job Network may be doing young people a life long disservice in placing them in casual work rather than facilitating full time return to education or training. There seems to be no evidence that churning young people in and out of casual jobs is of long term assistance

The LSAY survey referred to earlier shows that what happens to a young person in the first year after leaving school is crucial to future secure employment prospects. There appears to be no recognition in Job Network design that this is an important transition watershed which if not handled skilfully may set up an longer term outcome of long term unemployment.

Chapter 4: WorkPlacement responses to Job Network

Work Placement is about to undertake detailed research about the operation of the Job Network in assisting disadvantaged young job seekers. However in the time available to construct this submission, it was not possible to undertake quantitative research. In order to respond to the Productivity Commission Issues Paper, staff were asked to provide feedback to some inquiry questions and in addition a discussion group was held with a group of Job Network managers. Another discussion group was held with a group of job seekers who were not registered with Workplacement's Job Network service, but registered with providers other than Job Network. (These young people were part of a Work for the Dole program sponsored by Workplacement.) The information collected is discussed in terms of the themes around which there was maximal agreement by participants. The full data is presented in Appendix 1.

The Productivity Commission's central inquiry issues (see 1.2) will be explored below, by referring to the qualitative evidence given by these various participants in the Job network.

4.1. What is the record of the JN in comparing quality and cost effectiveness?

4.1.1 Outcomes.

A fundamental pillar of the policy framework for the Job Network is the concentration on outcomes for job seekers, rather than processes.

Job Network providers of Job Matching, Job Search Training and Intensive Assistance are rewarded financially on the basis of outcomes for job seekers. However, an examination of what specifically constitute outcomes for each program, shows that these may not necessarily

equate to quality of service or even a job outcome for job seekers. An outcome for Job Matching is simply the performance of 15 hours' work in one week. If this is maintained for 13 weeks, another bonus payment is made. However, there is a great deal of anecdotal evidence that the most privileged applicants obtain these outcomes.

A discussion group of young Work for the Dole participants with experiences of the three levels of the Job Network provided feedback for this submission to an independent researcher. The group was unanimous in asserting that they had not experienced quality service at any level. They reported that Job Matching providers expect them to have resumes ready and often, receptionists are the gatekeepers to contact with employers, as they choose applicants of superior presentation or educational qualifications. Most asserted that some Centrelink staff judge young people on the basis of their appearance and could be hostile, rather than helpful.

Work Placement staff and managers confirmed that Job Matching agencies do not have the resources to assist young people with early job seeking. Job Matching is a service for employers, not for the job seeker. Many young people do not know what their work interests might be and have no understanding of the labour market, employers' expectations nor do they have the communication skills needed to derive benefit from Centrelink and other agencies.

Managers, staff and job seekers interviewed for this submission, identified that discouragement, depression and increasing alienation sets in when initially optimistic job seekers meet with repeated rejections. Such young people are most likely to retreat into passivity and lengthy unemployment. Work Placement staff expressed serious concern that

in the absence of any adult or professional support, such youth rely on peer support networks which have a culture of alienation and entrenched attitudes, beliefs and behaviours incompatible with employability.

Outcomes for Job Matching do not identify the appropriateness or stability of the placement. All of the young people interviewed had obtained casual jobs at various stages, but were now involved in Work for the Dole as they had experienced protracted periods on benefits. The young people's experience was that Job Network member agencies had never expressed any interest in their goals or social circumstances. They noted that one local Centrelink staff member who usually spent an hour with a young person was thought to be so unusual as to warrant discussion amongst local youth networks. The young people could not nominate any other young person who had had a positive experience of the Job Network. Intensive Assistance was experienced as a short interview with practically no follow up. The young people had been told they had to pay for their own training and were unaware of the availability of financial support from the Job Network.

Appendix 1 shows that several of the participants interviewed had completed a variety of vocational courses and still had ongoing career interests before going to Job Network agencies. The undertaking of such training would also have constituted successful outcomes for the providers involved at the time. Clearly, these outcomes did not ensure that the young person remained on an employment pathway. The cost to young people of recurring disappointments and dead ends in the labour market can be extensive and according to research, can lead to life long reduced incomes, health and opportunities.

