

Young People and Australia's Job Network

**A Submission to the Productivity Commission
Inquiry into Job Network, April 2002**

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Summary:

The Australian Government funds Job Network, with job search, job training and intensive assistance as the cornerstone of employment services policy. As with other fields of Australian service delivery in health and community services, providers are a "mixed economy" of NGOs and private sector organisations. However, unlike other programs for vulnerable and at risk young people, Job Network (JN) does not build into its design, the relevant international and national research on factors influencing successful school to work transitions. It offers no specialist youth service, it requires no minimum service standards of its providers, it favours no evidence-based programs, service models and interventions, it expects no particular competencies from its staff. Because it does not track the 'distance-travelled' by any young person within their experience of Job Network, nor measure levels of satisfaction with JN nor the impact of Job Network involvement, positive or negative on any young individual, it is difficult rationally to endorse JN's competency as a service system. Moreover, this paper reports the initial findings of a small study which note that, first, JN is incapable of addressing the complex needs of at least some young people attempting to find work; second, that in many cases, JN involvement does not lead to sustainable employment outcomes and third, that the JN experience is both negative and counterproductive for many young people. Specifically, the paper notes that the experience of some young people is that their unemployment and their level of disadvantage is likely to be extended whilst they are clients of JN. The findings suggest that the operating model of Job Network, which is to mould the supply side (via invoking processes of automatic referral, mutual obligation, breaching and penalties) may even be harmful, because the more appropriate way to develop young people is through concerted support and encouragement, via coordinated access to appropriate services, including careers services and through enlisting a young person's motivation as the central participant in his/her future. The report describes ways in which the present arrangements alienate many young people, and as such, are unlikely to produce outcomes able to meet employer demand. The report also notes that participation in Job Network in itself can induce further psychological and social obstacles, beyond those in existence at the time of referral, thus distancing some young people further from work. The report argues although further research is needed, that evidence already available from Australian and international studies about successful school to work transitions, about reversing youth disadvantage and the constitution of successful service models needs implementation. The assumption that any job, whatever its quality and however temporary, leaves a young person better off than a concerted effort to assist the young person to find a job of choice is questioned.

Chapter 1 Introduction

1.1 Preamble

The phenomenon of youth unemployment has existed since the seventies and a vast body of literature and research has been developed, documenting policy analyses and past and current programmatic and practice responses. Providers of employment services to young job seekers can draw on empirical data about the characteristics of the youth labour market; the complex features of the 'school to work transition' process; current Australian and international systems for ensuring such a transition occurs successfully, and finally, research about the risks which lead a young person to become marginally attached to the workforce and society. At the present time, there is an international convergence of empirical evidence about some basic system requirements for the effective support of young people through the school to work transition process.

This interim report documents a small independent research project which examined how the Job Network does, or does not meet the complex educational, social and employment needs of young people who do not enter directly onto one of the 'highways' to full time work or education. The aim of the research was to fill an existing gap in empirical data about the experiences of young job seekers in their utilisation of the Job Network systems.

This research concludes that Job Network's 'one size fits all ages' program delivery fails to take account of the complex issues faced by unemployed young people many of whom are seriously disadvantaged personally, educationally, socially and economically. A young job seeker's need for 'preparation for work' requires quite different service supports from the 'return to work' approaches required for adults who have been out of work.

The project consisted of a policy review, a literature survey and a small qualitative, empirical project. Focus groups were followed by discussions with staff delivering JN services and a focus group with senior managers. The project design specified three interviews spaced a month apart with 10 young people to first, identify the nature of their original career aspirations and social circumstances and then to track their progressive experiences with the Job Network.

The sample was only small but the major strength of the research was that young job seekers were to be interviewed three times to elicit the quantity and quality of their contacts with the Job Network service system. Unfortunately concerns about privacy of information legislation have to

this date prevented the second and third interviews. This interim report is the outcome of the first round of interviews.

The layout of this report is as follows. Chapter 2 will review the literature on empirical research about the Australian youth labour market; the Australian vocational education system and lastly international state of the art knowledge about the system requirements for an effective beginning at work, known as the school to work transition process. Chapter 3 will give a brief description of the current Job Network supports available to unemployed young job seekers and report of currently available evaluations of the Job Network. Chapter 4 will cover the research questions and findings of the larger piece of research. Chapter 5 will summarise the findings of the study and propose an analysis of these.

Please note that this interim report draws on the contents of two separate documents, namely, a Productivity Commission Inquiry submission of October 2001 and a stand alone literature review.

Appendix One will contain the details of the research methodology, including the variables explored in the focus group and interviews and staff questionnaires.

Chapter 2 The Youth Labour Market and Vocational Support Systems.

Preamble.

As stated above, this chapter draws on the separate literature review and Productivity Commission submission documents. This chapter consists of three major sections:

1. summary of research and statistics about the youth labour market and youth labour market disadvantage.
2. an overview of Australia's current vocational education system
3. current academic and research consensus on desirable and proven strategies for assisting disadvantaged and other young people to achieve sustainable employment or careers an overview of current Australian systems for post-secondary education, training and employment assistance.

The literature review demonstrates the rationale for undertaking the current empirical study.

2.1 The Youth Labour Market and Youth Disadvantage

There are two frameworks for looking at unemployed young people. The first is from the perspective of all young people, looking at the deviations from the norm. The second is the more traditional selective social problems approach, which is to examine the characteristics of unemployed young people and describe them by their deficits. The two approaches need to be brought together.

2.1.1 What is known about the Australian youth labour market?

To take the first approach first, the gradual disappearance of the teenage labour market where industry had permanent entry level positions attached to a career ladder, has been thoroughly documented and there is no need to repeat these analyses here. It is also well known that there has been a tremendous growth in part time jobs in low paid unskilled or semi-skilled industries such as retail and hospitality and a consequent casualisation of the teenage labour force.

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

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

Finishing school is not in itself a guarantee of sustainable employment. Much depends on the local and regional demand for the labour of young people and the existence of opportunities for entry into sustainable vocations. The differences between the metropolitan Melbourne and rural labour markets has been evidenced statistically for over two decades. The bifurcation of labor markets into above and below average rates of unemployment must logically have a major impact on the chances of young people finding entry level jobs.

