



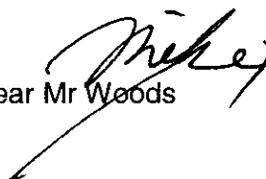
**Queensland  
Government**

Premier of Queensland

Please quote: PM12/ECP

**30 APR 2002**

Mr Mike Woods  
Commissioner  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616

  
Dear Mr Woods

**Independent Review of Job Network**

Attached for your consideration is the Queensland Government submission to the Productivity Commission Independent Review of the Job Network. We look forward to the publication of the Commission's Report.

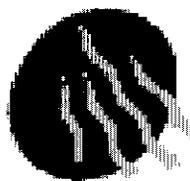
If you have any queries, the contact officer in the Queensland Government is Mr Keith Kerslake, Director – Policy Coordination, Communication and Support, Employment Initiatives, Department of Employment and Training (Telephone (07) 3247 5303).

Yours sincerely

**PETER BEATTIE MP  
PREMIER AND MINISTER FOR TRADE**

Executive Building  
100 George Street Brisbane  
PO Box 185 Brisbane Albert Street  
Queensland 4002 Australia  
Telephone +61 7 3224 4500  
Facsimile +61 7 3221 3631  
Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)  
Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)

**SUBMISSION TO THE PRODUCTIVITY COMMISSION  
INDEPENDENT INQUIRY INTO THE JOB NETWORK**



**Queensland  
Government**

**APRIL 2002**

## **Structure of this Submission**

Since its establishment in 1998 the Queensland Government has been concerned about the capacity of the Job Network to place disadvantaged job seekers, especially the long-term unemployed, into jobs and if necessary, to raise the labour market competitiveness of individual job seekers to enable this outcome to be achieved. The Productivity Commission's Draft Report has confirmed these concerns. Accordingly, the bulk of the Queensland Government's submission is devoted to this issue and select recommendations pertaining to it.

This submission also addresses the following: issues that were canvassed by the Commission in its Draft Report, but which were not the subject of a Draft Recommendation; issues that were not canvassed by the Commission, but which the Queensland Government believes are relevant to the Job Network's primary role and its performance; and select issues that the Commission has sought feedback on.

Attachment 1 to the submission summarises each of Queensland's active labour market programs.

## **Introduction**

### **Context**

The Queensland Government welcomes the Productivity Commission's Inquiry into the Job Network.

When it was introduced by the Commonwealth Government nearly four years ago, the Job Network was then, and remains, by any standards a radical departure from conventional labour market management mechanisms. The implementation of the Job Network was accompanied by the dismantling of a range of labour market programs that constituted the Keating Government's *Working Nation* initiative and the cashing out of some of this capacity through Job Network providers. Implementation of the Job Network also coincided with a period characterised by solid national employment growth co-existing alongside obstinately high levels of unemployment and long-term unemployment that pose an insidious threat to Australia's economic prosperity and social cohesion. Against this backdrop, an independent inquiry that engages the Australian community in an open and transparent debate about the Job Network is welcomed.

The Job Network essentially envelops a competitive provider market within a government regulatory regime, as opposed to the government dominated service model that it replaced. It is not surprising that some consumer benefits and efficiencies have emanated from this regulated competitive market, as is invariably the case when a public sector-dominated activity is replaced with a competitive model. But it is equally unsurprising that the Commission's Draft Report identifies serious shortcomings in the Job Network, especially its failure to adequately service disadvantaged job seekers through Intensive Assistance. Unsurprising partly because it was expected that an initiative of the scale and profundity of the Job Network would require bedding down, but also because some of its shortcomings have been widely

known for some time and some, notably the practice of “parking”, were entirely predictable.

Fortunately, Australia has for the most part experienced solid employment growth during the life of the Job Network thanks to an expansionary economy. Despite this, unemployment remains unacceptably high. The national unemployment rate has declined from 7.8 per cent in May 1998 when the Job Network was introduced to 6.7 per cent in February 2002. While this reduction in the national unemployment rate is welcomed, closer consideration of the labour market indicates that there is some way to go before Australia can be satisfied that the back of its chronic unemployment problem has been broken. In May 1998, the incidence of long-term unemployment was 29.1 per cent nationally (207,600 persons) compared to 22.5 per cent (163,500 persons) in February 2002. While the number of long-term unemployed persons has fallen since 1998, in the context of strong employment growth this achievement falls well short of extraordinary. It is also indicative of the need for further policy prescriptions if substantial inroads into long-term unemployment are to be achieved.

When the extent of hidden unemployment and the level of discouraged job seekers are considered, regrettably unemployment is revealed as a more pervasive quandary than the unemployment rate suggests. In 2000 there were an estimated 436,300 Australians who were underemployed, while the number of discouraged job seekers was estimated at 106,500 persons.<sup>1</sup>

As previously mentioned, the Job Network’s short life span has coincided with a period of solid employment growth. This begs the question of how the Job Network might perform during an economic recession and in the aftermath of a recession when long-term unemployment tends to creep up. The answer to that question is of course speculative, but given the shortcomings identified by the Commission in its Draft Report it is not unreasonable to conclude that the Job Network in its current configuration and in the absence of the support through an array of active labour market programs, would be hard pressed to manage in a recessionary climate.

## **The Queensland Government’s response to unemployment**

Active labour market programs are a critical component of a holistic policy approach that has been adopted by the Beattie Government that is aimed at:

- Reducing unemployment, with an emphasis on rural and regional areas of the State that are experiencing above average unemployment;
- Improving the labour market competitiveness of unemployed job seekers, targeting the long-term unemployed, youth, mature aged and the disadvantaged;
- Minimising the propensity of workers displaced as a result of large-scale retrenchments to become long-term unemployed;
- Raising the skills of the Queensland labour force and alleviating skill shortages that can impede economic growth.

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<sup>1</sup> Australian Bureau of Statistics, *Measures of Labour Underutilisation*, 27 February 2002.

Queensland's labour market programs are grouped under the umbrella of the *Breaking the Unemployment Cycle* Initiative, which aims to create over 56,000 jobs, and training places over six years. This commitment is matched by an investment of \$470 million, easily the largest in absolute and relative terms, of any State or Territory. All of these programs have been designed and are delivered to complement and not duplicate Commonwealth programs. In fact, Queensland has been at pains to liaise with and explore collaborative possibilities with the Commonwealth.

But the Queensland Government's long-term strategy for jobs growth and unemployment reduction is not simply reliant on active labour market programs. Active labour market programs are augmented by an integrated mix of policy responses that include facilitating an environment conducive to private sector investment and employment growth; diversifying the State's industry composition; export growth; a systematic and strategic approach to infrastructure development aimed at direct job creation and providing a catalyst for growth; and raising the skills profile of the labour force through education and training through strategies such as the State's *Queensland – The Smart State* and closely linked to this, proposed reforms canvassed in the recently released Green Paper, *Education and Training Reforms for the Future*.

Several of Queensland's programs are specifically targeted at disadvantaged job seekers, especially the long-term unemployed, and raising their labour market competitiveness and self worth. In addition, these programs are aimed at alleviating high unemployment in regional and remote areas of a State that is characterised by a geographically decentralised population and industry structure giving rise to several distinct regional labour markets. (A description of Queensland's active labour market programs is contained in Attachment 1).

During the last decade Queensland has experienced a strong employment growth rate that has exceeded the national average for much of this time. Despite this, Queensland's unemployment rate remains unacceptably high, fundamentally as a result of an excess of labour supply over demand, but also as a result of various other factors some of which are exogenously determined and some of which are unique to the State. These include:

- Population growth, fuelled by high interstate migration that has consistently exceeded the national average in recent years. In 2000, the civilian population grew by 1.9 per cent versus 1.3 per cent for Australia while net interstate migration added 19,700 during 2000-01;
- A labour force participation rate (65.4 per cent in March 2002) that has consistently exceeded the national average (63.5 per cent in December 2001), especially for young people and those over 45 years;
- A highly decentralised population distribution giving rise to several identifiable labour markets, including pockets of sustained labour market disadvantage and lifestyle regions which offer limited job opportunities, but which nevertheless attract new residents;
- A mismatch between the demand for and the supply of skills; and
- While the State's industry base is increasingly diversified towards service industries, historically Queensland's dependence on agriculture, mining and

construction have made it vulnerable to exogenous influences such as fluctuations in international commodity prices and to use a recent example, the GST-induced slump in building construction activity in 2000.

### **Cost shifting from the Commonwealth to the State**

The Queensland Government's decision to invest considerably in active labour market programs was partly motivated by the Commonwealth's substantial withdrawal from active labour market programs, notably the repudiation of *Working Nation*, and the resultant need to provide support for job seekers who it seemed were now less likely to be picked up through Commonwealth assistance. In fact, from 1995-96 to 2000-01, Commonwealth expenditure on labour market programs declined by 45 per cent, from \$2.1 billion to \$1.2 billion annually.<sup>2</sup>

The reality is that there is a high probability that participants in some of Queensland's labour market programs would have participated in Commonwealth programs of the kind that existed prior to the Job Network were such programs still available. Were it not for Queensland's programs these job seekers would have no option other than the Job Network and the less than optimal performance of Intensive Assistance. In this context, it is legitimate for Queensland to draw attention to what is effectively a significant shift in costs from the Commonwealth to the State.

The Queensland Government subscribes to the view that the Commonwealth has primary responsibility for employment policy, including measures to reduce the unemployment rate and raise the labour market competitiveness of those in the community who are least competitive.

Evidently, the Job Network has failed to achieve this through Intensive Assistance as the Commission's Draft Report indicates. Substantial changes are needed to the Job Network, which must also be equipped with an array of assistance options including active labour market programs that provide employment and training outcomes. This will necessitate the Commonwealth investing substantially more resources in the Job Network and labour market programs than it currently does.

### **Disadvantaged job seekers and Intensive Assistance**

The Queensland Government is of the view that the large number of marginalised job seekers is the most intractable barrier to substantially reducing unemployment in Australia. Marginalised job seekers include the long-term unemployed, unemployed young people who are not in education or training, low skilled people, Indigenous people, South Sea Islander people, people with a disability, people from non- English speaking backgrounds and mature age people. Invariably, many long-term unemployed job seekers are burdened by multiple disadvantages.