In the views of the young people and staff and managers interviewed, quality service would require Job Network members to spend time with young job seekers to identify their skills, barriers to employment, their interests and to assist them to progress in raising their employability. Often, this includes attention to social and educational barriers such as insecure accommodation, lack of transport and poor literacy. The young job seekers interviewed were clearly very keen to be active members of the labour force, and feeling 'unmotivated', upon discussion, was shown to be actually about discouragement and depression. Unemployment or marginal employment entails poverty, restricted social and recreational interaction and isolation, low self esteem, reduced prospects for planning to have a family and own a home. Their motivation was evidenced by their enthusiasm for the Work for the Dole project in which all were involved which entailed broad community participation.

Clearly, a system that does not have the resources or skills to engage disadvantaged young people and establish them in the labour force is not cost effective in the long term.

4.2 How can it be improved ?

4.2.1 Tendering (price and incentives)?

Work Placement staff who are youth specialists, state that governments need to purchase services which can start with young people's current level of skills and skill gaps, and through continuity of support, steer them through barriers along pathways leading to secure participation in the labour force.

Although tender documents are clear on the importance attached to quality, the managers interviewed reflected that the tender mix of the variable price with minimum price has served

to compel financially insecure agencies to quote the minimum price. Because of the very competitive environment where profit margins are so tight, there are no incentives for agencies to invest in individualised training and support of disadvantaged youth. As noted previously, the availability of training options has contracted over recent years. Providers attaining a certain numerical level of outcomes within given periods of time are given a star rating, which increases the likelihood of contract renewal. This also has the unintended consequences of focussing agencies on survival rather than quality.

It was suggested Job Network needs to ascertain the costs of providing appropriate services for disadvantaged youth and to select tender applicants on the basis of quality only.

The managers suggested that the Job Network system needs to be consolidated through the awarding of contracts including the 3 service components, with a minimum of 100 Intensive Assistance places. This would enable agencies to invest in quality services and training.

Job Network providers dealing with young people need a guarantee of an appropriate volume of referrals from Centrelink in order to be financially viable.

4.2.2 Performance (measurement and monitoring).

The current performance measures and monitoring procedures do not adequately ascertain the complex variables indicating quality and responsiveness to individual needs. The young people interviewed reported that they had always been told that they have to pay for their own training and mentioned lack of financial support for travel, clothing and so on as barriers to attending interviews. However, DEWRSB tender specifications clearly list such expenditures as needing to be covered by the Network member. Indeed, Job Matching

specifications stipulate that providers are required to assist with resume preparation, but according to the informants for this research, this is not practised by JN members.

Providers are not accountable in terms of their contribution to moving young people to sustainable careers through relevant training and work experiences and yet some young people are very far from job readiness.

As indicated earlier, there is a great deal of research knowledge available about the features of effective transitions for young people and there is beginning to be more knowledge about various competencies for a range of employer requirements. There is no sign that JN members use this information. Nor is it apparent that providers employ staff with skills in communicating with youth and in working through their particular employment barriers. There is a wealth of empirical evidence about the features of youth friendly services which should provide the basis for an employment service customised to youth. Performance measures need to identify such factors as indicative of quality and progress for the job seeker. The current quantitative performance measures and monitoring processes fail to provide the purchaser with relevant information.

4.2.3 Co-ordination (integration and seamlessness)

Our qualitative data indicates that the perception is that JN Providers are allocated financial and other rewards in a manner designed to benefit those most job ready. There is a lack of connection between education and training systems and the Job Network and this was thought to be counterproductive. The young people interviewed and other young job seekers with or without completed schooling, expect that an employment service system will provide such links.