There are a number of young people who complete school successfully who cannot find jobs in their local labor market. WorkPlacement has developed the Regional Environmental Employment Project (REEP), a program supported by a consortium of state and local agencies and private employers to provide a year long program which aims to deal with rural land degradation and youth unemployment simultaneously. The program components mix for each young person: work for a local employer, work with colleagues on a notable public environmental program plus study at a local TAFE for a certificate of environmental conservation, equip young participants for sustainable employment.

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

Despite the overall increase in the past 15 years in the number of young people completing Year 12, since 1996 there has been a drop in rates of school completion. There are now significant predictors of non school completion and thus youth unemployment. The (national) Longitudinal Study of Australian Youth (LSAY) study conducted by the Australian Council of Educational Research (ACER) shows that more non school completers have the following characteristics:

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

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

2.1.2 What is known about unemployed young people?

As Sweet points out, the unemployment rate is a poor measure of what is happening to school leavers. For every young person who is looking for work there is at least one more who can be found who is not counted but is not involved in full time work or full time study, nor indeed in any work or study that leads to sustainable employment (Sweet 1998, p 6). The hidden unemployed also include those working full time at the time of data collection, but in precarious seasonal work. Similarly, the unemployment figures hide those who remain at school because of scarcity of jobs (McClelland et al 1998).

2.1.3 Teenagers at risk on the labour market

In 1998 and again in 2001, 15% of teenagers (15-19) were not in full time work or full time education, a characteristic usually defined as "being at risk" in the labour market. The following paragraphs will outline the nature of such risks for young people. The average percentage of teenagers not in full time work or full time education over the last 14 years has been 15.4% (Curtain 2001, p 1). This represents an estimated 205,300 young people per annum.

Early school leavers.

There is much empirical evidence that early school leavers are twice as likely to be involved in marginal labour market and education/training activities than those completing 12 years of schooling, and three times as likely to remain in such a position for over 12 months (McClelland et al). Ainley shows that only a third of those leaving prior to year 12, as distinct from two thirds of year twelve graduates, go into further education and training. (Ainley 1998, p 61) McClelland et al estimated that the group not in full time work or education in 1996 contained 187,705 15-19 year olds and 70% of these were early school leavers (McClelland et al, pp 108, 110)

Transitions to full time sustainable employment.

The Commonwealth policy that overwhelmingly drove the education and employment agenda from the mid eighties in response to youth unemployment related to the promotion of the importance of school retention and to modifying school curricula to include vocational components through industry-school partnerships. Despite improvements in both policy areas, current Australian statistics show that a quarter or so young people at the age of finishing high school (18-19) are either choosing not to work or study full time, or are having real difficulties finding a job (Sweet 1998, p 6).

There is an even greater number of young people aged 20-24 ie 26% who are likely to be either unemployed, in part time work or not in the labour force (Spierings 1999, pp 8-9).

School retention peaked during the eighties to 77% but has dropped in the last decade. There has been a growth in industry school partnerships and joint projects but the evidence suggests that much of the training or experience provided is very short term and relatively content free (Sweet 1998, p10).

Sweet argues, and this is confirmed by the Government's own report *Footprints to the Future* (DETYA 2001), that secondary schools have not made the necessary adjustments to make school attractive or relevant for too many young people (ibid, p 16).

Employment, underemployment and long term unemployment

There is a frequent assumption amongst policy makers that casual work leads to a secure job. This may not be so. The ABS employment survey 1994-1997 (Catalogue 6286.0) found that of those jobseekers in casual jobs, only a fifth moved to permanent jobs. A quarter were in no job at all. There seems to be no evidence that churning young people in and out of casual jobs is of long term assistance.

It can be argued that the majority of young people in part time work could be considered underemployed. In September 2000, 437,400 people in Australia worked part time and wanted more hours. Over a third of these (34%) were under 25 years of age (ABS, p 5). Thus 126,230 15-24 year olds wanted more hours, with the majority (101,700) wanting substantially more hours — 10 or more (ibid, table 7).

Long term unemployment

Over the past decade, young people and older workers have had the highest rates of long term unemployment (ACOSS, p 8). In September 2000, the ABS estimated that 26% of the unemployed (or 163,000) have been unemployed for longer than 12 months, with 107,000 out of work for longer than 2 years (ACOSS, p 6).

2.1.4 Risks associated with marginal labour market participation

Unemployment involves low incomes. Young people are most likely to be on the lowest two income quintiles and the families of unemployed young people also are disproportionately likely to be of low income (ABS Cat 4119 , p 57).

Research has also shown the existence of intergenerational unemployment, with some long term unemployed young people having one or both parents unemployed for long periods of time. Thus, the young person may grow up in a socio-economically and educationally disadvantaged family living at the margins of participation in labour market and other opportunities in society.

As eligibility for income support has constricted, more young people are relying on their parents financially. The National Australia Bank in January 1999 reported that an extra 2 years' stay at home by young adults would leave parents \$20,000 poorer. This supports Spierings' concern about the reinforcement of the existing and growing divide between rich and poor, with young

people's life chances being determined by the socio-economic status of their parents (Spierings 1999, 2000).

Longer dependence on parents is also likely to increase tensions particularly in poorer households, perhaps leading to relationship breakdowns. WorkPlacement's Youth Futures project supporting young people out of school and the labour market, confirms a high degree of family tension amongst these young people. Financial tensions can lead to relationship breakdown which in turn leads to homelessness.

Young Australians aged 18—24 years have the highest prevalence of mental health disorder of any age group, with 27% of 18—24 year olds reporting suffering from some form of mental health or substance abuse disorders (ACOSS et al 2001, p 9).

The loss to the nation of unemployment generally through reduction of output is in the order of 5—6% of GDP per year (Junankar 99 cited in ACOSS et al, p 9). The impact of the development of a cohort of young people who lack the foundations to join the new economy has not been modelled, but logic suggests this will lead to permanent depression of GDP.

2.1.5 What does this mean?

Policies to tackle youth unemployment need to acknowledge as a starting point, the diminished supply of entry level, permanent jobs for teenagers, even for those who complete year 12 in accordance with the key Government policy strategy of school retention as the solution to changes in the labour market over the last twenty years. As Sweet points out (see 2.2.2), the official unemployment figures hide at least the same number who are not counted as unemployed. Variations between regions in the supply of job opportunities, which usually occur in tandem with other indicators of locational disadvantage are also reflected in higher levels of early school leaving.

Quite clearly, the transition from secondary school to stable sustainable employment is highly problematic for too many young Australians. The crucial question for policy makers is whether low paid casual/part time work can constitute stepping stones to sustainable permanent employment, or rather is a trap and a prospectus for life long reduced earning and recurring or extended unemployment.