Groups that are of particular concern to the Queensland Government are the long-term unemployed, mature age, young people who are not in full-time education or training and Indigenous job seekers. This concern stems from a combination of the numerical magnitude of unemployment and the level of labour market disadvantage of these

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<sup>2</sup> MCEETYA, July 2001.

groups and the evident inadequate servicing of these groups through Intensive Assistance. Added to these reasons is the relatively high proportion of Indigenous residents in Queensland, with many located in regional and remote communities characterised by a paucity of employment opportunities.

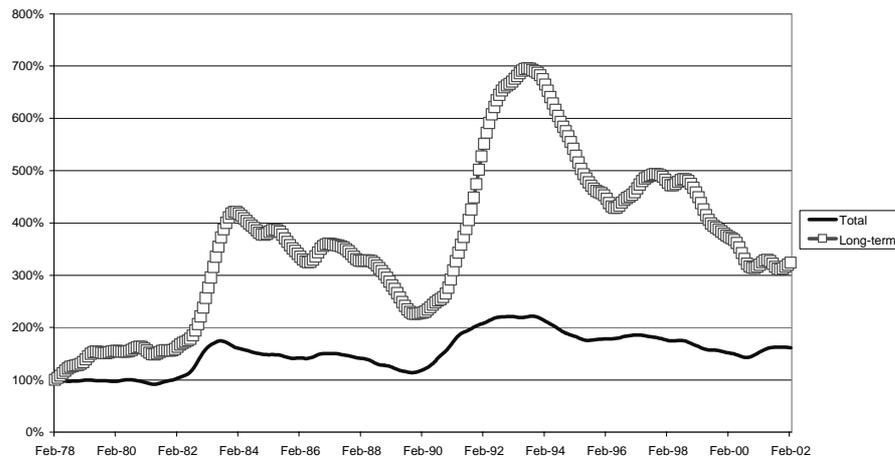
Hence, the inability of Intensive Assistance to fulfil its primary role of assisting the most disadvantaged job seekers is singularly the most important deficiency in the Job Network and one that must be reversed as quickly as possible if significant inroads are to be made into unemployment. Substantially more effort needs to be focussed on raising the labour market competitiveness of disadvantaged job seekers through improvements to Intensive Assistance including improved access for job seekers that most need this assistance and support through active labour market programs.

### Long-term unemployment

Over recent years each successive economic recession has contributed to a lengthening queue of long term unemployed as Figure 1 illustrates. The cumulative effect of successive recessions has been to ratchet up the severity of long-term unemployment.

Figure 1

Long-term versus Total Unemployment in Australia 1978-2002  
Using Feb-78=100.0% as a base



Source: Australian Bureau of Statistics

The Queensland Government does not support the Commission's assertion that long-term unemployment is "not enough basis for automatic qualification of the entire group to Intensive Assistance" (page 9.10 of the Draft report). If there is any single indicator of labour market disadvantage it is long-term unemployment. The Commission's rationale seems to be predicated on the adverse budgetary impact that automatic inclusion of the long-term unemployed would have. It remains to be seen if in practice, the Commonwealth's recent amendments to the Job Seeker Classification Index to allow more disadvantaged job seekers including the long-term unemployed, access to Intensive Assistance amounts to automatic inclusion. Notwithstanding this announcement, the Queensland Government's position is that all long-term unemployed should qualify for Intensive Assistance even if this requires increased Commonwealth expenditure on Intensive Assistance.

The Commonwealth Government's recently announced modifications to the Job Seeker Classification Index to increase access to Intensive Assistance for disadvantaged groups will not by itself improve outcomes unless there is a matching commitment of resources including active labour market programs.

### **“Parking”**

The widely known and long-standing practice of “parking” needs to be addressed by the Commonwealth Government as a matter of urgency.<sup>3</sup> The Queensland Government concurs with the strength of sentiments expressed by the Commission: “it undermines the expectations that Intensive Assistance helps the most disadvantaged job seekers and sometimes damages their morale. For such clients, Intensive Assistance is pretence of aid” (Draft report p. 9.14). Generally, the Queensland Government supports measures that are aimed at ensuring Intensive Assistance achieves its intended objective of assisting the most disadvantaged job seekers including eliminating the practice of ‘parking’. But this should not be achieved at the expense of narrowing access to Intensive Assistance for budgetary or logistical reasons nor should it be at the expense of other Job Network services such as Job Matching. Intensive Assistance must be made to work so that it can fulfil its stated objective of assisting disadvantaged job seekers. More is said about this elsewhere in this submission.

### **Mature age job seekers**

According to the Australian Bureau of Statistics, in Australia, unemployed mature aged persons (45 years and over) numbered 142,200 in February 2002 and averaged 127,200 over the year.<sup>4</sup> Although the unemployment rate for the mature aged is relatively low (4.4 per cent in February 2002), they account for 34.6 per cent of the long-term unemployed. There are also a significant number of discouraged job seekers of mature age.

Unfortunately, the magnitude of mature age unemployment does not appear to have been matched with a commensurate level of service and success through the Job Network. The Commission acknowledges that mature age clients “had consistently lower outcomes” through the Job Network.<sup>5</sup>

In its report *Age Counts*, the House of Representatives Standing Committee on Employment, Education and Workplace Relations, reported that “some mature age job seekers felt that both Centrelink and Job Network providers concentrate on the young while they themselves are “parked” and “some witnesses were very angry about their treatment or lack of treatment, while others just felt helpless”.<sup>6</sup>

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<sup>3</sup> ‘Parking’ was identified as a major impediment to service in submissions made to the House of Representatives Standing Committee on Employment, Education and Workplace Relations, (*Age Counts* report) paragraphs 4.178 and 4.179, June 2000.

<sup>4</sup> Data on mature age unemployment are also not seasonally adjusted. To abstract from seasonality, a 12-month average approach is used again.

<sup>5</sup> Productivity Commission *Independent Review of the Job Network Draft Report*, p. 5.6.

<sup>6</sup> House of Representatives Standing Committee on Employment, Education and Workplace Relations, *Age Counts*, page 169.

In the face of an ageing population and labour force, it is inimical to Australia's future economic prosperity to allow this valuable human resource to languish in the unemployment queues for want of a policy commitment from the Commonwealth Government to increase and improve employment assistance to mature age people. It is imperative therefore that the issue of "parking" and other strategies are implemented to assist this group.

### **Young people at risk**

It is estimated that as many as 10,000 young people in Queensland alone have not completed year 12 and are not working or undertaking further education and training. Many others have completed Year 12 and are not working or undertaking further education and training.<sup>7</sup> Queensland is addressing this issue through a range of strategies including those in the recently articulated in the Green Paper, *Education and Training reforms for the Future*.

Young people are not getting access to Job Network services they require for a number of reasons. Referral mechanisms from Centrelink rely on self-disclosure by young people of factors such as drug use or homelessness which may affect their ability to find work. The most disadvantaged young people are often not willing or able to disclose such information either to Centrelink or to Job Network staff and consequently do not receive the type of support and services they require. Disadvantaged young people are often not able to best articulate or represent their own needs and interests. They may lack awareness of the need to disclose issues of disadvantage, or be unwilling to discuss personal issues with a stranger representing 'the government'.

Also, many young people are not accessing Job Network services to which they are entitled due to their lack of awareness. Those young people who do not claim financial support through Centrelink do not have any system of referral to Job Network services. Since the demise of the Commonwealth Employment Service, young people do not have an easy single point of advice or information regarding employment services to which they may be entitled.

Some of these young people are being serviced in Queensland through the State-funded Community Employment Programs, which fund community-based providers to work with young people to overcome their obstacles to employment. However, a viable national solution is required to ensure that all young unemployed people who are disadvantaged and at risk of long-term unemployment are identified and provided with services that are commensurate with their labour market disadvantage.

The introduction of Training Credits following Work for the Dole activity should be part of a broader strategy that enables job seekers to obtain information and advice on training and other assistance.

### **Indigenous Australians**

At the time of the 1996 Census the unemployment rate of persons of Indigenous origin was estimated to be 22.5 per cent in Queensland (it should be noted that this

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<sup>7</sup> Queensland Government, *Education and Training reforms for the Future*, p. 9. March 2002.

estimate might be affected by potential under-enumeration of the Indigenous population during the Census). This compared with an overall unemployment rate of 9.6 per cent at that time. As labour force data cross-classified by Indigenous status is not available at other times outside the Census, deriving a contemporary estimate of the Indigenous unemployment rate in Queensland is problematic.

However, recent ABS data suggests that the Indigenous unemployment rate for Australia as a whole was 17.6 per cent in 2000<sup>8</sup>, still two to three times higher than the overall rate. The publication states that the data contains high standard errors. Given the unemployment rate in 1996 of 22.5 per cent, it is quite likely that this figure reflects the current situation in Queensland. But the true unemployment rate for Indigenous people has been estimated to be as high as nearly 40 per cent if the effects of the Community Employment Development Projects are excluded.<sup>9</sup>

It is not unusual for Indigenous people to suffer from multiple disadvantages leading to high unemployment rates and entrenched long-term unemployment, thus necessitating the need for a greater level of service conducted in a way that is culturally appropriate and intended to instil greater confidence by Indigenous people in the Job Network. The Job Network is not achieving sufficient outcomes for Indigenous people. Part of the problem would seem to be the inadequate provision of specialist services through the Job Network that are dedicated to assisting Indigenous job seekers. This needs to be addressed through the provision of realistic incentives for Job Network providers supported by specialist staff and active labour market programs.

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<sup>8</sup> See Australian Bureau of Statistics Occasional Paper, Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, 2000, Catalogue No. 6287.0. Data for Queensland are not available from this source.

<sup>9</sup> DEWR Internet site.

## **The Commission's Draft Recommendations**

### **Employment outcomes and costs - Draft Recommendations**

#### **5.1, 5.2 and 5.3**

Draft recommendations 5.1, 5.2 and 5.3 are supported. It is imperative that on-going evaluations of the Job Network are based on credible data. It is equally imperative on public interest grounds that the Job Network is open to independent scrutiny of the nature that could be expected from independent researchers.

#### **Job Matching - Draft Recommendation 7.1**

The Queensland Government does not support Draft Recommendation 7.1. It is accepted that a proportion of non-disadvantaged job seekers are sufficiently self-reliant and possess skills in demand enabling them to obtain employment through their own unaided efforts. That has always been the case. Notwithstanding this, there will always exist a group for whom self-reliance will not yield prompt employment outcomes. Invariably, this group do not possess skills in demand or are characterised by one or more traits that make them less competitive in the labour market.

