

Mr Mike Woods
Presiding Commissioner
Job Network Review
Productivity Commission
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**INDEPENDENT REVIEW OF THE JOB NETWORK: PUBLIC INQUIRY BY THE
PRODUCTIVITY COMMISSION, 2001-2
- PERSONAL SUBMISSION: SORAYA KASSIM**

Dear Commissioner

A.. Disclosure of Interests

I begin by assuring the Commissioners that I have no personal or pecuniary interest in an Job Network provider, in any Commonwealth Government body (including all those listed in the Terms of Reference) or in any organisation competing or potentially competing in the provision of employment services to anyone in Australia.

The following submission is based on my experience as one who has worked in the non-government Community Sector (never in a Job Network provider or competitor to a Job Network provider), and who now occupies a position of Community Services Manager in a local Council. My motivation is thus related to the wellbeing of the clients of the Job Network.

B. Contextual and Threshold Issues

There are several contextual and threshold issues which should be covered in this Inquiry if it is to be sited realistically and fairly. Some of these are as follows:

1. It is important to note the **huge reduction in funding applied to this sector** at the time that the Job Network was put into place, which removed many very worthwhile and effective programs and severely rationed the remaining services.
2. In making any comparison of the **outcomes**, number of workers in the field or the spread of services before and after the Job Network system, it is important to include all those who were previously employed in the community sector as brokers, **in addition** to those who were employed by the Commonwealth Employment Service. (Commonwealth Government publications I have seen tend to leave out the community sector providers in their claims about geographic spread, outcomes etc.)
3. In making any assessment of the relative effectiveness of the programs, comparisons must take into consideration factors such as: the bouyant labour market over the time of the new Job Network, any changes in definition of full time employment and unemployment (which make it appear that there are less unemployed than there are) and also the nature of

the work which is being found under the two systems. The last point is a difficult comparison to make, given the trend towards a casualisation of the workforce. Nevertheless, it is important to note the nature of jobs found for clients, both in terms of their casual/part time nature and in terms of the extent to which they use the skills of the clients. (Many migrants and refugees, for example, may be channelled into low skilled casual jobs despite high tertiary qualifications which are recognised in Australia).

4. The Community Sector has seen many changes over the period. This includes **a trend towards tendering of services** previously untendered, the introduction of very **much tighter workplans and performance indicators** from funding bodies than existed in the past, and in many cases **significant reductions in funding or at least funding not matching growing demand**.
 - This situation has seen the Sector become significantly more insecure and relatively poorly paid, resulting in high staff turnover becoming the norm in many services as staff seek to survive in an environment of short term contracts. There has been a significant loss of corporate knowledge and experience, and the **"brain drain" of staff** into government funded services and out of the community sector itself.
 - The process has also been **extremely destructive of the environment of collaboration and trust** which has traditionally existed in the Sector, as services which previously freely shared information and collaborated for the benefit of clients, are now pitted against each other as competitors for their very survival.
 - The Sector has traditionally relied heavily on government funding for survival. Recent moves to force the Sector to seek corporate assistance and to respond principally to tenders for services has tended to **favour large organisations which have the public relations image** favoured by business and government, those which generally refrain from any criticism of government policy (even when this is more than warranted), and those which are by and large supported by Christian (Catholic and Protestant) Churches. This is very dangerous in a pluralist and purportedly democratic society. It is particularly dangerous where Christian services dominate service provision, given the diversity of religious practice in Australia, and the fact that even amongst the nominally Christian population, there is significant scepticism of organised religion.
 - Over this period **Government has tended to favour subcontracting many of its direct service delivery to the Community Sector**, and supported a **plethora of referral/coordinating agencies/telephone information services and brokers**. It needs to be noted that most of these services do not in fact deliver direct client service, but instead expect other agencies to do the "work" of dealing on an intensive or ongoing way with clients - despite the fact that these other agencies may be severely underfunded. The result across the sector is **often very long waiting lists** (sometimes with lifethreatening consequences) **large gaps in service provision, and underservicing**.
5. Recognising the **context within which the Job Network operates** is crucial to understanding its effectiveness. Employment services do not exist or act in a vacuum. On the contrary - they are interlinked with all major community, law enforcement, health and housing services, to name but the most obvious.