Unemployment or precarious employment over a significant period of time in one's youth can lead to a permanent state of marginal attachment to the labour market and society. Overseas

and Australian evidence show that the low paid are most likely to move from low pay to no pay (Sweet 1998, 7). Extended periods of part time, short term work and short term training that does not lead to an accredited qualification for a distinct job pathway lock young people into a cycle of poverty and gradual disengagement with mainstream society. The effect of such marginal attachment to the labour market is called 'scarring', to indicate the permanent negative impact on a young person's life chances (Wooden 1998, p 47).

Sweet (1998 p7) is of the view that all marginalised young people should be seen as a single group for policy purposes because detachment from the labour market is often followed from detachment from other forms of participation in society. McClelland et al show that amongst the young people defined as being at risk because of not being in full time education or work (15%), the majority (9%) are so consistently for 3 years. Research in Sweden and USA shows that such patterns do not lead to constructive career development but rather to long term unemployment (McClelland et al 1998, p 116).

The McClure Report drew attention to major and growing inequalities within the workforce in two domains: within the intergenerational succession within families, and in resources and infrastructure and employment opportunities between regions. The report recommended priority be given to halting the 'consigning of large numbers of people to an inter-generational cycle of significant joblessness" (FaCS 2000, p 6).

2.2 Overview of the current vocational education system in Australia.

2.2.1 Changes in vocational training participation

In 1991, the Kirby Report drew attention to the high priority needing to be accorded to providing entry points into vocations for teenagers, resulting in significant injection of resources by state and Commonwealth governments. However, over the last decade, the massive growth in TAFE funding for accredited vocational courses associated with sustainable jobs pathway has not been taken up by young people but by adult students (Sweet op cit)

Similarly, apprenticeships and traineeships designed to provide solid entry points for teenagers, have now been opened up to adults, whose maturity and greater life and other skills make them more attractive employees, particularly since a training wage has been available for adults. Ironically, there has been a 10% drop in teenage participation in vocational education and training, from 30% at the time of the Finn report in 1991, to 20% in 1996. Between 1989-96, the

participation of teenagers in apprenticeships dropped by 44% while for those over 20, it rose by 47%. By 1996, traineeships which had been created specifically as entry points to employment for teenagers, were only taken up by 44% of teenagers (*ibid*).

2.2.2 Transition pathways

The Ministerial Review of Post Compulsory Education and Training Pathways in Victoria noted particularly the lack of predictable pathways in the transition to vocational education, The transition process was thought by the Review to be complex and unpredictable, the Victorian VET system described as mediocre in standard compared to other countries, participation rates by young people were low, and there is little co-ordination between industry, education, training and community supports. The system lacks accountability (Kirby 2000).

Consequently, 80% of teenagers in vocational education enroll in a variety of specific short courses leading to no substantial accredited qualification. There has been a significant decline in quality vocational preparation for working life for teenagers. This is a result contrary to the intentions of policies and resource allocation by governments over the last decade (*ibid*).

2.2.3 Growth in jobs

As research has consistently pointed out during the 1990s, new full time jobs are created for experienced, qualified and skilled employees. Hence increasing, the supply of jobs available will not necessarily address the dynamics of unemployment among disadvantaged youth. For example, part time jobs filled by teenagers, usually favour students who are more skilled and articulate than disadvantaged unemployed (at a time when 72,000 non-students are looking for work, 280,000 students have jobs) (*ibid*, p 16).

2.2.4 Conclusion

The primary conclusion from the above review is that there is a mismatch between policy prescriptions and the status and competencies of unemployed teenagers.

Sweet concludes that governments have been unable or unwilling to pursue the implementation of their policy priorities consistently (Sweet 1998 p 11). Growth in the labour market and in vocational education and training has benefited adults at the same time as other policies such as wage structures and eligibility criteria have undermined government priority around youth unemployment.

Schools have not adequately responded to the needs of the labour market nor to young people's interests and needs and thus year 12 retention targets set in the eighties, have not been met. The *Footprints in the Future* report seeks a radical change in the role of schools with early school leavers. (DETYA 2001).

Similarly, Spierings (1999) and others argue that there is far too little assistance available for successfully managing the transition between schooling and education/training and/or employment. There are no longer clear pathways to permanent sustainable employment. Instead of clear information and assistance available for informing young people's choices about available opportunities as there is for young people going to university, the least advantaged young people have to negotiate what is a complex maze themselves.

The above evidence has raised questions about the adequacy of the Job Network as the policy response to deal with the complexities of teenage unemployment, whether it provides the right incentives to providers, has adequate quality assurance, has staff with the right knowledge, skill base and system design and provides a fair approach to dealing with disciplinary matters. In official policy terms, youth unemployment has been conceived as a simple supply-demand equation rather than a complex multifactorial policy problem: and hence the JN system has been built around providing sticks rather than carrots and the philosophy that for young people any casual job is better than no job.

Recent Australian and international research has shown that there is an increasing division between the education 'haves' and 'have-nots'. The OECD remains concerned about the hazardous transitions for early school leavers. Initial evaluations of the JN have pointed to system inadequacies which constitute often formidable barriers to young job seekers.

Thus there is a consensus in labour market research that there are a number of system and institutional failures in Australia, needing rectification in order to lower marginal or long term unemployment. As a starting point, it is vital to ensure that young people have the skills necessary and relevant for the 21st century labour market (Sweet 1998).

However, there is no literature providing empirical evidence from young people themselves about their trajectory through the current system, nor from providers about their experience in delivering Job Network services.

The next section will summarise research evidence about the kinds of interventions and systems proven to be effective in reducing long term unemployment amongst disadvantaged young people.

2.3 System requirements for effective school to work transition support

2.3.1 Overview

Australia ranks 20th out of 28 OECD countries in terms of the proportion of its population with high school or upper secondary education completed (Curtain 2001, p 16). Although Australia has lifted the upper secondary school completion rate by 21% other countries such as Korea, Greece, Hungary and Finland have also done so. Australia compares well in terms of its proportion of tertiary graduates (6th out of 28 countries). The first section pointed to the significant gap between the education 'haves' and 'have nots' in Australia and this is confirmed by the OECD. Governments need to set new targets for the completion of Year 12 or its skilled vocational equivalent and put the policy systems and personal supports in place that ensure their achievements (ibid).