The Commission's statement that "the electronic revolution is fundamentally changing the nature of job broking and reducing the intermediary role..." is a forward looking endorsement of self-service electronic job search mediums, but it is somewhat premature in that in 2000 an estimated 44 per cent of Australian households did not have a computer and 63 per cent did not have Internet access.<sup>10</sup>

The Queensland Government's view is that early active intervention through a universal job matching service acts as a circuit-breaker to prevent marginally less competitive job seekers from becoming long-term unemployed. Consequently, job matching services through the Job Network should be retained for all job seekers. It also needs to be remembered that the categorisation of disadvantaged job seekers through the Job Seeker Classification Index identifies arguably the *most* disadvantaged job seekers and is reliant on self-disclosure. There are other categories of job seekers for whom self-reliance will be difficult. For example, most school leavers would not be rated as disadvantaged and yet this group has the least exposure to job search techniques in a competitive market and would benefit from job matching.

There is also a sound efficiency argument for not diluting job matching. This argument lies in the fact that job matching reduces the recruitment burdens on employers who would otherwise have to screen for suitability a large number of job applicants against job vacancies. To individual small employers the costs can be high and when the predominance of small employers in the economy is considered, these costs are amplified substantially across the economy.

The Commission refers to the possibility that Australia is bound to provide free job matching services for all pursuant to certain international treaties (most probably International Labour Organization Conventions), but effectively skirts this issue and suggests that these obligations are now less relevant. The fact that Australian Courts

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<sup>10</sup> ABS Internet usage by Households , Australia. Cat 8147.0, 2001.

have in recent years increasingly held that international treaties to which Australia is a signatory are persuasive in interpreting domestic-made law, is indicative of the status and gravity of Australia's obligations under international treaties. The Queensland Government believes that the Commonwealth Government must continue to abide by its international treaty obligations regarding the provision of job matching services.

### **Job Search Training - Draft Recommendation 7.2**

The Commission's recommendation that Job Search Training be retained is supported.

### **Reduction in duration of Intensive Assistance - Draft Recommendation 7.3**

The Draft Recommendation that Intensive Assistance be reduced from twelve to six months is not supported.

It is difficult to reconcile how a reduction in the duration of Intensive Assistance would result in increased servicing of clients if providers are required to service more or less the same aggregate number of clients, but within a reduced timeframe. It is assumed that the Commission anticipates that voluntary participation in Intensive Assistance will reduce the aggregate caseload. Even if participation in Intensive Assistance is made voluntary, the Commonwealth Government's recent announcement that access to Intensive Assistance would be extended to include an additional 100,000 people during the next twelve months, would make a net reduction in caseload numbers unlikely or at best, minor.

Intensive Assistance must be supported by the resources and commitment necessary to provide job seekers with individually tailored active labour market programs (for example, wage subsidies) that cashing out assistance was originally intended to achieve. Maintaining the duration of Intensive Assistance at twelve months will provide time for all assistance options to be pursued. The duration of assistance that is required will of course vary between individual job seekers. However there are some categories of job seekers that will require assistance well beyond six months allowing for any training that may be necessary, becoming proficient in job search techniques and building rapport and trust with the Job Network caseload officer. For example, this is often the case with Indigenous job seekers.

### **New Enterprise Incentive Scheme - Draft Recommendation 7.5**

The Draft recommendation that the New Enterprise Incentive Scheme be retained is supported. In addition, the Commonwealth Government should implement recommendations 31 to 38 of the House of Representatives Standing Committee on Employment, Education and Workplace Relations, documented in its report *Age Counts*.<sup>11</sup>

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<sup>11</sup> House of Representatives Standing Committee on Employment, Education and Workplace Relations, Report *Age Counts* Chapter 5, June 2000. The Committee recommends several enhancements to NEIS, mainly in the context of assisting mature age job seekers.

### **Job seeker choices - Draft Recommendation 8.1**

The Commission's recommendation that the provision of information to job seekers about the Job Network and the associated referral system be enhanced, is supported. This information should be comprehensive and should for example include information on complaints mechanisms, choice of Job Network provider and assistance measures available through Intensive Assistance such as wage subsidies, but it must also be user friendly. Information needs to be carefully explained by Centrelink staff in culturally appropriate ways. Information should also be published on the Internet and in brochure form including in the predominant non-English languages.

### **Voluntary participation in Intensive Assistance - Draft Recommendation 8.2**

The Commission's proposal that Intensive Assistance be voluntary is not supported. In canvassing voluntary participation in Intensive Assistance, the Commission suggests that other forms of meeting mutual obligations be acceptable alternatives. In this context the Commission places substantial weight on Work for the Dole as an alternative to Intensive Assistance particularly for the most marginalised of job seekers who are least likely to secure employment through Intensive Assistance. This gives rise to concern job seekers who elect not to participate in Intensive Assistance would, in the absence of a range of active labour market programs, receive very little assistance besides Work for the Dole.

There is a danger that Job Network providers will merely seek to persuade disadvantaged job seekers who they believe are low placement prospects, to forgo Intensive Assistance. In effect, this scenario would result in "parking" being replaced by a practice that is no more satisfactory than the existing problem that it was intended to ameliorate.

The Work for the Dole scheme, which is the primary activity both offered and recognised by the Commonwealth Government as a mutual obligation activity, has little vocational training and relatively poor employment outcomes. Any movement of Intensive Assistance job seekers into Work for the Dole is unlikely to increase their employment prospects markedly. Work for the Dole is more a compliance mechanism for people in receipt of unemployment benefits, rather than an employment assistance program.

DEWR's own evaluation of Work for the Dole outcomes are reproduced in Table 1 alongside outcomes for Queensland's Community Jobs Plan and former Commonwealth programs.

**Table 1**

<b>Program</b>	<b>Employment outcomes (% employed 3 months afterwards)</b>	<b>Client profile (% of clients unemployed long-term)</b>
Jobstart (1994-95)	59%	83%
Jobskills (1994-95)	41%	93%
Intensive Assistance (2000)	36%	65%
Work for the Dole (2000)	27%	75%
Community Jobs Plan*	55%	72%
Community Employment* Assistance Program	57%	55%

Source: Australian Council of Social Services (ACOSS) report *The Obligation is Mutual - New Directions for Employment Assistance in Australia* released on 18 February 2000

\*CJP and CEAP figures at 31 January 2002

Queensland's Community Jobs Plan is achieving superior post program employment outcomes than Work for the Dole. The Community Jobs Plan funds community and public sector organisations to employ long-term unemployed people, and those at risk of long-term unemployment, for periods of three to six months on a range of public works, community and environmental projects. Projects must be of benefit to the broader community with an emphasis on participants gaining training, competencies and work skills in such activities that will lead to employment opportunities relevant to local employer needs. Participants are paid an award wage for the duration of their participation.

The Community Employment Assistance Program funds community and public sector organisations up to a maximum of \$60,000 to assist long-term unemployed people, and those at risk of long-term unemployment, find work. The assistance provided may include literacy and numeracy assistance, living skills, vocational training, work experience, job search and job placement assistance. Queensland residents aged over 15 years, who are long-term unemployed (12 months or more), or at risk of long-term unemployment, are targeted under the program. Unemployed people do not have to be registered with a Job Network Provider or receiving assistance from Centrelink to be eligible for assistance.

It remains to be seen whether or not the proposed introduction of Training Credits, following Work for the Dole participation, will be used effectively given that the primary role of Work for the Dole is to fulfil mutual obligation requirements rather than serving to offer participants an integrated training and employment opportunity.

The Queensland Government is of the view that Intensive Assistance should remain mandatory for disadvantaged job seekers in receipt of benefits who are assessed as either job ready or job ready with specified assistance. But, Intensive Assistance needs to be matched by individually tailored active labour market programs (for example, wage subsidies or programs similar to Queensland's Community Employment Programs) that offer the potential for substantive outcomes.

### **Exiting Intensive Assistance - Draft Recommendation 8.4**

Draft Recommendation 8.4 that provides for job seekers to be able to exit Intensive Assistance if a Job Network provider's reasonable obligations to a job seeker have not been met, provided that they participate in some activity that meets mutual obligations, is not supported. In these circumstances, job seekers should be able to move to another provider as recommended in Draft Recommendation 8.3. In this context the concept of portable case histories that follow the job seeker between providers, warrants further merit. Portable case histories could also be supported by portable Job Preparation Plans to maintain a greater degree of continuity of service from one provider to another.

### **Targeting - Draft Recommendation 9.1**

The Commission's recommendation that a pilot be undertaken to test the benefits of the flexible implementation of the Job Seeker Classification Instrument by Centrelink is supported in the context of neutralising the issues of misclassification of job seeker's reluctance to disclose.

### **Re-direction of job seekers - Draft Recommendation 9.5**

Draft Recommendation 9.5 has qualified support from the Queensland Government. It is acknowledged that some job seekers are at the lower end of labour market competitiveness and consequently, referral to other activities may be warranted. But this should not occur until there has been a thorough assessment of the job seeker's needs and every opportunity for assistance has been pursued. To reiterate, Queensland believes that the Commonwealth must invest more resources in labour market programs that provide a greater array of referral options that are aimed at improving labour market competitiveness as distinct from compliance activities such as Work for the Dole.

In this context, cost shifting by the Commonwealth to State labour market programs arises again. Queensland's Community Employment Programs are recognised as viable alternatives for job seekers and in some locations are approved activities. It is likely that a significant increase in the momentum of referrals of job seekers to other activities will include referrals to Queensland programs. This effectively represents a substantial shift in costs from the Commonwealth to the state of Queensland.

### **Specialist services - Draft Recommendation 9.8**

The Draft Recommendation that Job Network providers be able to choose whether they wish to offer any combination of generalist and specialist services is supported subject to outcome payments that place realistic values against categories of disadvantaged groups.

### **Outcome payment categories - Draft Recommendation 10.3**

The Commission's Draft Recommendation that there be more outcome payment categories for Intensive Assistance to take account of existing special groups of job seekers, but that further payment categories should only be created if the supporting JSCI classifications are sufficiently reliable, is supported.

### **Interim outcome payments - Draft Recommendation 10.4**

The Draft Recommendation that interim outcome payments for educational and training outcomes be abandoned and replaced by higher final payment when the course has been successfully completed, is supported.

### **Primary interim outcome payments - Draft Recommendation 10.5**

The Draft Recommendation that primary interim outcome payments should be split into two instalments made at the 7 and 13-week periods of a job, is supported.