- A fully and gainfully employed population feeds into a virtuous circle of the capacity to afford housing, healthy food and lifestyles, and contribute to the economy as both consumers and producers.
- So too, a lack of services for disturbed or neglected juveniles, for newly arrived migrants and refugees without networks or income support, for released prisoners, for those who are drug and alcohol addicted, for survivors of domestic and other violence etc, makes it difficult for them to manage their lives to the extent that they will be able to have the self esteem, let alone other life skills and resources, necessary to seek employment.
- And of course, a lack of access to affordable child care, affordable housing, free quality health care, and affordable transport, make it difficult for potential job seekers to function effectively enough to get, and perhaps to keep, their employment.
- There are clearly numerous public policy decisions relevant to creating "virtuous circles" out of what in many cases at present are distinctly unhealthy and counterproductive circles. However, some of the limited policies which might be most closely linked to the Job Network relate to Participation Support Payments (as canvassed in a limited way in the McClure Report on Welfare Reform) and in terms of an examination of appropriate subsidies for public transport. For example, it would seem more than reasonable for the type of concessions that are available to pensioners to be available to all those who are unemployed or in possession of a health care card - including migrants subject to the 2 year period, and refugees subject to the Temporary Protection Visa.
- Where responsibility for achieving these types of outcomes are the responsibility of non-Commonwealth levels of Government, it would seem reasonable for appropriate subsidies and/or joint Commonwealth-State agreements to be put into place to enable these policies to be implemented.

C. Specific Issues

This submission will not attempt to canvass the breadth of issues raised in this Inquiry, but rather to focus on a few points within the framework of a significant overhaul of the structure of the Job Network system relevant to:

- The need for rationing of crucial services to take place in a more effective way - that is, so that people are not left so long without appropriate assistance that by the time help is available, the task of rehabilitation and renewal of the human spirit and skill capacities is so large as to make the task much more labour intensive and expensive than it would be otherwise.
- The importance of job seekers who are found to require assistance to get a job, having case management assistance throughout a systematic process of building self esteem, building life skills, building vocational skills, and finally specific employment/application assistance
- The importance of training being accredited and articulated into respected vocational courses
- The creation of effective vocational options for adults returning to the workforce or entering the workforce from other countries
- A reduction in the administrative costs of the process and in the money lost to profit making institutions rather than being spent on the clients themselves
- Ways of empowering clients to participate in the evaluation of services

D. Early Intervention as Best Practice Policy

Due to the very large cut made to employment services expenditure by the Commonwealth Government, there was a need to severely ration its case management services. The Job Network created 3 levels of assistance - the first, Job Matching, providing very limited service apart from the listing of jobs, and access to some basic office equipment such as fax machines for transmitting applications; the second, Job Search Training included Job Clubs and some basic skills training, much of which was non-accredited, and with limited scope for articulation into higher level training; the third was Intensive Assistance. Approximately \$5000 per person was allocated to assist each person eligible for this last form of assistance (amounts depended on the tenders accepted). The main problems with this system are as follows.

Job Matching. Is there a Cheaper Way ?

Government funding of Job Matching may be wasted on a large number of clients. Just because someone requires Income Support (through Newstart payments etc) does not mean that they are not perfectly capable of navigating touch screens and websites themselves and applying for jobs in employment agencies or through the newspaper- not to mention using their own personal resources such as family friends and networks, and personal doorknocking skills. The majority of Australians - particularly those who were born in Australia and have good English language skills, have a post-secondary education of some sort, and some local work experience - are capable of getting their own employment. And the current extremely low level of payment associated with Newstart is a huge incentive for most, and particularly those living with city rents and with families to support, to get a job themselves. In essence it may *be* possible to scrap Job Matching altogether and just retain touchscreens in Centrelink offices, and license and monitor employment agencies to avoid sharp practices (some monitoring occurs already through State Government Departments).