The OECD remains most concerned about the hazardous transitions for early and other school leavers. (Curtain 2001,p 18). It recommends proactive early intervention by secondary schools, in assuming responsibility for at least a year by monitoring and tracking young people, together with close collaboration with local education, training providers and employers. The absence of any data about the futures of early school leavers was noted and addressed in *the Footprints into the Future* report and the Boston Consulting Group report to the Business Council of Australia noted management failure in the transition process, with no one body or individual responsible.

Labour market and education and training analysts agree that there needs to be a continuous highway with managed supports and processes to ensure that young people do not fall in the course of their transitions to a stable vocational life.

Sweet lists a comprehensive range of system properties that need to be in place in order to redress and prevent long term joblessness which has its beginnings in a marginal attachment to the labour market in youth. The thinking of a majority of researchers supports these features or principles although perhaps in different expressions or forms. This broad consensus amongst experts is based on empirical evidence, including longitudinal research overseas and in

Australia. There are many variations of these themes proposed and implemented in various regions and by various scholars.

2.3.2 Government guarantee to unemployed youth

Sweet proposes that there needs to be a government backed guarantee or entitlement for young people to obtain the assistance they require according to their individual needs in order to secure life long economic independence (Sweet 1998, p 18). The priority should be firstly on early school leavers and other disadvantaged, young job seekers at risk of marginalisation. This is echoed by Spierings (2000) in his paper 'Why Australia needs a National Youth Commitment'. ACOSS also recommends a series of government guarantees of assistance to job seekers (Davidson 2001, pp 14-16).

The notion of a government entitlement is based on the model in European countries with much lower rates of youth unemployment. The National Centre for Vocational Education Research (NCVER) also proposes a national entitlement to post -compulsory education (Curtain 2001).

For example, OECD countries with low rates of youth unemployment are characterised by large government sponsored and regulated vocational and education training systems in which 80% of teenagers participate. The training is employment related as distinct from classroom based and is directed and regulated by industry. Qualifications are accredited and legitimated in their quality and relevance to industry by a national public sector organisation which includes participation by all relevant players (Sweet 1998).

2.3.3 Personal advisors

There is a consensus that each young job seeker needs a mentor/career guide/employment counsellor who will provide over a continuous period, time and attention in response to individual social and educational circumstances as he/she progresses through the stepping stones leading to the chosen vocational pathway. Such individual support is the most important feature of any employment assistance program particularly for disadvantaged young people. Without this individual support, which varies in intensity and frequency according to need, employment assistance is not likely to be effective, except for the most advantaged young person with a rich personal, cultural and social network. This is similar to the principles of employment case management and career counseling at schools proposed by the OECD and others (Davidson 2001, pp 14-15)

The variety of case studies found in the literature (Youth Pathways 2001, Appendix 9, DSF 2000; Spierings 2001) illustrates many of these principles.

2.3.4 Schools and Transitions

Nordic countries' effective safety nets for early school leavers and unemployed youth include the features discussed above and according to Spierings (2000, pp16-23) the crucial ingredient is a legislated entitlement to transition support, implemented by a variety of programs responsive to the diversity of needs and circumstances, for young people to access and enjoy a strong induction into post school life.

As already mentioned, an expansion of the role of schools is critical to successful transition supports. Sweet recommends a secondary education structure with offerings which are responsive to a wide range interests and capacities and a pedagogy that meets every young person on her or his terms. In line with the Kirby report, VET programs need to be more consistently implemented across schools.

Consequently, there needs to be meaningful connections between secondary schools and industry to ensure that work experience and classroom based education lead to the acquisition of skills which are part of an accredited qualification related to a sustainable career path.

The report '*A Window into the Future. Lessons from the Job Pathway Program*' supports such changes of direction for schools and recommends the establishment of a government auspiced national framework guaranteeing the provision of transition services, to be adequately resourced by government and others, with appropriate quality benchmarks, monitoring and reporting systems (DSF 2000).

2.3.5 Data collection and effective monitoring systems

Labour market analysts propose that schools assume primary responsibility for a minimum of one year in tracking early school leavers in their transitions. This and other aspects of an effective system requires valid and effective data collection and monitoring mechanisms , which depend in turn on effective working relationships and protocols between all local players.

2.3.6 Financial issues

The system needs to be adequately resourced, according to policy priority targets, such as the overwhelming need to address early school leavers and others at risk of long term

marginalisation. Individual income support is needed to ensure nobody is excluded from upper secondary education or its equivalent for economic reasons

2.3.7 Local partnerships and networks

Opportunities to create a variety of flexible training, education, personal support and employment options depends on lively local networks and linkages between agencies, schools, training and tertiary education providers, government, employers and community services, including mainstream associations such as recreational and sporting facilities. Some regions have recently established Local Learning and Education Networks in an attempt to achieve such local exchanges. Young disadvantaged job seekers need to be linked to these local community supports in order to facilitate their movement from marginalisation to participation in mainstream social and economic life.

It is possible to develop approaches which assist very disadvantaged young people. The Victorian government has sponsored a number of studies and pilot projects aimed at assisting young offenders to acquire education and vocational qualifications. The projects are designed to overcome barriers such as literacy and numeracy, negative experiences of school, particularly resulting in school exclusion and pervasive social disadvantage (Dyson & Delaney 1999; DETYA & DHS 2000; Success Works 1999). Research has shown that permanent school exclusion triggers a complex chain of events which loosens the young person's affiliation and commitment to a conventional way of life, such as the loss of time structures, a recasting of identity, changed relationships with parents and siblings, erosion of contact with pro-social peers and adults, and more association with similar young people subject to heightened police surveillance (Berridge et al 2001). The nexus between low educational attainment, low income, unemployment, offending behaviour and homelessness is well known (DETYA & DS 2000)

Findings from these projects have supported the policy logic of the recommendations above and have shown that implementation of a strategy such as a continuous relationship of trust with a caring employment/career/youth counsellor is the first element in the journey back from marginalisation to engagement with society, including the labour market.

2.3.8 Apprenticeships, Traineeships and other Vocational Training.

Researchers agree that government needs to much more vigorously implement their policy priorities in relation to youth unemployment. This requires rigorous standards, reporting mechanisms and appropriate sanctions and incentives to ensure practices are consistent with

overarching government policy. This will require examination of wages structures, industrial practices and other workplace regulations to ensure that policy goals are not undermined. Kaye Schofield in her review of the Victorian apprenticeship system, focused on the priority for the State Government to assume the lead role in implementing a range of systematic adjustments such as provider registration, quality assurance mechanisms, systematic co-ordination and equivalence of standards between state and Commonwealth bodies and strengthened review and audit functions (Schofield 2000).

