

SUBMISSION TO THE PRODUCTIVITY COMMISSION

TRAINING AND TRAINING OUTCOMES IN THE JOB NETWORK

DEWR recently invited responses from Job Network members on the issue of how Secondary Education Outcomes should be counted for Star Ratings purposes. DEWR advised that it was considering reducing or removing the weighting given to education outcomes in assessing contract performance. As this is a matter of crucial importance to the future of training in the JN we are pleased to also offer our views to the Productivity Commission on this matter. Our feedback on the suggested change is structured into two sections:

1. Negative effect on clients of any reduced weighting
2. Conclusion

1. Effect on Clients

Funding in Intensive Assistance is adequate to cover most client training costs, for up to a year. This is based on the reality that most available courses are partly or fully funded from sources outside the Job Network – via ANTA, State TAFE or community sector funding, DIMA (AMEP), DETYA, universities and so on. When the provider's IA income is supplemented by this external funding there is an adequate funding base to meet training costs for a reasonable proportion of IA clients. The higher Up Front Fees for Level B clients recognise their greater need.

As a Specialist NESB provider AMES has a very high proportion of clients (mostly Level B) whose greatest barrier to employment is lack of skill in English, whether written or spoken. AMES also has a high proportion of NESB clients in its General caseload, because of its history, reputation, location, and marketing focus, so for many clients English language training through IA is an essential step on the path to employment. This training goes hand in hand or is followed by the many other forms of training (job search, vocational, motivational) that are suitable for both NESB clients (if their English is adequate) and for ESB clients. The need for training of this sort is not just with AMES clients – it is for many clients in other providers as well.

Should Training Outcomes carry reduced weight in determining Star Ratings, or have no weight at all, there will be a number of adverse effects for clients:

- a) there will be an inevitable and dramatic reduction in the referral of clients to training – no weight means no importance means fewer referrals. The JN is run on a competitive basis by self sustaining businesses. Whether they are for-profit, government, semi government, welfare or community agencies, they are all businesses, whose ongoing viability and service to clients depends on their ongoing ability to perform well, however performance is defined by the government of the day.

Where training is designed to lead to early employment, it is likely to continue to be supported even if education outcomes may have reduced or no value, as the outcomes earned will be via consequent employment, not via the training itself. However, many clients are simply not ready to undertake training that will lead directly to employment. Prime amongst these are many people of Non English Speaking Background. For adults to learn another language is always a long term and slow process, with no guarantee of success. The task for an adult can

be equated in some ways to trying to learn to write with the wrong hand – some will succeed, some won't, for all but a few it is very difficult. Only very rarely is lack of motivation to learn English an issue - for everyone, an ability to speak the local language makes life and work so much easier and more successful. Most clients with barriers to employment are generally well disposed to taking up studies as part of a return-to-work plan. Earning a Secondary Outcome from supporting these clients to gain a foothold on the recovery path is just as important as placing the clients in a job. Indeed one activity is a natural precursor to the other.

For many unemployed NESB clients, the process of returning to the workforce will involve improving their English over a time frame beyond the 12-15 months of IA. Supportive providers will commit and where necessary fund the full IA year for training, and will earn business credit through Education Outcomes. If such commitment is not explicitly recognised and valued through the performance assessment model it will wither, as ongoing provider support can only be given if their ongoing business viability is assured. In fact, any reduction in support and reward for training may be an incentive to “parking” of clients by some providers.

- b) there will be a dramatic reduction in the funding of English language training by providers. Very little externally funded ESL training is available for NESB clients in IA – the programs in TAFE, the AMEP, and in DETYA funded courses (Advanced English for Migrants Program [AEMP], Literacy and Numeracy [LANT]) can cater for very few IA clients. In effect, the only programs available to these clients will be those that are fully or largely funded by the IA provider itself. Such courses will all but disappear if recognition of training is not factored into assessment of provider performance, or is factored in at a reduced scale (eg. 5 to 1).

It might be thought that providers can instead simply commit their resources to vocational training or to vocational training/ESL combined. Where this is appropriate it is already happening. However, the reality is that for the many AMES IA clients placed into ESL programs, this vocational option is not appropriate due to their very limited English.

- c) Changes in employment patterns, widely recognised and documented, are having a big impact on NESB job seekers. Semi-skilled and unskilled occupations, a traditional entry point into the workforce for migrants whose first language is not English, are drying up, thus shutting native English speakers as well as new migrants out of the economy. Job growth has been notably in “knowledge” work, which requires greater English language communication and literacy skills.

Less secure employment, more casual and contract work and more frequent changes in employment are realities to be managed by most workers. A job-for-life is rare. Strong English language communication and literacy skills underpin adaptation and retraining in a fluid labour and employment market. English language communication and literacy demands of workplaces have increased significantly in the last decade. Changed work organisational structures such as high-performance teams mandate higher English language communication and literacy skills for all employees.

Removal of training weighting and therefore support can only exacerbate the employment marginalisation of the many JN clients who require and are well able to benefit from English language training.

- d) Pathways to employment for newly arrived migrants and refugees (less than about 5 years residence) will be disrupted. At present many newly arrived people can follow a positive and supportive pathway after exiting from the Adult Migrant English Program, by entering IA and benefitting from continuing English language training with an employment focus, often combined with vocational training. Any reduction in weighting for education outcomes will have the effect of removing this pathway.

It is for people in the early years of settlement, particularly for refugees with their background of trauma, that such pathways have the greatest value, for they are young, highly motivated and with their home country employment still relatively fresh and current. When such pathways are blocked it greatly increases the likelihood of long term unemployment, and the wastage of overseas skills and experience. It is a loss to the nation, to its communities and to its citizens.

While the current LANT and AEMP programs of DETYA offer an alternative pathway for some clients, and will soon be combined into the Literacy and Numeracy Program, they cannot offer the same capacity or focus as IA. The effect of the changes to be introduced mid year under AWT cannot yet be measured or evaluated.

In summary we strongly believe that for the reasons set out above any proposed reduction in weighting for education outcomes would have a strongly negative effect on many IA clients in need of training, and on their future sustainable employment. The effect on people of NESB would be disproportionately far greater.

2. Conclusion

To reduce the weighting given to education outcomes would have a number of adverse effects. It would :

- reduce the training opportunities and pathways to sustainable employment for many Job Network clients
- break established and successful pathways to employment for many recently arrived migrants and refugees
- have a hugely disproportionate effect on people of non English speaking background
- have a negative effect on the upskilling of the Australian workforce and ultimately on future economic development
- diminish the value and contribution of the Job Network to the Australian community

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