The successful integration of young people into work also requires their development of stable living conditions and the resolution of personal difficulties. Thus JN providers need to be aware of local commercial and social opportunities via networking with businesses and a range of organisations which can provide social support to ensure stability of personal life style for disadvantaged young people. A project undertaken by Deakin University for DEWRSB in 2000 showed that few JN providers understood the need for lateral links with agencies and resources in their environment . The perception was that the competitive environment in which they operated was a major drawback to collaboration and coordination, at the level of an individual job seeker as well as at an organisational level..

One key ingredient providing continuity and seamless service provision: including education, health and community service requirements is the degree of understanding of the JN system of the “joined up” nature of young people’s problems. Disadvantaged young people should not need to fit into the service silos devised by government programs.

The discouragement of the casemanagement underpinning of employment services has also obliterated the necessity for a relationship of trust to be developed between any young jobseeker and their Job Network facilitator. Research has for many decades shown that such personal connectivity is the most important ingredient for moving marginalised young people out of risk taking life styles. Job Network however, has not assumed that a trained and even professionalised workforce is a precursor to dealing effectively with unemployed young people. This is as mentioned previously because a simplistic view of youth unemployment prevails in public policy.

As mentioned there needs to be a policy framework based on an understanding of the crucial importance of connected pathways, enabling transitions between education, training and employment. The glue that would retain many young job seekers with complex personal, social and educational problems travelling along the pathway needs to be a personal and continuous relationship of trust with a Job Network consultant qualified to deal with the array of issues confronted by each young person.

4.3 What are the main benefits and disbenefits of the Job Network policy framework?

According to experienced managers in employment services, many of the cumbersome and ineffective work practices of the previous CES have been replaced by alternative organisations able to innovate and provide responsive services.

However, a number of systemic barriers to employment access have been identified by service users and managers alike.

The centrality of Centrelink as gatekeeper for access to employment support was seen as problematic by young people and managers and staff. Centrelink staff was seen to exercise a degree of discretion that can be at times appear arbitrary and illogical, with serious consequences for vulnerable young people. Young people felt that they were often judged harshly and staff pointed out that in regional areas, a distressed young job seeker could very quickly acquire a reputation that would exclude him/her from legitimate opportunities for employment assistance. As one young person said:

“They tell a dog to sit and then whack it over the head. What do they expect if they breach me? That I will say, OK I cant buy this computer this week and I’ll be good! You have to begin to steal to eat.”

The link between the Job Network and Centrelink leads many young people to perceive both as punitive. Letters advising of eligibility for Job Search Training are sent on Centrelink letterhead and information about compulsory attendance reinforces a negative perception, instead of giving young people any understanding of how the Job Network can assist them.

The entire system is perceived as based on a punitive foundation and thus a culture of resistance develops amongst young people. It is assumed that young people do not want to work, a suggestion that is offensive to many of them. Many young people find interaction with the system so stressful they prefer not to utilise it in a positive manner.

The centrality of the JSCI as an assessment tool is fundamentally flawed because it relies on the rational disclosure of personal information by job seekers. However disclosure is unlikely to a system perceived by some at least as hostile, and likely to compromise their chances of being given work. It was considered that Centrelink staff do not have the professional skills or time allocation for making such telling assessments about people's capabilities. The changing of an incorrect JSCI rating can take up to 6 months.

members.

A similar systemic disbenefit associated with the government policy framework is the reliance on DEWSBR central data base. Delays in recording changes of eligibility of a client can be recorded after a service has been provided, excluding the agency from payment for work done. Such changes in eligibility can often be at the discretion of Centrelink staff. It was said that the need was to maintain good relations with Centrelinks at all costs "as they have power to turn off the tap".

Chapter 5: Summary and Recommendations

The argument of this submission in summary is that the present arrangements within Job Network are not conducive to assisting many unemployed young people into sustainable and appropriate work and that the disbenefits outweigh the benefits.

This suggests that either

- ❖ Job Network needs to be reconstructed to allow for a more concentrated, coherent and continuous approach to the complex issues of unemployed young people. OR
- ❖ The responsibility for unemployed young people should be regarded as essentially responsibility to ensure that the school work transition takes place, in which case it may be considered inappropriate for young people to be in Job Network. Rather their preparation for work is part of a preparation for life which is better undertaken by transition authorities.