Early Intervention and Centrelink Case Managers

The money saved by getting rid of "Job Matching" as a process could then be re-directed to fund some of the other suggestions below. In particular, there should be a major injection of several thousands more Social Workers (or high level and experienced Welfare Workers) into Centrelink who could act as **Case Managers for anyone who has not found a job within 1 month**. At present Australians are left high and dry until **they have been** unemployed for a year. By this stage, they are generally well and truly demoralised and often deskilled, and finding employment has become nearly impossible. It is **imperative** that we as a society intervene before this happens and provide as much assistance as possible to ensure that Australians have the adequate social and professional support they need to pick themselves up and make a new start - whether in employment or other forms of social participation. I'm sure Commissioners are well aware of the researched links between long term unemployment (of a year or more) and health disorders, family breakdown and sometimes crime. It is sheer negligence on the part of governments not to attend to their citizens before that point.

Apart from a (relatively arbitrary) cut off point of 1 month, there are a number of other **indicators which might be developed of "risk"**. For example, instead of non-attendance at appointments being seen primarily as a chance for punitive measures such as loss of benefit, they might be seen as warning signals - that the client may not understand the English written word, or may not be at the nominated address because they are itinerant or homeless, or may be suffering from mental illness or drug or alcohol addiction, etc. While these and other factors of risk may not be in place in every case, it is a matter of responsibility to investigate

these as soon as risk indicators arise. To do this, there must be skilled staff available who are not overburdened with hundreds of cases to deal with, but who actually have time to follow up clients and who are familiar with their individual needs.

Job Preparation Training

Job search training which is accredited and articulated into vocational courses (such as TAFE courses) can be very useful. There are many people, however, who cringe at the thought of attending basic courses on writing applications because they have done them before, and they are cynical of their value. Instead of "Job Search Training" as it currently exists, several tiers of training need to be created which offer a menu of options for case managers to refer clients to. Clients might have access to anywhere between 1 and 5 of these tiers depending on their assessed needs. These might be determined jointly between the Centrelink Social Worker and clients, perhaps with the assistance of client advocates (see below). These might include:

- **Personal Support Programs** (currently under review as part of the Australians Working Together package). They should certainly include opportunities for the building of self *esteem* and the integration of clients into the life of the community. Organisations such as Neighbourhood Centres and other locally based non-denominational community organisations are ideally suited to run these organisations as they have the necessary local links and often run many other community support programs.
- **Specialist Support Services** - such as drug and alcohol counselling and rehabilitation, torture and trauma counselling and support, domestic violence counselling and supported accommodation, sexual assault counselling, living skills programs for released prisoners and homeless people. All of these services (at least in NSW) are currently stretched far beyond capacity, and need major additional funding if they are to meet the real demand. Additional funding needs to be provided so that where job seekers have specific personal barriers which might be addressed through these services, they should be referred to them for help.
- **Basic Vocational Skills Programs.** These might cover language and literacy/numeracy (as in the newly revised program for this purpose), basic computer skills, communication skills, anger and conflict resolution management skills, and drivers license training. As an aside, it should be noted that - given the misunderstanding by many migrants and refugees of the value of accurately stating the extent of their language disadvantage, and the sense of shame of most Australians around revealing literacy and numeracy lacks - it is strongly advised that all clients undergo proper testing for language/literacy/numeracy skills rather than self assessment.
- **Specific Accredited and Articulated Vocational Training.** Specialist providers might devise innovative and appropriate ways to deliver Certificate 1 and 11 level vocational courses to those who have been out of the education system for some time or who have had previous bad experiences with the education system. This might include extended periods of supported work experience. As far as possible, courses should be provided in areas which are of interest to clients as well as being areas of labour market demand.