### **Payment structure for Job Search Training - Draft Recommendation 10.7**

The Draft Recommendation that the payment structure for Job Search Training is shifted more towards outcome payments, is supported.

### **Industry dynamics – Draft Recommendation 11.1**

The Commission's Draft recommendation that the current tendering process be replaced by a licencing system is supported. Licensing should include accreditation standards that stipulate the provision of appropriately trained personnel.

## **Other Issues**

### **Job seekers unable to access the Job Network**

The response by unemployed Queenslanders to the Queensland Government's *Breaking the Unemployment Cycle* initiative, and anecdotal evidence from community-based providers of welfare and employment services in Queensland, indicates that there is a large number of unemployed people in Queensland (and nationally) who require employment assistance but are either ineligible or unable to access it through the Job Network.

Legitimate job seekers who are effectively disenfranchised by the Job Network include some migrants and dependant spouses who are precluded from accessing the services they require, namely Job Search Training or Intensive Assistance, and in some cases Job Matching, as they are not receiving income support. Yet many of these ineligible job seekers do suffer labour market disadvantage. The model under the new Transition to Work Program, which is to be introduced through the Australians Working Together initiative, is not a sufficient response to this situation. Employment assistance should not be denied to those people who are unemployed and genuinely seeking employment, but who for a variety of reasons are not in receipt of income support.

**Employment assistance should not be denied to those people who are unemployed and genuinely seeking employment, but who for a variety of reasons are not in receipt of income support.**

### **Wage subsidies**

The less than expected use of wage subsidies by Job Network providers for Intensive Assistance clients is regarded by the Queensland Government as a lost opportunity to provide effective leverage to assist job seekers. It is accepted that wage subsidy arrangements do not guarantee continuity of employment beyond the wage subsidy and there is also the displacement effect. Nonetheless, properly targeted and managed, it is acknowledged in the literature that wage subsidies can be extremely effective in providing opportunities for disadvantaged job seekers who would be otherwise uncompetitive. The present arrangements whereby providers ostensibly jointly decide with job seekers the best course of action is predicated on the assumption that job seekers are fully informed of the options available to them. However, it seems doubtful that this situation is the norm in practice and that job seekers are always informed of the availability of wage subsidies as they should be.

**Measures need to be implemented to increase the use of wage subsidies in appropriate cases and that Job Network providers ensure that Intensive Assistance clients are informed of the availability of wage subsidies.**

### **Minimum expenditure as a disincentive to "parking"**

The Queensland Government believes that there is merit in trialing the concept of minimum expenditure as a disincentive to parking, discussed in the Draft Report. Again, a job seeker should only exit Intensive Assistance after all assistance options

have been exhausted. To reiterate, the Commonwealth Government must also be prepared to invest substantially more in active labour market programs such as wage subsidies that are aimed at increasing employment outcomes.

**The Queensland Government believes that there is merit in trialing the concept of minimum expenditure as a disincentive to parking.**

### **An independent regulator**

The Queensland Government advocates the establishment of an independent monitoring authority to oversight the operations of the Job Network, including:

- quality of service
- performance
- providing independent advice to government on the resourcing levels necessary to assist job seekers
- providing transparency
- receiving and investigating complaints.

The need for an independent regulator is illustrated by the issue of “parking.” It is an indictment on the current regulatory framework that problems as major as “parking” have been widely known for some time and yet were not acted upon. As recently as 2000, the then DEWRSB believed that “parking” was not a widespread problem despite strong anecdotal evidence to the contrary.<sup>12</sup> The Queensland Government believes that an independent regulator separate to the department and equipped with the necessary statutory charter and powers will not only improve performance of the Job Network, but bolster public confidence in it. To argue that an independent regulator would bureaucratise or somehow impede market dynamics ignores the fact that the Job Network as established is a contrived market and a regulated one at that.

**The Queensland Government believes that an independent regulator separate to the department and equipped with the necessary statutory charter and powers will not only improve performance of the Job Network, but bolster public confidence in it.**

### **Expertise of Job Network staff**

The Commission discusses the level of training and expertise of Job Network staff in the Draft Report. The Queensland Government believes that the Commission’s treatment of this issue has not been as extensive as it could have been and that the Commission seems to have under-estimated both the skill level required of Job Network employment personnel and the contribution of this skill to achieving employment outcomes for clients, especially disadvantaged clients. To be competent Job Network personnel need to be equipped with a wide range of competencies and personal attributes including interpersonal communications, occupational and industry knowledge, public relations and marketing, knowledge of community resources, professional ethics and product knowledge. While these attributes and competencies

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<sup>12</sup> House of Representatives Standing Committee on Employment, Education and Workplace Relations, Report *Age Counts*, page 169.

together fall short of the traits that are commonly accepted as constituting a profession, employment personnel are nonetheless specialised positions.

Indicative of the skills required to effectively deal with disadvantaged job seekers is that the Commonwealth Employment Service (CES) employed several layers of specialist officers including psychologists and employment counsellors. Successive reviews of the Commonwealth Employment Service also identified this issue, fuelled by feedback from clients. This seemed to culminate in the introduction of mandatory training for case managers under the *Working Nation* initiative with links to universities to establish a graduate certificate in employment case management. The CES was an organization that devoted a relatively high proportion of resources to training and development of their human resources, which seems unlikely to be the case uniformly across the Job Network, especially for smaller providers.

It is not considered necessary to replicate the specialist structure that previously existed in the CES, but the issue needs to be addressed. One option to deal with this issue is to develop industry and occupational competency standards for employment personnel leading to qualifications developed against the Australian Qualifications Framework. Job Network staff could progress through industry modules using recognition of prior learning and on and off the job training modes. The Commonwealth should initiate a dialogue with Job Network providers and lead the development of industry competency standards and a formal qualification for employment officers employed in the Job Network. Consideration may also need to be given to the inclusion of appropriate Centrelink staff, for example, in their role of classifying job seekers using the Job Seeker Classification Index.

**The Commonwealth Government should initiate the development of industry competency standards leading to formal qualification for employment personnel in the Job Network.**

### **Fares assistance**

A lack of access to private or public transport either because of unaffordability or remote proximity to public transport routes is a significant impediment to job seekers during job search activities and one that traverses both metropolitan and regional and rural communities. It is time for the Commonwealth to acknowledge that unemployed job seekers are “transport disadvantaged” and that this transport disadvantage is an impediment to employment outcomes. The increasing activity obligations placed on job seekers pursuant to the principles of mutual obligation, amplifies the transport disadvantage effect.

The Queensland Government is not aware of a consistent approach by Job Network providers to assist job seekers with the cost of public transport to undertake bona fide job search activities such as attending job interviews. It appears that the provision of transport assistance is a discretionary matter for individual providers. The Commission refers to some Job Network providers that provide access to bicycles and skateboards to attend interviews.<sup>13</sup> However, this does not constitute an acceptable or serious substitute for a consistent policy approach that provides job seekers with

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<sup>13</sup> Productivity Commission *Independent Review of the Job Network Draft Report*, p. 3.4.

reliable transport for bona fide job search activities. And in fact, when compared to the Commonwealth funded Fares Assistance Scheme administered by the defunct CES, the piecemeal approach of Job Network providers is demonstrably deficient.

Some States provide varying degrees of concessional public transport fares for unemployed job seekers. Queensland acknowledges the benefits to job seekers of fares assistance, but has instead decided to allocate its limited resources to active labour market programs. Queensland believes that the provision of fares assistance is a Commonwealth responsibility. Moreover, the precedent for this is clearly established with the long running, but now discontinued Commonwealth Fares Assistance Scheme. The Queensland Government believes that employment opportunities for job seekers would be enhanced by the provision of 100% fares assistance for the purpose of undertaking bona fide job search activities. As such a scheme would apply only to job search activities, it would necessarily need to be administered by the Job Network. Fares assistance should be provided to unemployed job seekers who cannot afford the cost of transport, in all three levels of service provided by the Job Network (Job Matching, Job Search Assistance and Intensive Assistance).

**Future contractual obligations between the Commonwealth and all Job Network providers should include the provision of universal fares assistance for job seekers for the purpose of undertaking bona fide job search activities.**

### **Managing large-scale retrenchments**

During the past three decades the Australian economy has undergone substantial restructuring giving rise to the dual phenomena of job destruction and job creation resulting from the contraction of some industries and occupations alongside the expansion of others. While this change has tended to be relatively gradual, major corporate collapses of which Ansett Airlines is a recent example, are swift and their impact on the labour market is substantial. The socio economic and labour market impact of mass retrenchments are amplified markedly when their occurrence is confined to a community that is substantially dependent on that industry or firm and there are limited alternative employment opportunities.

While much of this economic change is an unavoidable phase in the evolution of a modern globally competitive economy, successive Commonwealth Governments have demonstrated that they can influence outcomes for those displaced as a result of change through early intervention labour market programs. The Office of Labour Market Adjustment that existed prior to the creation of the Job Network provided a capacity for government to respond promptly to major dislocations. Similarly, it was common practice for CES personnel to respond to mass retrenchments by setting up on-site registration, advice and referral to retrenched workers. There is ample evidence that early intervention strategies can act as a circuit breaker to workers becoming long-term unemployed. The contractual arrangements for Job Network providers and the structuring of assistance under three categories, together preclude providers from responding flexibly to mass retrenchment situations.

The Queensland Government believes that the Commonwealth Government should implement an early intervention labour market program aimed at flexibly responding

to mass retrenchments resulting from industry restructuring and corporate insolvency situations. Such a program could be similar to the Queensland Government's Worker Assistance Program or the United States Dislocated Workers Program and would be activated on a needs basis and delivery contracted to one or more Job Network providers. The failure of the Commonwealth to assist retrenched workers to make a successful transition to alternative employment effectively amounts to cost shifting to Queensland, which has implemented the Workers Assistance Program to assist this group. A recent example that illustrates this is that Queensland has activated the Workers Assistance Program to assist workers displaced as a result of Ansett's collapse (of which there are an estimated 1650 workers affected in Queensland). In stark contrast, the Commonwealth has not offered any assistance beyond the standard Job Network assistance.