2.3.9 Conclusion

There are many other strategies required for the development of Australia's vocational education and employment system, but the above are the most important underpinnings for successfully changing the social and economic conditions of disadvantaged young people.

Chapter 3 The Job Network Service System for Young People

3.1 Outline of the Job Network service for young people.

3.1.1 Centrelink

Centrelink is the gateway to JN services and young job seekers' first point of contact. Young people who are not full time students need to meet the parental income test pitched at approximately a combined income of \$ 40,000.

To receive Youth Allowance (YA), young people need to enter a Preparing for Work Agreement (PFWA, and demonstrate fortnightly that they are undertaking 'approved activities' towards of employment (Activities Test).

The principle of Mutual Obligation requires that young people be willing to accept any work they are able to do, attending Centrelink appointed training courses, attend job and Centrelink interviews and not quitting a job without sufficient reason.

Young people's social or other needs are assessed through a set of questions from the computerised Job Seeker Classification Instrument (JSCI), which involves a 10 minutes set of questions about personal and social disadvantages. Levels A or B level on the JSCI indicate the extent of disadvantage, with B indicating the more severe.

3.1.2 Job Network Services.

Job Matching

Job seekers need to have a Job Network card indicating level of eligibility to the three levels of employment support. Job Matching is available to all job seekers, including those not in receipt of government income support. Job vacancies are seen through touch screens at Centrelink offices with the name of Job Network Member(s) to contact with one's resume. The JNM screens and short lists applications on behalf of the employer. Clearly, Job Matching seeks to identify the most competitive applicant for the employer and disadvantaged young people usually do not make it past reception. There is no other way to access the advertised vacancies.

Job Search Training

The second tier of assistance, Job Search Training (JST), consists of three weeks almost full time training in job search skills, usually in a group setting. Those in receipt of YA are automatically referred for JST after a period of two months now. Non attendance can mean a sanction of reduction or cancellation of YA. Those not in receipt of YA can volunteer to participate in JST, but they depend on Centrelink staff ensuring at the initial assessment interview, that the young person understands his/her entitlement to participate.

Intensive Assistance

Intensive Assistance (IA) is a case management model aimed at those identified with special needs by the JSCI or those unemployed for more than 6 months. Job seekers must be referred either by Centrelink or a professional (such as a social worker). At the first interview, the case manager's role is to determine needs, aspirations, barriers and skills. IA then consists of a minimum of fortnightly contact for supervised job search and to work through barriers to placement. Incentives are given to providers to place job seekers. A JSCI classified level A disadvantage attracts for the JNM \$1000 up front, \$2500 after 13 weeks' employment and \$1000 after another 13 weeks. The more intensive needs given a Level B attract \$5000 for the first 13 weeks and \$2500 for the next 13 weeks of continuous full time employment.

3.2 Evaluations and critiques of the Job network

The evidence presented in Chapter two raises questions about the adequacy of the Job Network as a policy response to deal with teenage unemployment. The following summarises currently available evaluations by ACOSS (a, b, c), the Brotherhood of St Laurence et al, DEWRSB, Dan Finn, the OECD and Brennan. Of importance is to assess whether the JN is equipped to deal with the undeniable complexity of youth unemployment, provides the right incentives to providers, has adequate quality assurance and system design features, and provides a fair approach to dealing with disciplinary matters.

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

- the support for assisting young people is insufficient
- Job Network providers do not have specialist information on youth based jobs
- Job Network providers do not have staff who understand young people's special needs
- young people are daunted by Job Network bureaucracy

- the Centrelink application process is onerous and unhelpful as seen by young people
- young people are breached by Job Network providers who don't understand difficult personal experiences
- linkages between Centrelink and Job Network providers are not youth friendly or seamless.
- income support is not integrated with other forms of support
- young people have high upfront costs with job search, e.g. clothes, travel, not covered by income support
- young people dropping out of youth allowance and returning to school find school is often unwelcoming
- breaching (and withdrawal of income support) takes place for trivial reasons and guidelines for breaching are rigid
- Centrelink is not well connected to youth providers
- The level of income support for young people not at home is inadequate. (DETYA 2001).

3.2.1 Issues of complexity.

A mapping of the pathways from school to various forms of education, training and employment by a research consortium (Brotherhood of St Laurence et al 2000) demonstrated in graphic form the plethora of programs with similar names, funded by different departments with again, to the lay person similar names, and each with their own eligibility criteria. This abundance of opportunities constitutes a formidable obstacle course as there are eligibility criteria and restrictions based on age or past participation of particular programs. The potential for each program or work experience to perhaps be accumulated towards the skills development and work experience of disadvantaged young people, is not possible because of such fragmentation.

In official policy terms, youth unemployment has been conceived of as a simple matter requiring a linear solution, i.e.: unemployed youth need a job — a simple supply-demand equation. The maze which exists around the JN shows how wrong this assumption is.

3.2.2 Funding and contractual disincentives.

ACOSS found that less than 50% of long term unemployed people gained access to Intensive Assistance. This is due to systematic incentives and disincentives in the contractual framework preventing JN members from assisting those with complex greater needs (ACOSS 2000).

The payment structure and the extremely constricting fiscal conditions under which providers are required to operate, constitute irresistible incentives to focus on the easiest and fastest to place for the sake of organisational financial viability.

The possession of a Job Seeker ID number is an entrance requirement for the JN. This can be an insurmountable obstacle for disadvantaged young people who are not able to initiate contact or negotiate with Centrelink .

3.2.3 Quality assurance and accountability

Funding is based on the achievement of results, which are defined quantitatively only, without any reference to quality. Thus there is no tracking of whether a placement leads to any advancement in a person's employability, or results in a return to unemployment. Strictly speaking then, funding is *not* based on *outcomes* (or the more complex indicator of impact), but on intermediate *outputs*.

Indeed, there is no requirement for JNM to provide quality assistance to disadvantaged job seekers and there are no incentives to provide young people with training. Monitoring of services provided in Intensive Assistance showed those services consisted largely of Job Search only.