- **Adult Traineeships.** For those who have had some tertiary training before (such a migrants from overseas whose qualifications though officially recognised, may not be appreciated by the Australian labour market), or who are returning to work in adulthood (for example women after childrearing, or after divorce or death of their partner; or ex-prisoners or recovered drug addicts) - there is currently no appropriate Traineeship available. All New Apprenticeships and Traineeships are designed for young people and are very lowly paid. It is impossible for adults paying for accommodation in a capital city, and particularly those with children, to afford to take up an New Apprenticeship or Traineeship. What is required is the development of an Adult Traineeship which pays adults an adult wage by subsidising employers if necessary - and which facilitates them developing a new career.
- **Job Search Training.** Having had access to as much of the above as was necessary (as determined in conjunction with the Case Manager), a client could finally begin to attend Job Clubs and start to apply into the labour market, having had a taste of this through work experience opportunities beforehand.

With the assistance provided above there is no need for any fancy "job matching" stage, and there is no other expenditure on "Intensive Assistance". This is intensive assistance - only it is achieved by ensuring that clients have access to everything that is required in order to make them job ready or ready to otherwise gainfully participate in Australian society. That is, the large amount of funding currently applied to Intensive Assistance, should be redirected to fund the above programs (and the Social Workers at Centrelink who act as Case Managers). This system minimises waste and profiteering opportunities, as there is no set amount provided per person, and no additional costs to cover the administrative expenses of Intensive Assistance providers. Only the amount of assistance that is required is provided. And, on the other hand, enough assistance, and in an appropriate sequence and with appropriate support, is provided, to ensure the maximum chance of success.

E. The Application of Tendering Processes to ensure Value for Money

All of the above can be applied without jettisoning the entire concept of tendering - but rather applying it in a different way, **and to** different parts of the system. One of the main problems with applying tendering processes to the Job Network is that they are not suitable for 2 out of 3 of the current stages in the Job Network process.

- That is, they are not suitable for Job Matching (as above, there is no need to fund this at all if touchscreens are available in each Centrelink office, jobs are on the internet, and private employment agencies continue to operate on behalf of employers).
- They are also not suitable for Intensive Assistance. The main reason for this is that it is next to impossible to estimate how much it will really cost to bring someone to the state of "job readiness". Each individual is different - has a different history, set of skills, hurdles and life circumstances. It is for this reason that the menu of options listed above is most appropriate. Each of these costs different amounts, and last for different lengths of time (anything between weeks, and years). Early intervention (as *above*) enhances the chances of success, and success for a lesser cost than would have been applied had the problem been allowed to deteriorate for another 11-12 months. Nevertheless, for a service to truly 'put it hand on its heart' and claim to be able to predict an average cost per client is dishonest - and unfortunately the tender system as it has been set *up* has required this of all applicants. Applicants have done it -

because their survival depended upon this - but that doesn't mean that the appropriate servicing resulted.

On the other hand, tendering and other forms of performance/accountability assessments can more reliably be applied to various forms of training. A good model for this is the process being used for the administration of the Adult Migrant English Program by the Department of Immigration and Multicultural Affairs. Under this process, there is some guarantee of stability (5 year contracts and 80% guaranteed funding) which promotes low staff turnover, higher morale and opportunities for professional development and service learning and innovation. There is also the opportunity for competition and reward for competence because payment is by student teaching hour and there is no ceiling on the number of students which can be enrolled. (This can be contrast with the Job Network system which does put a ceiling on growth in a highly managed and bureaucratic system). In addition, there is maximum choice and mobility for students. All in all, it is an excellent model for the tendering of structured training.

Many of the support options listed on the menu from which Case Managers might chose (above) are the types of training that could be amenable to management through similar tender systems. The main support programs which might require more flexible administration are the early support programs: the Personal Support Program and the Specialist Services.