### ***Queensland's Worker Assistance Program***

The Worker Assistance Program (WAP) is an early intervention labour market program aimed at assisting workers displaced, or about to be displaced, due to large scale or regional retrenchments, to make the transition to alternative employment. The Program can be activated in the following circumstances:

- Where an establishment proposes, or has actually retrenched, 25 or more workers due to liquidation and is therefore unable to provide similar assistance to its workers;
- In regional and rural communities, where an establishment proposes, or has actually retrenched, 15 or more workers and there is a resultant substantial detriment to the local community; and the employer is unable to provide similar assistance to its workers;
- Where retrenchments from a major establishment downsizing will significantly impact on the local economy and the establishment is unable to provide similar assistance to its workers. (Usually linked with industry restructure).

The Job Preparation Assistance component of WAP assists clients to identify their employment goal. It also provides job search training, career transition support, resume writing, job application and interview techniques, labour market advice and financial planning. Available assistance also includes training, an employer wage subsidy and re-location. The Program is similar to the Dislocated Workers Program, which has operated successfully in the United States for some time.

Activations of the WAP are made on a case-by-case basis. Where an activation is approved, all affected workers are eligible for assistance under the program. Two categories of assistance provide up to \$5,000 of assistance per worker.

By providing immediate assistance to displaced workers, the WAP aims to minimise the propensity of this group to become long-term unemployed. Broadly, the WAP targets situations of significant business closures or industry restructuring, but particularly communities that are substantially dependent on the affected business or industry and there is a paucity of alternative local employment opportunities.

Research by the Business Council of Australia (Boston Consulting Group) reveals that retrenchment is responsible for approximately 40 per cent of entries to the pool of long-term unemployed. Respected literature on reducing long-term unemployment supports early intervention as a strategy to ensure that workers quickly find alternate employment. Therefore, early, active job search is an important contributor to making a successful transition to work. Evidence indicates that displaced workers who are either older, lack skills and qualifications, are employed in low skilled jobs or have been with the same employer for a lengthy period, are particularly vulnerable to retrenchment and suffer poor post-retrenchment outcomes. Consequently, the WAP also targets these groups.

Re-employment outcomes for retrenchees have been shown to be affected by factors such as local labour market conditions, the number of displaced workers compared to the size of the local labour force and characteristics such as age, gender, educational status and skill levels.

The Queensland Government provides up to \$5 million annually to fund the direct costs associated with interventions. The Department of Employment and Training provides \$233,400 for staffing and administration costs.

Major outcomes since the WAP commenced in 1999, are: 30 interventions undertaken; 2,254 workers assisted with 59.8 per cent gaining immediate employment and 69.3 per cent per cent gaining training outcomes. The average cost of assistance per worker has been \$1,007, which is considered to be cost effective given the outcomes achieved.

**The Commonwealth Government should implement an early intervention labour market program that assists workers displaced as a result of mass retrenchments due to industry restructuring and firm closures.**





**ATTACHMENT 1**

**ACTIVE LABOUR MARKET PROGRAMS FUNDED BY  
THE QUEENSLAND GOVERNMENT**

**INDEX TO LABOUR MARKET PROGRAM INFORMATION**

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## **PROGRAM TITLE:**

Community Jobs Plan

## **DESCRIPTION:**

The Community Jobs Plan funds community and public sector organisations to employ long-term unemployed people, and those at risk of long-term unemployment, for periods of three to six months on a range of public works, community and environmental projects. Projects must be of benefit to the broader community with an emphasis on participants gaining training, competencies and work skills in such activities that will lead to employment opportunities relevant to local employer needs.

## **ELIGIBILITY CRITERIA:**

Sponsor organisations eligible to receive funding include: incorporated not-for-profit community sector organisations; regional development organisations; local government authorities; state government agencies and statutory authorities. Projects are also delivered at no cost to the participants.

Queensland residents aged over 15 years, who are long-term unemployed (12 months or more), or at risk of long-term unemployment, are targeted under the Community Jobs Plan. Groups considered “at risk” of long-term unemployment include: indigenous people; people with a disability; people from a non-English speaking background including newly arrived migrants, Temporary Protection Visa Holders (TPVs) and humanitarian refugees; mature aged people over 40 years; and young people particularly disadvantaged in the labour market including young offenders, those at risk of offending, early school leavers and those who are homeless.

People who have been referred by Centrelink to Job Network Providers or a Disability Employment Service for Job Search Training or Intensive Assistance are eligible to be employed on projects funded under the Community Jobs Plan. Unemployed people do not have to be registered with a Job Network provider, or be receiving assistance from Centrelink to be eligible for assistance. The selection of participants for all these programs is at the discretion of the sponsor organisations, subject to the eligibility criteria.

## **RATIONALE:**

The Community Jobs Plan offers long-term unemployed people the opportunity to build or restore their confidence by getting back into the cycle of going to work five days a week. It is a work-based program that allows participants to develop a work ethic and new skills amongst people who have been facing similar difficulties. These are ‘real’ jobs as participants have an employer, are working full-time and being paid wages.

This client group often have low levels of literacy and numeracy, low self-esteem and a lack of recent work skills having a significant effect on employability. Working on a project enables participants to restore their dignity, self-esteem and confidence to apply for further jobs from a position of employment.

Participants undergo training that provides for skills acquisition on the job that has the potential to lead to further employment opportunities. Priority is given to projects providing generic skills development that is transferable across industries and a diversity of work experiences rather than limited repetitive work skills.

## **RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Community Jobs Plan is different to the Commonwealth Government’s Work for the Dole Program. Community Jobs Plan jobs are ‘real’ jobs with participants paid an award wage and working on a full-time voluntary basis. Work for the Dole is considered work experience as opposed to a job given it is only two days a week, is compulsory as part of mutual obligation requirements and participants are not paid a wage for the work they do but continue to receive their Commonwealth benefit.

In addition, the Community Jobs Plan specifically targets those that have “fallen through the gaps” in the labour market, that is those unable to seek assistance or are ineligible for Commonwealth labour market programs such as Work for the Dole.

Sponsor organisations recruiting participants who are receiving assistance or allowances from Centrelink need to have the potential participants clarify the impact of participation on a Community Jobs Plan project as an approved activity on their continued eligibility for this assistance. Many community organisations have looked to Centrelink and Job Network providers for referrals but in many cases this has not been a successful strategy as their focus is clients on benefits who are required to undertake mutual obligation activities.

**FUNDING:**

The total budget for the Community Jobs Plan and the Community Employment Assistance Program over the six years (1998/99 to 2003/04) is \$104.77 million with a jobs target of 15,000. The Community Jobs Plan has a notional allocation of between \$23 - \$26 million each year with an average job cost of \$11,600.

**OUTCOMES:**

As at 16 January 2002, 497 Community Jobs Plan projects have been approved for grants totaling \$71.8 million for organisations to employ 6,159 long-term unemployed people, or those at risk.

Critical to the success has been the capacity to assist those most disadvantaged per cent mature aged, 20 per cent Aboriginal and Torres Strait Islanders, 2 per cent people from a non-English speaking background and 8 per cent people with a disability<sup>1</sup>.

The Community Jobs Plan has consistently achieved a high employment outcome rate with a post employment outcome rate of 53 per cent (80 per cent full-time employment) as at 31 December 2001 compared to a post employment and training outcome rate of 34 per cent for Work for the Dole for the year ending March 2001.

There has been a wide geographic spread of projects with over 70 per cent in electorates experiencing an unemployment rate of over 8 per cent and 62 per cent in regional and rural Queensland. A secondary positive outcome of the Community Jobs Plan has been the development of community infrastructure of lasting benefit and improving the environments of local communities.

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<sup>1</sup> Not mutually exclusive.

**PROGRAM TITLE:**

Community Employment Assistance Program

**DESCRIPTION:**

The Community Employment Assistance Program funds community and public sector organisations up to a maximum of \$60,000 to assist long-term unemployed people, and those at risk of long-term unemployment, find work. The assistance provided may include literacy and numeracy assistance, living skills, vocational training, work experience, job search and job placement assistance.

**ELIGIBILITY CRITERIA:**

Sponsor organisations eligible to receive funding include: incorporated not-for-profit community sector organisations; regional development organisations; local government authorities; and statutory authorities. Job Network Providers are eligible but must clearly demonstrate that the project will only assist participants that are currently not receiving Job Search Training or Intensive Assistance.

Queensland residents aged over 15 years, who are long-term unemployed (12 months or more), or at risk of long-term unemployment, are targeted under the program. Unemployed people do not have to be registered with a Job Network Provider or receiving assistance from Centrelink to be eligible for assistance.

**RATIONALE:**

The Community Employment Assistance Program is different to the Community Jobs Plan in that it offers long-term unemployed people pre-employment assistance developed specifically to 'break down the barriers' to accessing employment. The program has the flexibility to offer customised support and respond to specific target groups within the community.

The type of assistance offered can include a combination of skills audits, training needs analysis, literacy and numeracy assessment, living skills training, vocational training, work experience and job search assistance matched to the difficulties the target group are facing to enable them to become 'job ready'.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

Given that the Community Employment Assistance Program offers similar services to Job Network providers, it specifically targets those that are unable to seek assistance from the Commonwealth Government and have "fallen through the gaps". People who have been referred by Centrelink to Job Network Providers or a Disability Employment Service and are in receipt of Job Search Training or Intensive Assistance are not eligible.

**FUNDING:**

The Community Employment Assistance Program has a notional annual budget of \$3.37 million with an average assistance cost of \$1,300.

**OUTCOMES:**

As at 16 January 2002, 332 projects have been approved for grants totalling \$18.1 million that will assist 14,554 long-term unemployed people, and those at risk, and place an estimated 8,256 into jobs with 4,981 already having gained jobs. Critical to the success has been the capacity to assist those most disadvantaged in accessing labour market assistance. Over 60 per cent of participants have been long-term unemployed, 31 per cent mature aged, 14 per cent Aboriginal and Torres Strait Islanders, 14 per cent people from a non-English speaking background and 7 per cent people with a disability<sup>2</sup>.

The Community Employment Assistant Program has consistently achieved a high employment outcome rate. As at 31 December 2001, 49 per cent of participants have gained employment (with 74 per cent of the employment full-time) and 16 per cent entering further training at the completion of projects. There has been a wide geographic

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<sup>2</sup> Not mutually exclusive.

spread of projects with over 70 per cent in electorates experiencing an unemployment rate of over 8 per cent and 52 per cent in regional and rural Queensland.

**PROGRAM TITLE:**

Experience Pays.

**DESCRIPTION:**

This three year program, that was introduced in the current financial year, seeks to boost the job opportunities of long-term mature-aged job seekers through the provision of a \$4,000 wage subsidy to industry to employ more than 450 job seekers aged 45 and over per annum for a period of twelve months.