3.2.4 System design issues.

The multiplicity of JN members (JNM) is confusing for professionals, let alone young job seekers. Dan Finn (Finn2001) analyses the inefficiency of JNM agencies retaining information about vacancies, instead of making this information available to the public in a central venue. The JNM or its receptionist thus often acts as an obstacle for the young job seeker to apply for a vacancy.

The principles of commercial contestability underpinning the JN mean that there is no communication or collaboration between organisations at the local level, preventing the

development of an integrated support system advocated by Australian and international governments and researchers.

There is no follow through capacity or demonstrable accountability within the JN and Centrelink referral arrangements. Finn (Finn 2001) proposes that Centrelink staff ought to be charged with the responsibility of ensuring that a young job seeker is referred appropriately.

The alliance of Centrelink with its income support and breaching responsibilities and the DEWR funded Job Network sends negative messages to job seekers about the Job Network, and many young people are unaware of any JN capacity to assist them.

The JN system is designed to provide assistance only to a selected group of job seekers. Young people whose parents' combined income is above approximately \$40,000, are not entitled to Centrelink income support and can only access the Job Matching first tier of JN services. Job Matching is a service to employers to identify the most capable applicant to an advertised vacancy. Clearly, only the most advantaged young people, by definition, are likely to benefit from Job Matching. Job Search Training is available upon referral by Centrelink for all recipients of benefits, but non-Centrelink customers rely on being informed about their eligibility at their initial Centrelink assessment interview. Many young people do not ever have a Centrelink interview and hence may never find out about the availability of JST. Intensive Assistance offers a case manager to job seekers identified as disadvantaged on the computerised Job Seeker Classification Instrument (JSCI), or by another professional service, or the long term unemployed. It can only be accessed by customers of Centrelink.

Its argued that JN is based on philosophical principles perceived by many as punitive with an apparent priority focus on detecting misbehaviour or fraud rather than facilitating job seekers' work interests and aspirations. The concept of Mutual Obligation is said to be framed in an unbalanced manner with little or no requirement for government to ensure labour market and education assistance to its citizenry (Brennan 2001, pp 1-16).

3.2.5 Reliance on computerised systems

The dominance of automated systems in the Centrelink/DEWR partnership result in what has been shown to be excessive and often erroneous breaching for minor administrative issues without any consideration of a job seekers' personal circumstances. The impact of cutting off income support for a young job seeker's job seeking behaviour does not appear to have been investigated.

Similarly the use of the Centrelink assessment tool, the Job Seeker Classification Index, (JSCI) as the tool for determining access to resources for employment assistance is ineffective and at times counterproductive. Disadvantaged young people, (or indeed any job seeker) are not likely to be comfortable about disclosing sensitive personal information to a government official with whom they have no trusting relationship and which is to be immediately recorded on a national data base. Thus many disadvantaged job seekers do not gain access to the resources allocated by government to those with special needs.

3.3 Discussion

The early critiques and evaluations of the Job Network suggest that the system does not display the features outlined in the preceding chapter about empirically based strategies for ensuring positive school to work transition.

There needs to be recognition of the gulf, which has become apparent in the pathway between childhood and adulthood for those young people who do not progress smoothly through general secondary education into VET, apprenticeships or higher education. This gulf is in the nature of a 'disconnect' and it has been a general concern across the OECD.

The metaphor of 'pathways' has been used to describe the main educational options after reaching the age of non compulsory education (Raffe 2001). The recent OECD review *The Transition from Initial Education to Working Life* distinguished three principal types of pathways in OECD countries: through upper secondary education and beyond it to work or tertiary study: general education pathways, school based vocational pathways and apprenticeship type vocational pathways (OECD 2000). All governments are addressing the lack of attractiveness and accessibility of VET and apprenticeship education.

Young people who are unemployed are essentially those who have fallen off the official pathways (or highways, see Carter 2001). In the Youth Pathways report, *Footprints to the Future*, (DETYA 2001) there is a discussion as to how young people who are excluded from pathways, can be returned to school. This is not easy as most unemployed people have negative experiences of school.

The disconnection of Job Network from educational pathways is a serious policy flaw with longer term repercussions and costs for the young individuals concerned and for the GDP. No one is responsible for ensuring the connection of any young person with either work, education and training, or any form of social assistance.

Chapter 4 The impact of the Job Network on young job seekers research 2001-2002

The research and policy contexts in the preceding chapters have provided the rationale for investigating the experiences of young job seekers with the Job Network. This chapter will outline the key research questions and report on the findings of discussions and surveys with young people and Job Network direct service and management staff.

4.1 Key questions explored

To rely on data supplied by a service system is often an insufficient method for understanding how it actually impacts on various stakeholders, particularly when the service under consideration is a totally new model, such as the Job Network. In line with the logic of evaluating results, rather than prescribing processes or methods, the research project sought to establish some minimum, bottom line answers about the benefits of the Job Network for young job seekers. The Productivity Commission Inquiry into the Job Network also contributed to the focus of the research questions, namely:

- 1) Does the JN provide a constructive experience for young people?
- 2) Does the JN lead to sustainable employment outcomes, defined as entry into the education/training/employment opportunities leading to sustainable employment in the vocation or career chosen by the young person.
- 3) Does the JN enable the addressing of the complex needs of young people seeking entry into the labour market?

The research is centrally concerned with developing knowledge about how to prevent young people's marginal attachment to the labour market. Consequently it is appropriate to focus on the notions of 'distance travelled' and '*sustainable* employment' outcomes, referring to entry into the education, training or job opportunities connected to long term vocational security, according to the individual's aspirations. This definition of employment outcomes differs from the one used by the Department of Employment and Workplace Relations (DEWR) in its Job Network contractual framework, as noted above.

The Prime Minister's 2001 Youth Pathways Taskforce report *Footprints to the Future* identified overarching policy principles about strategies to achieve effective school to work transitions.

These principles also assisted in identifying relevant issues to explore (see Appendix One for the methodology).

4.1.1 The young people

Ten young people were involved in the first focus group and some volunteered to participate in the interviews. All young people were long term unemployed, as some were engaged in Work for the Dole programs, and all had had extensive contact with the Job Network. As stated in Chapter One, the intention was to follow up the participants over three months but this process was unexpectedly curtailed. The sample came from two Melbourne outer suburban locations, neither of which were located in an SLA within the top quintile of unemployment rates.