At this stage of the Inquiry and its own research, WorkPlacement has not assembled the appropriate national and international evidence about the alternative which may suit Australia best. It is hoped, however that the Productivity Commission will address this issue comprehensively as exclusion of these young people from the present and future workforce can only be damaging to the economy, polity and community and to Australia's international competitiveness.

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APPENDIX ONE: INTERVIEW SUMMARIES.

1. UNEMPLOYED YOUNG PEOPLE: THEIR PERCEPTIONS OF JOB NETWORK

The participants in brief:

The participants were aged from 19 to 25, with one 34 year old and were current participants for a Work for the Dole project, having all experienced extended and recurrent periods of unemployment, and hence contact with the Job Network. Four had completed the VCE over the last five years and had either had no or part time, insecure employment. There were four early school leavers with two having completed trades courses at TAFE and one having attained her VCE as a mature age student in 2000. Some of the early school leavers had had full time employment for periods of up to three years. The older participant had a university degree and three years' experience in a field unrelated to his degree. The young people were residents of a fairly low income outer suburb of Melbourne and were in receipt of government income support. There was a total of 10 participants.

1. How should quality of assistance be defined and measured?

Unanimously, the young people thought that there is no 'quality' of assistance. Quality of assistance and Job Network were seen to be oxymorons. The young people regularly frequented 'dozens' of organisations and were never contacted in return. The respondents considered it would be better to have direct access to employers in order to possibly win them over through interaction, than to be blocked by agencies which judge young people by appearance. The view was that the system consists of a series of hoops young people have to jump through instead of giving employers a chance to make the assessment.

There was agreement that the agencies have no concern or interest in what young people's goals are. The JNM goal is to place young people anywhere in order to obtain the finance.

2. Are arrangements flexible enough to meet the varying needs of young people, especially with low motivation?

2.1 Choosing a provider?

There seems to be a practice of Centrelink staff directing young people to providers and not allowing real choice.

2.2 Intensive Assistance

The widespread experience of Intensive Assistance contact was a phone call and one brief interview. There were instances of rudeness and abuse, with one young person being told he/she was garbage. All young people agreed that they had never known any young person to have a good experience of the Job Network (except for a young man from the UK not in the group who once received a good service from Drake, a private provider).

2.3 Work Agreements?

There was much discussion of the system being founded on a negative punitive approach. “you don’t tell a dog to sit and then whack it over the head”. People are already below the poverty line so when payments are reduced or cut, many become homeless. “so what are you supposed to do? Say I won’t be able to buy this computer this week and I’ll be good? So you have to start stealing to eat”.

None of the participants had ever had any experience of Intensive Assistance agencies inquiring about the social circumstances of young people who are already struggling. These agencies are felt to be another burden and source of pressure.

Centrelink explain what Work Agreements are but there is no discussion about the young person’s needs or interests/goals.

There was one example given of one case manager at Centrelink who allocated 1 hour to interview young clients. The other members of the group were most interested in this example of good practice, and some had heard about this Centrelink staff member, suggesting that s/he had been noticed significantly enough to generate discussion amongst youth networks.

2.4 Activity tests

Again, these were seen as punitive. Only sales jobs are advertised and some careers are never advertised. Young people are pressured to travel long distances to find work but \$ 5 per day was found to be insufficient for travel beyond the local area. The only plentiful local vacancies were for chicken boning at meat works, which require a certain personal constitution.

2.5 Breaching

Centrelink reduce or cut payments if their clients lose their diaries, yet the former frequently lose clients' documents. There was much discussion about errors and unpredictable actions by Centrelink. One participant had his benefits cut regularly during participation in a Work for the Dole program and consequently lost housing. He argued this was because of Centrelink errors. There were several examples given of administrative breaches on the basis of non-response to letters that the young person did not receive. Centrelink staff who judge young person by appearance was considered an abuse of power.