**ELIGIBILITY CRITERIA:**

Persons aged 45 years and over who are unemployed for six months or more and who are not in receipt of Intensive Assistance.

**RATIONALE:**

In Queensland, unemployed mature aged persons (45 years and over) numbered 30,300 in November 2001 and averaged 31,200 over the year. Although the unemployment rate for the mature aged is relatively low (5.1 per cent in November 2001), they account for 36.1 per cent of long-term unemployed persons in Queensland.

The incidence of long-term unemployment (long-term unemployment as a percentage of total unemployment) for mature aged unemployed persons is 38.8 per cent, compared to an average incidence of 23.3 per cent for all age groups. Comparative duration of unemployment is 78.5 weeks for mature-aged versus an average for all age groups of 48 weeks. These labour force statistics indicate that mature age people, while not proportionately highly represented in overall unemployment numbers, are disproportionately highly represented amongst the long-term unemployed.

The provision of wage assistance targeted to those mature aged persons unemployed for more than 12 months will provide an incentive to employers that helps address the barriers to employing this group of job seekers. The experience of the Commonwealth's previous 'JOBSTART' program demonstrates that wage subsidy programs are the most effective labour market programs for long-term unemployed persons in terms of employment outcomes.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

Job seekers in receipt of Intensive Assistance are able to receive substantial support, including wage subsidies, through their Job Network provider. Accordingly, to avoid duplication of the support available through the Commonwealth's Job Network, assistance through Experience Pays is limited to eligible job seekers who are not participating in Intensive Assistance through a Job Network provider. Persons otherwise in receipt of Commonwealth assistance are eligible to participate in the program.

**FUNDING:**

\$5.4 million over 3 years.

**OUTCOMES:**

The program was only launched in the latter half of 2001. Given recruitment lead times and program payment arrangements, it is expected that outcomes will progressively become available later in the current year.

**PROGRAM TITLE:**

Back to Work

**DESCRIPTION:**

This three-year program was introduced in the current financial year. The Program aims to assist job seekers over 45 years of age (who have been unemployed for at least three months) to undertake job search training and introductory training in information technology in order to increase their chances of securing employment.

The program seeks to assist 1,000 eligible persons per annum.

**ELIGIBILITY CRITERIA:**

Persons aged 45 years and over who have been unemployed for three months or more and who are not in receipt of Intensive Assistance.

**RATIONALE:**

It is widely acknowledged that almost all jobs in the labour market today involve the use of information technology applications. Industries based on information, new technology or services, which demand an increasingly wide range of new knowledge and skills (such as the ability to use IT) have replaced traditional manufacturing industries.

Research that has been conducted by the Department, in conjunction with the University of Queensland, included surveys of industry that indicated that key barriers facing job seekers were the lack of information technology and job search skills. This work confirmed the need to provide job seekers with information technology skills training, not only to meet the needs of the new economy jobs, but also as a tool in job search activities.

The provision of training in job search techniques and introductory information technology provides participants with the right skills to compete in the labour market. Without these skills, it is possible that mature age unemployed persons may drift into long-term and very long-term unemployment, which provides a significant barrier to securing employment, and has a broad range of other impacts on the individual and the community.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The program does provide assistance not unlike that available to some job seekers through the Commonwealth's Job Network. Accordingly, to avoid duplication of the support available through the Commonwealth, assistance through the program is limited to eligible job seekers who are not participating in Intensive Assistance through a Job Network provider. Persons otherwise in receipt of Commonwealth assistance are eligible to participate in the program.

**FUNDING:**

\$1.5 million over 3 years

**OUTCOMES:**

Approximately 400 persons assisted to December 2001.

**PROGRAM TITLE:**

Get for Work Program

**DESCRIPTION:**

The Get Set for Work Program was implemented in 2001 to assist unemployed early school leavers, aged 15 to 24 years, in communities experiencing high youth unemployment. The program has two components: grants of up to \$100,000 to community organisations and local councils to deliver a structured program of intensive employment and training assistance; and a wage subsidy of up to \$4,000 paid to employers that employ participants from the program.

**ELIGIBILITY CRITERIA:**

Sponsor organisations eligible to receive funding include incorporated not-for-profit community sector organizations and local government authorities. The Program targets unemployed early school leavers aged 15 to 24 years. An “early school leaver” is defined as a person who left school before completing Year 12 and does not possess a vocational qualification of AQF Level 2 or above.

**RATIONALE:**

Over the past 30 years, full-time employment opportunities have collapsed for early school leavers. This target group is considered particularly disadvantaged in the labour market. Approximately 30 per cent of young people do not complete Year 12 and by the time early school leavers reach 20-24 years, 17 per cent still have not completed Year 12 or a post school qualification and are not studying towards one. Research has shown that the completion of Year 12 has significant effect on employability and young people without Year 12 face significant disadvantage in gaining sustainable employment.

The program is being delivered in specific targeted areas of high youth unemployment throughout Queensland. The program offers unemployed early school leavers access to job search assistance and job placement opportunities in an effort to prevent them from drifting into long-term unemployment.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

Given that the Get Set for Work Program offers similar services to Job Network Providers, it specifically targets young people who are unable to seek assistance from the Commonwealth Government and have “fallen through the gaps”.

However, Job, Placement, Employment and Training (JPET) providers are able to refer their clients on a fee-for-service basis and on a case-by-case basis negotiated with departmental regional staff and the sponsor organisations. Similarly, Intensive Assistance (IA) clients are accepted onto projects on a fee-for-service basis however, the IA provider must meet the wage subsidy cost as well.

**FUNDING:**

The Get Set for Work Program is a “one-off” program in 2001/02 with a budget of \$5 million and a jobs target of 500. Included in the budget is a \$2 million allocation for employer wage subsidies.

**OUTCOMES:**

Since the Get Set for Work Program commenced on 1 July 2001, 27 projects worth \$2.3 million have been funded that will assist 742 unemployed early school leavers with 23 having already gained employment.

**PROGRAM TITLE:**

Public Sector Employment Initiative

**DESCRIPTION:**

The initiative aims to generate 13,400 additional trainees and 500 additional apprentices in public sector agencies over six financial years. The initiative also funds School Based Traineeships and Apprenticeships, which supports the transition from school to work by allowing students (typically years 11 and 12) to achieve a senior certificate while they train in an industry area to achieve nationally recognised VET qualifications.

**ELIGIBILITY**

Agencies eligible to apply include: local government agencies, state government departments, statutory authorities, and Aboriginal and Torres Strait Islander community councils.

All job seekers are encouraged to apply and the following targets apply:

- Women – 50 per cent
- People from a Non-English Speaking Background – 5 per cent
- People with a Disability – 5 per cent
- Aboriginal and Torres Strait Islander People – 5 per cent.

**RATIONALE:**

The program aims to utilise the capacity within the State Government to provide work experience and a vocational qualification for unemployed people, (with an emphasis on new labour market entrants, such as school leavers) to make them more competitive in the broader labour market.

As part of the program, agencies nominate to take on apprentices and trainees for the nominal duration of the apprenticeship or traineeship. In return, substantial funding is provided to offset the cost of wages of these additional staff. It is not the intention that all trainees be absorbed into the public sector, however it is evident that the program has assisted the State to increase the number of young people employed in the public sector. This is considered vital to the long-term viability of the service, given Queensland's aging population.

Opening up the program to local government agencies and Aboriginal and Torres Strait Islander community councils facilitates the creation of training opportunities across the State and assists regional and remote areas increase the number of employment opportunities for local people. These agencies also provide a wider scope of training opportunities because of the variety of work available.

The Initiative is part of the *Breaking the Unemployment Cycle* initiative implemented by the Beattie Government in October 1998.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Public Sector Employment Initiative, complements existing incentives provided at the Commonwealth level. Public Sector agencies are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

**FUNDING:**

Funding of up to \$16,000 is available to eligible agencies for each trainee (funding level depends on agency type). From 1 July 2001, State Government Departments have been funded to employ school based apprentices and trainees. Departments receive up to \$4,000 for each school based placement and the trainees and apprentices will work for the department for at least 96 days over the two-year period.

The total budget for the Public Sector Employment Initiative, over a six-year period is \$253.7 million.

**OUTCOMES:**

Approximately 69 per cent of trainees that participate in the Public Sector Employment Initiative obtain further employment. Of those trainees that complete their traineeship, 82 per cent obtain further employment.

**PROGRAM TITLE:**

Private Sector Employment Initiative

**DESCRIPTION:**

The Private Sector Employment Initiative provides an incentive for private sector employers and group training organisations to employ additional apprentices or trainees in industries suffering skill shortages and growth industries that are crucial to the development of the State's economy.

**ELIGIBILITY:**

Employers are eligible for an incentive if their apprentice or trainee:

- is employed in an eligible occupation within an identified skill shortage or growth industry,
- is additional to the business, and is not an existing worker (as defined by the Queensland Department of Employment and Training),
- has completed six months of their apprenticeship or traineeship, and
- is still employed with their organisation.

**RATIONALE:**

Despite high unemployment, in particular youth unemployment, the State experiences skill shortages in certain industries, which impede strong economic growth in the State. In addition, some of the State's more important industries experience economic peaks and troughs resulting in inconsistent traineeship and apprenticeship intakes. For example, in periods of downturn, fewer employment based training opportunities are provided with the result that when the economy picks up, there is a diminished supply of newly qualified tradespersons.

As a result, the Initiative aims to address industry skill shortages and skill requirements for emerging industries in Queensland. Providing a financial incentive to employers recruiting apprentices and trainees, assists the State increase its economic capacity in the long-term.

The Initiative is part of the *Breaking the Unemployment Cycle* initiative implemented by the Beattie Government in October 1998.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

Employers and group training organisations funded as part of the Private Sector Employment Initiative are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*. As part of this program, the Commonwealth also provides an incentive to employers in non-metropolitan areas who employ an apprentice or trainee in an identified skill shortage area.

Not all skill shortage industries listed by the State Government are included in the Commonwealth's list. However, where this occurs the additional incentive helps the State meet its aim of increasing training opportunities in those industries considered crucial to economic growth. The Private Sector Employment Initiative also focuses on future skill requirements for Queensland's growth industries and is not restricted to non-metropolitan areas.

**FUNDING:**

In general, where the training period normally takes three or more years to complete, a \$2,200 payment (inc GST) is made. Where the training period normally takes less than three years to complete, a \$1,100 payment (inc GST) is made. Employers become eligible for payment six months after the commencement date of the apprentice or trainee.