The young person's initial and current vocational aspirations were considered important in understanding his/her experiences of the quality of service obtained from JN members and in identifying progress. Evidence was obtained by asking each young person to outline and plot, in chronological order, the factual steps and events in his/her job seeking efforts since leaving school. General questions were also asked about the social, personal and other circumstances, which may have impacted, on the attainment of his/her employment goals.

As a starting point, it was thought important to understand the young person's experiences with Centrelink as the gateway to Job Network support. Young people were asked about their expectations of Centrelink, the nature of their needs for assistance and their understanding of the preparing For Work Agreements (PFWA), the principle of Mutual Obligation, the Job Seeker Classification Instrument (JSCI), breaching, various program eligibility and exclusion criteria and the fortnightly administrative requirements.

Similar information was sought from young people about the process of choosing a Job Network provider and the quality of their participation in Job Matching, Job Search Training and Intensive Assistance services.

4.1.2. Discussions with Job Network staff and managers.

A focus group with managers, a staff questionnaire and five individual interviews provided the data about Job Network's capacity to deliver services to young people. The themes raised included frequency and nature of services offered to youth, perceived barriers to service provision, including organisational and contractual issues, the impact of the connection with

Centrelink and the Department of Employment and Workplace Relations, definitions of outcomes, training available and relationships with local employers and organisations.

4.2. Introduction to young people in the sample

Vignette – impact of system failure

Trevor came from a middle class stable family from an interstate provincial town. He discovered his vocational interest through the VET program and vigorously developed his career by working in his chosen field while completing a university degree. He came to Melbourne to join a large company but was not successful in the extensive selection process. Without Melbourne based family or support networks, discouragement seems to have set in early as he quickly abandoned his chosen vocation and looked for apprenticeships randomly. He joined every Job Network member in the region and had an unfortunate experience with a fraudulent provider whose service consisted of one 10-minute chat and a workbook to fill in. Trevor believed he had received Intensive Assistance for the next two and a half years of mostly weekly contact with the Job Network until the interview for this research project. He did not find employment during this period. He reports that no Job Network staff ever inquired about his vocational aspirations.

His loss of confidence is exemplified by comments such as ‘every one is more qualified than me in Melbourne’ and ‘I’ve put on a bit of weight since coming to Melbourne’ in reference to his disappointments in finding employment. However, he correctly perceives that he now bears the stigma of not having worked for over two years. He had contradictory plans for his future and did not respond when the research worker reminded him that he has completed a university degree.

Vignette: determination against all odds

Luke came from a Victorian provincial town from a low socio-economic background. His family was not very close. He had through school been passionate about his artistic skills, reinforced by strong feedback from teachers. He came to Melbourne alone, and not gaining entry to university, paid for a number of private Arts courses, without completing any, citing conflict with teachers, discomfort with student culture and prohibitive equipment costs as barriers.

Centrelink and Job Network staff advice was always to dismiss his aspirations and urge a more practical choice, input he ignored. Apart from his grand mother with whom he did not communicate well, he had no adult guidance in Melbourne. He supported himself through casual telemarketing work, struggled with poverty and frequent insecure housing and over the

last 4 years carried out his own intense study of his chosen art medium through public libraries. He feels self taught up to a professional level of skill. He does not have the financial resources to use his art to gain an income and thinks that subsidized or volunteer work in a relevant studio would be of greatest help to his career, as he is isolated from relevant art networks. No Job Network provider has ever proposed to assist him with this strategy. He has great determination and belief in his capacities.

4.2.1 Social profile of young people.

The interview group of ten were evenly balanced on gender, were between 18 to 24 years of age and had left school between 18 months to eight years ago. Most of these young people were not educationally impoverished as four people had completed the VCE with TER scores from 39 to 89, and one had a university degree. Four had left school in year 11, with three having determined their vocational directions through the VET program at school. Only three young people were known to have literacy/numeracy problems.

Contrary to prevailing myths about unemployed youth, eight had very strongly held career aspirations originating in their school years and showed admirable determination in struggling with frustrations in the pursuit of their goals. Four wanted to work in trades or retail and five wanted to work in an arts related field. The perceived barriers to vocational aspirations included lack of income for purchase of equipment, transport and living costs, geographically inaccessible courses, lack of adult guidance or mentoring and the perceived lack of relevant assistance from employment services. Nine had shown consistent commitment in their job search and only one acknowledged that she lacked motivation and work discipline skills. All had lost self confidence as a consequence of long term unemployment.

The young people's job search through the Job Network had given the majority only part time or casual positions. One had worked casually extensively in his field while acquiring his university degree. Two only had had permanent full time positions in the past, one in a semi-skilled capacity in his chosen vocational field, the other in a factory.

Dependence on government income support was not thought to be an attractive option as all young people were in receipt of Youth Allowance and considered themselves to be poor. Low income signified an average of two public transport trips per week, reduced recreational opportunities and contributed to isolation from social and work networks. No young person was homeless currently but two who lived independently had experienced unstable housing, related to their low incomes.

Again, in contradiction to the expectation that only the most disadvantaged job seekers require individual employment assistance, all but two came from very close and stable families and only three lived independently, two because they originated from the country. Five came from linguistically and culturally diverse backgrounds but only one was born overseas.

Three came from households where some other family members were long term unemployed. Seven parents were unskilled or trades persons, none had tertiary education and three sets of parents were semi-professionals. Five families had low incomes.

Summary

This is a group of young people who came from solid, close families from low to average socio-economic and educational status. Their mild disadvantage or no disadvantage became severe disadvantage through long term unemployment.

4.2.2 Some examples of job search experiences

Ben is aged 24. He left school at year 11 when his technical school closed down. He worked for the next four years in his parents' small business. He is very close to and appreciative of his family with whom he still lives. In 1997 Ben completed a TAFE arts related technical certificate for which teachers admitted there was no market demand. He remained unemployed until participation in four competently facilitated Work for the Dole projects gave him valuable friendships, personal growth and the accumulation of computer graphic design skills.

Natalie is 19, finished year 11 in 1999 and lives with her close knit family from a migrant background. She vigorously pursues her life long ambition to be a hairdresser by independently locating and paying for a pre-apprenticeship at a private college. She has been unemployed since (18 months) and is considering giving up on her 'dream' and trying any other field.