4. How appropriate are current definition of outcomes?

Young people suggested it might be helpful if JN members actually rang back. Job Network members should be obliged to put young people on a career path that is of interest to them, including training and relevant work experience. It was suggested that Job Network payments should be cashed out to the young person to help them access training. All young people had all been told by Intensive Assistance services that they had to pay for their own training courses.

Work for the Dole was seen as more useful than Intensive Assistance because it provided a direct service to young people.

5. What assistance should the government be purchasing for unemployed young people.

The irrelevance of the VCE for those who do not go on to university was discussed. The VCE promises many employment advantages but it is just a prerequisite just for a traineeship, which at times also requires one to have a car. The priorities ought to be:

1. Training but of the kind that leads to a real career path. Options seem to be narrowing for education and training.

2. Work experience, even if unpaid.
3. Computer skills training should be available for everyone.
4. Post placement support is important. Salvation Army JN pay for clothes voucher, license, car registration, cleaning yourself up for interview, etc.
5. Social support should be provided by Centrelink because JN agencies do not appear to have the requisite skills. Social support needs to boost young people's confidence and be more concerned about young people's mental health. The group discussed the strong feelings of depression associated with the numerous rejections, and dealing with the Job Network system compounds such problems. Joining the army is even not an option for them because you have to be of sound mind and have to have a degree or a job for the Police. JST was not seen as helpful because such training is provided at schools. Also, with JST one can be in a group of 40 year olds.

6. What changes would improve the quality assistance and outcomes in Job Network?

The young people perceive the system to be based on punishment rather than on incentives and treating people with dignity.

The local Work for the Dole project was thought to be very helpful because it is an opportunity to get out of the house and be with a group of peers in similar circumstances. (The isolation involved with being on low benefits is very problematic). The social support of others is experienced as invaluable and the Work for the Dole project which involves putting on a theatre production from beginning to end for performance on the beach was seen as particularly meaningful.

Work for the Dole could be full time and there could be exemption from the activity test during a program because the most competent people often are the ones to obtain work and leave a project before the end, thus jeopardising its success.

The inconsistency of 15 hours' PT study exempting people from job search but not Work for the Dole was pointed out. Again, the foundation of the Job Network was seen as a punitive rather than a positive one.

Brief profiles of some of the participants.

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Caroline is a 20 year old who completed her VCE in 1998. She has not found any employment and the Work for the Dole project is her first opportunity to be in a workplace environment.

Robert, aged 23, obtained the VCE in 1996 and has only been able to obtain part time jobs which have not led to a career path. He is feeling rather pessimistic about the future.

Douglas, 24, left school in year 11 in 1994 and occupied a full time stores position for two years. He completed a TAFE course in Sound Recording but has not had work in his chosen field since 1998.

Phillip, 25, was an early school leaver in 1993 and worked as a full time furniture removalist for 3 years. He completed a TAFE course in pools engineering and has been unemployed for one month. However, he finds it difficult to obtain work in his chosen field.

2. SURVEY RESPONSES OF STAFF IN A JOB NETWORK AGENCY.

2.1. How can quality of assistance be defined and measured?

2.1.1 Customised assistance

Respondents thought that 'quality of assistance' is primarily about assistance being tailored or customised to respond to the specific needs of youth. These were specified as youth friendly environments, staff skills in relating to youth with respect and courtesy, needing to explain the system and opportunities to youth clearly, and working through issues associated stage of life, such as not being clear on their goals or personal and social difficulties. This should also involve an ethical and moral intention to assist young people with all their employment related needs.

2.1.2 Overcoming barriers

The second priority was thought to be to identify barriers to employment and to provide access to a training and employment pathway which is relevant to the goals and interests of each young person.

2.1.3 Continued support

Post placement support through continuing regular contact; possible referral to other social support agencies and continuing support for self esteem building through a relationship of trust with a skilled youth oriented worker.

2.1.4 Social marketing

Building community and employer relations to increase options for young people and demystifying the JobNetwork system.