The total budget for the Private Sector Employment Initiative, over a six-year period is \$30 million

**OUTCOMES:**

The completion rate for trainee commencements since the start of the Initiative in 1998 is 56 per cent.

## **PROGRAM TITLE:**

Youth for the Environment and Local Communities

## **DESCRIPTION:**

The Youth for the Environment and Local Communities program aims to create 1,200 additional traineeships in the areas of environmental protection, horticulture and waste management and targets young people aged between 15-24.

## **ELIGIBILITY:**

Agencies eligible to apply include:

- local government agencies,
- state government departments,
- statutory authorities,
- Aboriginal and Torres Strait Islander community councils, and
- not-for profit community organisations.

The program targets youth aged between 15-24 years of age and the following targets apply, to facilitate diversity:

- Women – 50 per cent
- People from a Non-English Speaking Background – 5 per cent
- People with a Disability – 5 per cent
- Aboriginal and Torres Strait Islander People – 5 per cent

## **RATIONALE:**

Both in government and business, environmental job opportunities are increasing. This program provides young people with the appropriate training and work experience to enable them to take advantage of some of these opportunities.

The Youth for the Environment program is modelled on the successful Public Sector Employment Initiative, but has also been extended to not-for profit organisations in recognition of the important environmental work conducted by these organisations.

The program commenced 1 July 2001, and is a relatively new addition to the suite of programs offered as part of the *Breaking the Unemployment Cycle* initiative.

## **RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

This program, complements existing incentives provided at the Commonwealth level for apprentices and trainees. Public Sector agencies and not-for profit community organisations are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

## **FUNDING:**

Funding of up to \$16,000 is available to eligible agencies for each trainee (funding level depends on agency type).

The total budget for the Youth for the Environment and Local Communities program, over a two-year period is \$20 million.

## **OUTCOMES:**

As the program only commenced 1 July 2001, outcome data is unavailable.

**PROGRAM TITLE:**

State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy)

**DESCRIPTION:**

The State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy) is part of the Queensland Government's State Purchasing Policy.

The 10% Policy is also a key element of the Government's *Breaking the Unemployment Cycle* initiative. The policy requires that 10% of the total labour hours on any Queensland Government building and construction project over a prescribed threshold (\$250,000 for building projects and \$500,000 for civil projects) be undertaken by apprentices, trainees or cadet or used to upskill a capped number of existing workers.

The 10% Policy is targeted to create training opportunities for 1500 additional apprentices/trainees and cadets in the building and construction industry over five financial years from 1998.

**RATIONALE:**

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. The Government has chosen to mandate a training component on all its infrastructure programs. The program is designed to address skills shortages and foster a training culture within the building and construction industry.

**ELIGIBILITY CRITERIA:**

The 10% Policy applies to all Queensland Government and Government Owned Corporation's building projects over a prescribed threshold (\$250,000 for building projects and \$500,000 for civil projects).

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Policy complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Building and construction industry employers are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

**FUNDING:**

N/A

**OUTCOMES:**

As at 31 December 2001 an additional 2,600 training opportunities have been created.

**PROGRAM TITLE:**

Building Construction Industry Training Fund (BCITF).

**DESCRIPTION:**

The fund was established in 1999 through capitalising on existing industry investments in the Portable Long Service Fund. The amount allocated to training is equivalent to 0.05 per cent of the cost of building and construction work used to calculate the portable long service levy each financial year.

The training fund is an essential tool in the Government's "Breaking the Unemployment Cycle Initiative as it encourages skills development within the building and construction industry. The fund provides incentive payments to employers who take on additional apprentices and trainees in industry areas identified as experiencing skill shortages and low apprentice and trainee intakes.

Monies are also allocated to other programs such as up-skilling and cross skilling existing workers, research and development and to provide skills development opportunities in the industry for women and Aboriginal and Torres Strait Islander peoples.

**RATIONALE:**

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. Over the last decade there has been a shift to sub-contracting in the building and construction industry resulting in a trend for the engagement of fewer apprentices. The fund is designed to maximise employment opportunities and alleviate skill shortages in the building and construction industry. It has a specific occupational targeting within a regional context.

**ELIGIBILITY CRITERIA:**

Under the provisions of the Portable Long Service Leave Act 1998, the Board of Management of Construction Training Queensland, a recognised industry training advisory body, recommends to the Minister of Employment and Training the appointment of independent trustees to the Building and Construction Industry Training Fund.

The Construction Training Queensland Board of Management endorses and recommends ministerial approval of an annual Fund Training Plan, outlining how BCITF funds are allocated each year. The independent trustees have a responsibility to oversee and monitor the implementation of the BCITF Training Plan by Construction Training Queensland as Fund Manager.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Building Construction Industry Training Fund (BCITF) complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Building and construction industry employers are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

**FUNDING:**

The Portable Long Service Leave Authority provides an annual grant of between \$5-6 million to the BCITF each year. Construction Training Queensland the recognised industry training advisory body has responsibility for administering the fund. Following a review of the Funds Training Plan, the Minister has approved funding of \$6 030,000 for the 2001-2002 financial year.

**OUTCOMES:**

The fund began operation in 1999 and has supported the employment of an additional 1826 apprentices and trainees. It is expected that over 4 financial years, beginning in the 1998-1999 financial year that employers will be encouraged to employ up to 3000 additional apprentices and trainees.

**PROGRAM TITLE:**

Housing Industry Trade Training (Plus) Scheme.

**DESCRIPTION:**

The Housing Industry Trade Training (Plus) Scheme is a joint initiative between the Department of Employment and Training, the Department of Public Works and the Department of Housing, which is the lead agency.

The scheme is aimed at providing apprenticeship and traineeship training and employment in the public housing sector through the allocation of public sector housing projects to participating group training organisations.

HITT Plus provides work and funding for the creation of new apprenticeship positions through group training organisations.

**RATIONALE:**

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. The program is designed to provide additional training opportunities for building and construction apprentices and trainees employed by participating group training organisations. The Government recognised the need for intensive training in the initial period of an apprenticeship and has made the construction of public housing available, as a mechanism to facilitate this training.

**ELIGIBILITY CRITERIA:**

A HITT Plus apprentice is a building related apprentice or trainee employed by a group training organisation as a direct result of projects being made available under HITT Plus. Usually, such apprentices or trainees will be new entrants, but it is accepted that out-of-trade apprentices would be included.

A HITT Plus apprentice is an additional apprentice over a base level determined by the relevant parties.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

HITT Plus complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Group training organisations are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

**FUNDING:**

Over 4 financial years from 1999-2000 the Government will be providing \$12 Million in training funds for the HITT Plus program as a major part of the Government's 'Breaking the Unemployment Cycle Initiative'.

**OUTCOMES:**

Over a 6 year period the overall target of the program is to provide opportunities for an additional 1000 apprentices and trainees in the building and construction industry. As at 31 July 2001, 500 additional apprenticeships and traineeships have been created.

**PROGRAM TITLE:**

Worker Assistance Program

**DESCRIPTION:**

The Worker Assistance Program (WAP) is an early intervention labour market program aimed at assisting workers displaced, or about to be displaced, due to large scale or regional retrenchments, to make the transition to alternative employment. The Program can be activated in the following circumstances:

- Where an establishment proposes, or has actually retrenched, 25 or more workers due to liquidation and is therefore unable to provide similar assistance to its workers;
- In regional and rural communities, where an establishment proposes, or has actually retrenched, 15 or more workers and there is a resultant substantial detriment to the local community; and the employer is unable to provide similar assistance to its workers;
- Where retrenchments from a major establishment downsizing will significantly impact on the local economy and the establishment is unable to provide similar assistance to its workers. (Usually linked with industry restructure).

The Job Preparation Assistance component of WAP assists clients to identify their employment goal. It also provides job search training, career transition support, resume writing, job application and interview techniques, labour market advice and financial planning. Available assistance also includes training, an employer wage subsidy and re-location. The Program is similar to the Dislocated Workers Program, which has operated successfully in the United States for some time.

**ELIGIBILITY CRITERIA:**

Activations of the WAP are made on a case-by-case basis. Where an activation is approved, all affected workers are eligible for assistance under the program. Two categories of assistance provide up to \$5,000 of assistance per worker.

**RATIONALE:**

By providing immediate assistance to displaced workers, the WAP aims to minimise the propensity of this group to become long-term unemployed. Broadly, the WAP targets situations of significant business closures or industry restructuring, but particularly communities that are substantially dependent on the affected business or industry and there is a paucity of alternative local employment opportunities.

Research by the Business Council of Australia (Boston Consulting Group) reveals that retrenchment is responsible for approximately 40 per cent of entries to the pool of long-term unemployed. Respected literature on reducing long-term unemployment supports early intervention as a strategy to ensure that workers quickly find alternate employment. Therefore, early, active job search is an important contributor to making a successful transition to work. Evidence indicates that displaced workers who are either older, lack skills and qualifications, are employed in low skilled jobs or have been with the same employer for a lengthy period, are particularly vulnerable to retrenchment and suffer poor post-retrenchment outcomes. Consequently, the WAP also targets these groups.

Re-employment outcomes for retrenched workers have been shown to be affected by factors such as local labour market conditions, the number of displaced workers compared to the size of the local labour force and characteristics such as age, gender, educational status and skill levels.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

Although there is substantial job search support available through the Commonwealth's Job Network, this assistance is primarily for the long term unemployed (over 12 months). While Centrelink is often involved in WAP activations its role has been restricted to advising retrenched workers on how to access benefits. On-site interview and assessment of retrenched workers used to be provided by the now defunct Commonwealth Employment Service (CES), but this service is not available through the Job Network. The CES was also supported by various industry

adjustment programs through the Office of Labour Market Adjustment (OLMA). Once again, the OLMA programs have been discontinued.

**FUNDING:**

Queensland Treasury provides up to \$5 million annually to fund the direct costs associated with interventions. The Department of Employment and Training provides \$233,400 for staffing and administration costs.

**OUTCOMES:**

Major outcomes since the WAP commenced in 1999, are: 30 interventions undertaken; 2,254 workers assisted with 59.8 per cent gaining immediate employment and 69.3 per cent per cent gaining training outcomes. \$2,073,393 has been expended on direct support to these retrenched workers.