One possible model for the administration of these more flexible programs is the subcontracting of State level Community Services Departments to administer Commonwealth funding as a top up to their current service agreements with these agencies. The expertise already exists by and large in the sector. The problem is the gaping lack of funding for them to meet demand. A top up of Commonwealth funding to support those who were unemployed would be an important step towards the Commonwealth reversing its negligence towards citizens in need. State Departments already have in place detailed workplan and monitoring processes, and consultation and management processes. Therefore there would be no need to waste administrative resources duplicating these. It may be possible for these departments to hold supplementary funding for services experiencing unpredicted high demand.

Overall, administratively the above system would be significantly cheaper to operate than that currently in place, as it builds on the infrastructure which exists, and seeks to tender out services only where necessary. In addition, there is no overservicing via funding of a Job Matching service, and no inappropriate funding of non-specialist intensive assistance providers.

In addition, the benefits for clients are manifest. They have a single Case Manager (based at Centrelink) who regularly checks in with their progress through involvement in the programs to which they have been referred. They gain the level and type of assistance which is relevant to them, and most importantly, they gain this in a timely fashion. The programs they are attending are accredited and articulated wherever possible. They are also delivered by experts in their field, as each provider is a specialist, and has the incentive to improve and innovate in line with their capacity for unlimited referrals. There is no such thing as an Intensive Assistance provider who pretends to be able to deal with every problem - ranging from drug addiction to family violence. In addition, where clients have multiple problems to be addressed, there is no disincentive to case conferencing and other

forms of collaboration in the interests of the client, as services are not competing outside their area of expertise.

Overall, while a re-injection of the funds sucked out of the system 5 years ago remains important, through the administrative and policy changes above, *it* may at least be possible to more effectively use the money that is available to ensure that it goes not so much to brokers as to real service delivery - where the need truly lies.

F. Assessment and Advocates

In a submission on behalf of a community services network organisation before the last tender process I recommended implementing new procedures to enhance the capacity of clients to "vote with their feet". In essence, my point was that the process in which clients became essentially "owned" by Intensive Assistance providers once they "signed up" with them - left clients very much at their mercy. The idea was that clients be given the right to change providers and "take their money with them" if dissatisfied (in the sense that agreed assistance was not provided).

The reality is that such a process is insufficient to ensure that clients do in fact act as the quality-control and consumer sovereignty mechanism we would hope for. Codes of Conduct, even if translated, are often unread and/or not understood. Many clients have a history of poor experience of service delivery and low expectations, as well as limited appreciation of their rights. They often fear retribution if they complain, and do not trust client safeguards, even if they are explained to them.

In these circumstances, it is necessary for clients to have advocates. The Community Sector has traditionally played this role, with a supporting role played by specific government organisations (such as Anti-Discrimination bodies). However the crisis in funding of the community sector as noted above- and particularly the tendency by funding bodies (both private and public) to favour payment for direct service delivery rather than advocacy, has meant that the community sector is largely losing its capacity to act as personal advocates.

The Sector is certainly losing its capacity to act as systemic advocates. I will be interested, for example, to see how many peak bodies respond to this important inquiry. Ideally, it should be dozens - as so many interests are at stake (migrants, refugees, people with different forms of physical disability, mental health organisations, women's organisations, youth organisations, organisations for mature aged workers, prisoner support organisations, drug and alcohol services, domestic violence and sexual assault services, housing and transport organisations, training organisations, neighbourhood centres... the list goes on). However if this Inquiry is not inundated with submissions, it is likely that the main reason will be that there is no-one available in the relevant services (even peak bodies) to actually write anything. This submission you are reading now is done by an individual in her own time without the financial support of any organisation.

It is a sad state of affairs when - in this age of dog-eat-dog survival - when every minute of life counts, and we are running around (to continue the metaphor) "chasing our tails" -that we rely on volunteerism to support advocacy roles. I would thus use this opportunity to put in a plea for refunding of advocacy bodies as an adjunct to any revamped system.

Thank you for the opportunity to put a submission to you. I wish your Inquiry well. You have the lives of many Australians in your hands.

Yours sincerely

(signed)

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23 October 2001