2. How should the term employment outcomes be defined and measured for young people?

Defining outcomes only as placements is not useful because young peoples' first few outcomes may be very short term and do not contribute to sustaining employment, yet are

reflected in misleading statistics. There needs to be firstly more appropriate screening of young people's issues through Centrelink and outcomes need to be related to the appropriateness of placements. Outcomes should reflect achievements such as training programs. Youth specific programs are most able to identify youth specific issues and assist them along a career path. Post placement support needs to be included as outcomes also.

3. What should governments purchase ?

3.1 Training

Any practical that leads to worthwhile employment was thought to be most important. Most young people are not ready for formal training, education or work and pre-vocational training fills the gap, including literacy, numeracy, self esteem, communication, work practices, workplace rights and responsibilities

3.2 Employment preparation

Job Search Training needs to begin with a youth specialist worker engaging with the young person to elicit their goals and barriers in order to work through these. Staff needs to ensure the job seeker is aware of apprenticeship and traineeship opportunities in terms of their entry into meaningful careers. Access to services is significantly improved if staff have the back up of specialist youth support services.

3.3 Referral

A young person's life issues need to be stabilised if they constitute barriers to sustaining employment and training. Issues requiring referrals include housing, substance abuse, health and mental health, recreation, financial difficulties and so on.

3.4 Social Support

The majority of disadvantaged young people do not have support network either in terms of family or community. Assistance has to take account of many serious issues that have led to unemployment and early school leaving. There needs to be a range of flexible options available to meet individual needs.

3.5 Post placement support

Post placement support is essential as young people often do not sustain their first job.

Support needs to be for a minimum of 6 months for the stability for worker and employer.

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3.6 Other

An ongoing relationship with a trusted worker is crucial and is the ingredient enabling the success of all of the above services. A youth specific service is the optimal option but disadvantaged young people are not likely to be engaged without staff with youth skills. Material support for transport costs, clothing are required for attendance at interviews.

4. Is the Job Network flexible enough for young people's needs, especially those with those with low motivation?

The consensus amongst staff responses was that it is not. There is a need for more resources such as health referrals, more touch screens and information in waiting areas. Staff emphasised that young people with low motivation will not use the Job Network. One disadvantaged youth specific program staff member said that early school leavers enrolled in Intensive Assistance refuse to engage with the Job Network system and only come to her agency. Youth work skills and styles are essential and placement success rates reflect the effectiveness of these. Mainstream agencies are perceived by youth as impersonal, youth unfriendly and intimidating and the young person often gives up.

5. How appropriate is the JSCI?

Staff found it difficult to give categorical answers to this question but rather pointed out that the system is confusing. Young people repeatedly fill forms in, they are not contacted in return, staff does not assist or encourage young people but seem to make judgements based on appearance rather than taking time to work through issues. Young people are not comfortable and often refuse to continue with the Job Network agencies which usually do not ring them back.

6. Can you make suggestion for any changes to JN for quality of assistance and outcomes?

Suggestions were:

- having more specific service responses for disadvantaged youth, including youth friendly environments and youth specific staff;
- the need for more case managers;
- the importance of improved support and options offered at the initial Centrelink interview;
- a more integrated system with links with a range of agencies
- more vacancies for young people
- better feedback for unsuccessful applicants and encouragement towards relevant training etc.

7. An unknown number of young people are not registered with Centrelink and possibly are not connected with the Job network. How significant is this issue?

All staff thought this was a significant gap. It was believed that everyone's needs should be met . Such young people become totally reliant on their family leading to the erosion of their self esteem, financial strain and family/personal pressures. Staff pointed out that it is really difficult to contact such young people in first place in order to give them basic information, let alone finding opportunities for them. One staff member asked whether the basis of the service system is to achieve savings for Centrelink or to create real opportunities for young people to engage with the world of work.

8. Do you have any other comments?

Some agencies reported dealing with increasing numbers of under 15 early school leavers who need training and assistance. Employees of specific youth programs reported having many successes in assisting young job seekers to reach their goals through intense pre-

employment preparation based on a continuous supportive relationship of trust, but the Job Network member would have recorded the outcome as the client was registered with them.