**PROGRAM TITLE:**

Community Training Partnerships

**DESCRIPTION:**

The Community Training Partnerships program (CTP) is a component of the State Government's *Smart State* initiative. This program specifically aims to increase access to vocational education and training by people who do not currently participate in training and to deliver training in modes suited to the needs of this group. Unemployed persons are a key target group of the program.

To achieve this objective, the program helps communities to identify their current and future employment needs aligned to economic and social development, and to purchase the appropriate training. The program also seeks to develop linkages to programs under the 'Breaking the Unemployment Cycle' initiative and support other government initiatives.

**ELIGIBILITY CRITERIA:**

Persons who are unemployed or employed but vulnerable/disadvantaged in the workforce.

**RATIONALE**

The changing nature of the Queensland and national labour market and economy is demanding new skills of the workforce. Research conducted by the Department has highlighted the need to boost the skills of the labour force, particularly for those persons who do not have a post-school qualification or are otherwise disadvantaged in the labour market and workforce.

The vocational education and training sector has, however, had some difficulty in engaging these low skilled workers and others disadvantaged in the labour market. These difficulties, in part, may reflect these persons' past experiences of education and training not being positive, or due to geographical, economic or other factors may not have access to 'traditional' skills development opportunities.

CTP seeks to address some of these concerns by funding community organisations to provide more flexible, accessible and 'user friendly' vocational education and training pathways for these disadvantaged workers and job seekers. By working through these arrangements, the program is also able to provide more timely responses to identified skill needs in communities than might be available through more 'traditional' delivery strategies.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

While there are no formal links with Commonwealth Government programs, unemployed persons and others in receipt of income support through the Commonwealth are eligible to participate in the program.

It is also the case that individual CTP projects link with, or build on, local economic and employment initiatives that have received Commonwealth program assistance. In several instances organisations that also provide Job Network services have assisted with the delivery of projects.

**FUNDING;**

\$5 million in 2001-02

**OUTCOMES:**

As at December 2001, some 3,418 persons had been assisted through the program since its implementation in 2000-01.

**PROGRAM TITLE:**

Indigenous Employment Policy.

**DESCRIPTION:**

The Indigenous Employment Policy requires all State Government building and construction contracts in Deed-of-Grant-in-Trust communities and the shires of Torres, Aurukun and Mornington to include a clause specifying that 20% of the labour hours of the contract are to be sourced from the local community. Half of those employed under this policy are required to be in approved training. State agencies are additionally required to be flexible in the scheduling of the contracts to maximise employment and training opportunities.

**ELIGIBILITY:**

All State Government funded building and construction contracts in the specified locations.

**RATIONALE:**

Unemployment rates in indigenous communities are extremely high, and there are few opportunities available to develop additional employment opportunities with rural and remote communities. The construction industry in these communities is the largest on-going industry. However, the majority of contracts are won by contractors external to the community, who then fly labour in for the project, and on completion of the project leave, without having effected a skills transfer or added to the development of the local economy. Government agencies are substantial contributors to building and construction projects within the community, and this Policy enables government to intervene to ensure that skills and the opportunity for employment and economic development are available to the community. The building and construction industry is therefore a viable industry to develop a vehicle for on-going long-term employment, training and skilling of local people.

This Policy ensures that a local economy can be established and has the long-term intention of enabling Indigenous construction companies to tender for local projects, decreasing import substitution of labour.

**REALTIONSHIP WITH THE COMMONWEALTH GOVERNMENT:**

The Commonwealth does not provide a similar policy, but has been advised of the State Policy, with approached to departments and Ministers to develop similar provisions and to enable flexibility in scheduling to maximise employment opportunities.

**FUNDING:**

No additional funding has been provided for this Policy.

**OUTCOMES:**

As the Policy was approved for implementation in May 2001, outcome data is unavailable.

**PROGRAM TITLE:**

Indigenous Employment and Training Support Program

**DESCRIPTION:**

The program is designed to provide culturally appropriate support for Indigenous apprentices and trainees across nine locations in Queensland. The aim is to increase retention and completion rates for Indigenous apprentices and trainees.

The Indigenous Employment Training Support officers support the implementation of the Indigenous Employment Policy through taking a training coordination role, and in the Cape York Region ensuring that training required for the implementation is purchased in accordance with the expressed requests of the community.

**ELIGIBILITY:**

All Indigenous apprentices and trainees in specified locations:

- Bamaga – Northern Peninsula area
- Cunnamulla
- Ipswich/Inala/Beenleigh corridor
- Hervey Bay, Maryborough, Bundaberg
- Palm Island
- Greater Cooktown
- Kowanyama/Pormpuraaw
- Lockhart River, Coen
- Woorabinda

**RATIONALE:**

The Department of Employment and Training, through its employment and training programs had been able to increase the numbers of Indigenous apprentices and trainees, however, the retention and completion rates were substantially lower than for mainstream apprentices and trainees. By providing culturally appropriate support, mentoring and referral services, it is anticipated that there will be an increased retention and completion rate and therefore the development of a greater skills base within the Indigenous community.

**REALTIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Commonwealth does not provide a similar service.

**FUNDING:**

Funding has been provided for this trial program from the *Breaking the Unemployment Cycle* initiative. The total budget is \$600,000 for a 12-month period.

**OUTCOMES:**

An external evaluation of the program will be undertaken, completing June 2002.

**PROGRAM TITLE:**

2002 Youth Access Program

**DESCRIPTION:**

The aim of the Youth Access Program is to provide training and employment opportunities to Queensland school students, who are “at risk” of leaving school early. Its purpose is to correct and overcome early disadvantage, before it becomes endemic by developing the basic skills necessary to access further training and employment through apprenticeships and traineeships. ‘At risk students’ is defined as students who, without additional assistance are:

- not likely to succeed at, or gain value from, traditional school education; and/or
- likely to withdraw from school without completing year 12; and/or
- likely to have difficulty obtaining sustainable employment when they leave school; and/or
- not likely to undertake study towards a post-school qualification, including an apprenticeship or traineeship; and/or
- not likely to successfully complete an apprenticeship or traineeship.

The core target group is year 10 and 11 students, because the preferred outcome from this pilot is for students to articulate into a school-based apprenticeship by the beginning of year 12. It is also acceptable for year 12 students and year 9 students, who have reached the maximum compulsory school age, to be involved.

Further, the following groups have been identified as particularly likely to require training under this pilot:

- . Australian South Sea Islanders;
- . Indigenous people;
- . Low socio-economic groups;
- . people from a non-English speaking background; and
- . people with a disability;

**ELIGIBILITY CRITERIA:**

Queensland Secondary School students in years 9, 10, 11 and 12.

**RATIONALE:**

A significant impediment to increasing school retention rates generally and to individuals gaining employment, is the attrition of students that is attributable to their background and circumstances. It is these “at risk” students that the Youth Access Program specifically targets. With early intervention, it is hoped that these students will develop the skills that will enable them to obtain employment or transition into a school based apprenticeship/traineeship or higher learning. The Youth Access Program is also consistent with the Queensland Government’s objectives of skilling the labour force and creating a “Smart State” through the *Queensland – The Smart State Strategy*.

**FUNDING:**

School Year	Period	Funding	Amount
2001	1 Jan 2001 to 30 June 2001	State Access Special Initiatives fund	\$700,000.00
2001	1 July 2001 to 31 Dec 2001	New Initiative Funding	\$1M
2002	1 Jan 2002 to 31 Dec 2002	New Initiative Funding	\$2.5M
2003	1 Jan 2003 to 31 Dec 2003	New Initiative Funding	\$2.5M
2004	1 Jan 2004 to 30 June 2004	New Initiative Funding	\$1M
	* Funding after 30 June 2004 has not yet been allocated		
<b>Total</b>			<b>\$7.7M</b>

**OUTCOMES:**

At the completion of training it is anticipated that each participant will transition into one of the following for a minimum period of two (2) months:

- School based apprenticeship or traineeship;
- Apprenticeship or traineeship full time;
- Apprenticeship or traineeship part time;
- Full time employment (persons who usually work 35 hours per week or more);
- Part time employment (persons who usually work less than 35 hours per week and more than 15 hours per week); or
- Higher vocational education and training certificate level than undertaken in the Youth Access Program.

It should be noted that whilst a successful outcome may also may also include the continuation of a student's general education, it is preferred participants achieve one of the outcomes listed above.

**PROGRAM TITLE:**

Travel and Accommodation Subsidies For Apprentices and Trainees

**DESCRIPTION:**

The subsidies are provided to assist apprentices and trainees meet the extra costs they incur when they have to travel away from their workplace for training in their apprenticeship or traineeship.

**RATIONALE:**

As apprentices and trainees receive a reduced wage because they are in training, often they do not have sufficient financial resources to travel to and from their training. This problem is accentuated in Queensland by the geographical dispersion of the population and industry. In fact, without the benefit of the travel subsidies it is probable that many apprentices and trainees would not be able to participate in training. In recognition of this, the Queensland government provides travel subsidies to apprentices and trainees under certain criteria. By increasing access to training, travel subsidies contribute towards the alleviation of skill shortages and raising the overall skills of the labour force.

**ELIGIBILITY CRITERIA:**

To be eligible to receive the subsidies the apprentice or trainee must have to travel more than 100 kilometres (round trip) and attend the closest training provider. This does not limit the choice of training provider under the User Choice policy but recognises the limitations of the budget and what costs could be reasonably expected to be borne by the apprentice or trainee.

**RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:**

The Commonwealth government provides travel and accommodation assistance to apprentices and trainees if they have to relocate to gain an apprenticeship or traineeship. These subsidies do not cover the same costs as those addressed by Queensland.

From July 2000 the Commonwealth taxation legislation provided that Travel and Accommodation subsidies are income and therefore are taxable. GST and Withholding Tax provisions do not apply. The state provides a payment summary at the end of each financial year that is to be included in their income tax return. Queensland advises apprentices and trainees that whilst we cannot guarantee ATO behaviour, they should keep a record of all costs associated with attendance at their supervising registered training organisation and submit these with their income tax return.

**FUNDING:**

Travel and accommodation subsidies are based on zones that recognises the distance travelled. From 100 to 650 kilometres the rate is 12 cents per kilometre, from 650 to 2000 16 cents per kilometre, above 2000 kilometres an airfare is booked and provided by the state. Accommodation subsidies are paid at a flat rate of \$11 per day including weekends. The state budget allocation is \$1.4M per year.

**OUTCOMES:**

The department processes approximately 8,000 claims per year, which effects approximately 3,500 apprentices and trainees.