9. Brief profile of respondents

There were a number of youth specialist professionals such as social worker working with youth for up to 9 years with disadvantaged young people. The staff have been employed with the organisation for between 1 to 5 years. Approximately half had worked in other employment services.

3. MANAGERS' PERCEPTIONS OF THE JOB NETWORK

Participants: Five senior Job Network managers

3.1 Meaning of quality of assistance

3.1.1 Accessibility was seen as the top priority for quality of assistance. This was seen as so important because the current system design acts to exclude great numbers of young people, in addition to the personal barriers experienced by some young job seekers. Current barriers to accessibility are :

3.1.1.1. systematic: the centrality of Centrelink as gatekeeper for clients and service providers.

Young people who do not meet the parental income test are usually not told about their eligibility for Job Search Training or any other employment support.

Because Centrelink is linked to the Job Network and also issues breaches, the entire system is perceived in a negative manner by young people who are not given any understanding of how the Job Network can assist them.

3.1.1.2. systematic: link between Centrelink and DEWSBR

The Job Matching process is focussed on assisting employers and not on meeting the needs of young people. It assumes young people to be job ready, with resumes and so on. Thus, young school leavers without such requirements meet with rejection several times by Job Network provider receptionists and quickly become discouraged. They may then become long term unemployed. Thus, Job Network Member behaviours can amplify the process of unemployment.

Young people may some months later receive a letter informing them of their eligibility to participate in Job Search Training. However, this letter is on Centrelink letter head and includes the stipulation that attendance is obligatory if benefits are not to be suspended. This is offensive and intimidating to many young people. They are not given an opportunity to understand what they are being offered. The entire system is perceived as based on a punitive foundation and thus a culture of resistance develops amongst young people.

3.1.1.3 Some managers believe there are many more young people not in the system than there are those featuring on Job Network statistics.

3.1.2 Responsiveness to young people's needs, interests and goals were seen as vital. Quality assistance needs to involve moving a young person into a training and employment pathway that is relevant to their goals and which is underpinned by a continuity of support at all stages, including post placement.

3.2 Are present outcome definitions satisfactory?

Most Job Network providers focus exclusively on how quickly they can achieve an outcome, because providers have not been funded for the longterm. It is therefore difficult to respond to the long term needs of young people and pragmatic responses aiming at getting fast returns dominate.. A job placement outcome is not related in any logical way to quality of placement for any young person.. In response to the alleged public fraud by one Job Network provider, contracts have been increased in complexity so as to be unworkable and open to interpretation by Centrelink, WOP and DEWSB, thus increasing the sense of insecurity and unpredictability for Job Network members.

As in other government funded services for disadvantaged people, eg health, Job Network members need to be held to service standards of quality and be accountable for processes and their contribution to moving young people through individually relevant training and work experiences.

Some young people, including most school leavers are very far from job readiness and their competencies range on a continuum; and so outcomes should be defined as progress for each individual towards employment from individual starting point for each one. This would require far more accurate assessment processes (see below)

3.3 What should the government buy?

1. A range of comprehensive, seamless, pathways open to unemployed young people who are at present excluded from the pathways used for those in education and training. This would offer continuity of support through the various stages of the system, such as

initial engagement of the young person by staff with youth specific skills, identification of goals, skills and barriers, progress towards job readiness through to job placement and, where necessary, six months' post placement support and mentoring, through the continuous supportive relationship with a trusted worker. This may take several years to achieve, as it does with far less problematic young people in the education system. Currently, only portions of such a pathway are provided.

2. Training : effective training is : relevant; engaging and challenging. It involves learning new formal and informal skills. There is an employment outcome and finally, post placement support is available.
3. Youth specific Job Network services , including appropriate environments and staff having youth specific skills. Young people often do not even know what their goals are. Young job seekers need the medium of a trusting, supportive and on-going relationship with a youth specialist who has skills in working through individual barriers to training and employment and being able to connect a young person with viable training and work experience opportunities.
4. Outreach and engagement of disadvantaged youth. Young people who may have been early school leavers and who are most alienated from the labour market need the greatest assistance but many remain outside of Job Network. They see the system as remote to their needs and tend to rely on peer sub-cultures of other alienated youth, entrenching their barriers to employment. Assistance needed to break the cycle of negative attitudes, beliefs and behaviours to replace these with skills and attitudes appropriate for employment. Such young people usually are not remotely in contact with the system, physically and mentally.
5. Young school leavers with the VCE and even some young graduates may need individualised attention to enable them to utilise the Job Matching system. There is no funding for such a youth based service, yet without it, many can become long term unemployed.

3.4 How appropriate is the JSCI in assisting youth towards employment?

In general, young people do not readily volunteer personal information (eg homelessness, substance abuse) about their disadvantages to Centrelink, particularly as this disclosure is perceived to be discrediting and to reduce eventual employment opportunities. As a result, the problems of many young people are underestimated by Centrelink. Young people may be erroneously classified as job ready and providers cannot access the funds they require in order to give the job seeker the support they really need in order to become job ready. It can take up to 6 months to change a JSI rating, during which time, a disadvantaged young person may drop out of the system.

3.5 Is the Job Network flexible enough for young people?

3.5.1 It was generally thought that the system is not flexible enough for young people's needs. For example, young people working 15 hours/week have to give up work to be eligible to enter the system. There is no flexibility to run Job Search Training in a format relevant to young people. There ought to be the possibility of providing Job Search Training in a non-group setting for some youth.

3.5.2 The obligatory nature of many requirements can lead to rigidities which are counterproductive. For example, some of the mature adults compelled to join a JST program are mature, self employed people, who have no need or interest in Job Search Training. Because they are compelled to join, they are angry and destructive in the group, yet take up valuable places unavailable for young people.

Some vacancies for apprenticeships and traineeships cannot be filled because of a variety of pre-requisites. A wage subsidy would provide an incentive for young people and service employers.

3.5.3 Job Matching is viewed as a service for employers not for job seekers. A young person may reject job offers from a provider because he/she wants a specific career path, yet the provider is not funded to spend time working out the stepping stones the young person may need to reach their goal.

3.6 What are the benefits and disbenefits of the current policy and contractual framework of the Job Network?

Smaller providers at least, are in peril financially and in a competitive environment with small margins, there are no few incentives to invest in training for disadvantaged youth. The system needs to be given stability with greater thought applied to the impact of a relevant minimum volume of IA places.(100 was suggested) The aim should be to enable agencies to invest in quality services and training.

The star rating system pushes agencies to concentrate on survival rather than quality.

The tender mix of variable price with minimum price has served to compel agencies to quote the minimum price. There ought to be a costing out of an effective service for specialist youth services and quality only should be the selection criterion.

There are few incentives for youth providers to tender for contracts as there is no guarantee of automatic referral of young people.

Quality can be jeopardised because there are no compulsions in the contractual arrangements for a provider to pay for training or other forms of support.

The unintended consequence is that providers are allocated financial and other rewards in a manner designed to benefit job seekers who are most job ready. There are no incentives for providers to invest in training programs and other pre-employment programs which may be the requisite stepping stones young people need to become job ready. There are no obligations in the tender specifications for providers to undertake any special strategies to meet young people's special needs

Reliance on DEWSB's centralised data base is problematic. A provider may work with a referred young client and be informed some time later that the young person had become ineligible during that period of service. In these circumstances, a provider does not receive payment.

Centrelink as the only gateway for referrals is very fraught for providers and clients. An underresourced and stressed organisation such as Centrelink has the discretion to open or close access for clients and providers. Some staff, such as JN Liaison Officers at Centrelink, are thought to be poorly trained yet are charged with resolving very important issues. Providers need to ensure positive relationships with their Centrelink offices at all costs, because of the latter's power to "turn the tap off".