Sarah is 19 and obtained a VCE TER score of 65. As a very articulate person, she had her own program on local radio while at school. Her parents are semi-professionals with whom Sarah enjoys living. In 2000 she was forced to discontinue a TAFE media diploma course in media studies because the campus was geographically inaccessible. Sarah had very negative experiences of Centrelink and the Job Network which only led her to casual work. Transport costs constituted a significant barrier to Sarah's participation in work, study and recreation. She lost direction 'sitting at home sucks the life out of you' until a Work for the Dole art project

reinstated her confidence eroded through isolation. Skillful professional facilitation and encouragement reconnected her with her aspirations and at the time of the research interview, was enrolling in a physically closer arts related TAFE Diploma course.

4.3 Summary of young people's experiences with the Job Network.

Centrelink

4.3.1 Modest expectations of Centrelink service

Young people had very modest expectations of Centrelink assistance, such as stable income support and assistance with finding work. Three of the more educated young people pointed out that they expected staff to have competent knowledge but found that staff had differing understandings of regulations and requirements, files were often lost, mistakes were often made particularly with respect to breaching, which led to significant hardship for the young people living independently. These three job seekers now just wanted Centrelink to leave them alone. None expected that Centrelink could assist them any further with their careers.

4.3.2 Mixed Communication with Centrelink

The majority of young people found Centrelink staff quite reasonable and helpful, and some expressed empathy for their difficult jobs, as an explanation for their apparent lack of interest or care for job seekers. Four young people however, mentioned that some counter staff can speak down to clients or be vindictive and judgmental, seemingly on the basis of the young person's appearance. One bright young woman was particularly angry:

“Centrelink is incredibly frustrating. They don't know what they are doing. you just know that the person you are talking to doesn't know what they're talking about... Losing files all the time, threatening me with breaching weekly. every week I have to go and sign something, I was sent a letter once congratulating me on my new job.. “

4.3.3 Some understanding of the PFWA, Mutual Obligation, JSCI, Exclusion/eligibility criteria, Breaching

None of the young people had difficulties understanding and negotiating the *PFWA*, understood *Mutual Obligation* and thought it was a fair concept, with only three job seekers expressing

cynicism about the government's surveillance of the jobless by Centrelink. None were aware of the *JSCI*, only the three more educated clients were aware of *exclusion/eligibility* criteria about programs and were angry about these, with the seven others being unaware of their existence.

Two young people mentioned that the punitiveness associated with Work for the Dole was counterproductive and gave a negative impression of a very positive program.

All understood *breaching* and most were accepting of the regulation, with only two of the more articulate young people arguing that the threat of breaching significantly increased the existing hardship of unemployment and poverty. An example was given of a young vegetarian friend who was forced to work in a chicken factory to avoid breaching.

Two young men who lived away from home had been breached, which resulted in a loss of housing for one, who nevertheless said it was due to his own error, and the other young person needed to borrow funds from family to retain his housing. The latter rejected criticism of Centrelink, saying instead that 'it was a misunderstanding'.

Only two young people found the fortnightly visit to Centrelink onerous or frustrating, but eight said it was unproblematic. One of the eight suggested some inconvenience when casual work prevents him from lodging his form on the obligatory day, causing a delay in his income and stress with rental payments.

4.3.4 Income seen as the major value of Centrelink

Centrelink was valued for its income support, and only two young people were overtly critical of the service, with one being rather vociferous about staff's seemingly purposeful setting up of obstacles. Another young man pointed out in a mild tone that the expensive refurbishment of one office was marred by a decrease of the area between the counter and the door, thus leading to long queues down the stairwell, where there was no air conditioning. This was stated in a polite, matter of fact way, without negative overtones. The only young woman with no specific career interests said that personal networks were more efficient for finding work.

The Job Network

4.3.5 Little Information about the Job Network

Young people reported a lack of available information about the Job Network, apart from pamphlets, which only two VCE graduates found useful for giving addresses of every local JN provider. Some young people remembered seeing information in Centrelink about community services, but there was no other mention of useful literature. Many young did not understand what the Job Network Member (JNM) lists given by Centrelink were and did not use them initially, until given individual explanations by staff at a later date.

4.3.6. Discouraging process for following up advertised vacancies

No one had any basis for choosing a JNM other than geographic proximity. The numerous contacts with the JN for Job Matching purposes met almost always with no response from the provider, except for two or three agencies which did initiate calls with possible vacancies. Some young people had joined every JNM on the Centrelink list.

The few Job Matching interviews experienced by the job seekers had consisted of about 10 minutes of questions from a checklist. These young people were surprised that Job Matching seems to be a service to the employer rather than to the job seeker.

4.3.7 Unclear Expectations of JN assistance

Six out of the ten interviewees did not have any precise expectations from the JN. One young man expected efficient help to find any stable job to ensure economic survival while he pursued his chosen career independently. Three expected effective assistance, encouragement and the active opening up of opportunities for work or training.

4.3.8 Job Search Training found to be useful

JST had been experienced by 5 young people who found it quite helpful, one because of the social contact and the supportive and interested attitude of staff, rather than acquisition of job search skills, which had been covered in high school.

4.3.9 Mixed Experiences with Intensive Assistance

All young interviewees had experienced IA but only four had found the service useful. The valued factors were the case manager's time and interest, coaching in job search, follow up and providing a friendly but structured environment for job search. Two young women who were

early school leavers said they felt cared for and appreciated being able to drop in to talk to someone. A couple of these satisfied young people were quite enthusiastic and said that if everyone had a case manager, there would be no unemployed.

However, six young people said that IA was useless. They had never been asked about their interests and work aspirations, and that after a 10 minute initial interview, IA usually consisted of the availability of photocopiers and pressure to take any job. One young person said that his case manager never called and the lack of follow up contributed directly to the job seeker missing out on four courses.

Upon closer questioning, it became clear that even for the satisfied young people, the IA service they described consisted of assisted job search. For example, seeing one's case manager "a lot" meant 3-4 contacts in 6 months. There was no mention of any proactive strategies used by staff such as finding volunteer or subsidised work experiences in industries of the young job seekers' choice. One young woman does not know why she repeatedly misses out on apprenticeships and is not aware of her case manager ringing employers to find out. The uncertainty has fueled her low self esteem.

None of the young people knew what Intensive Assistance was designed to do and none knew of the funding given by government for an IA service user. All considered that they had not benefited from such resources, nor from regular professional attention and time from some of the providers.

4.3.10 Views on what IA should offer

All of the eight young people with strong vocational aspirations concluded that any on the job experience, even unpaid, would be the most effective strategy. Their clear views were based on their positive experiences of Work for the Dole projects:

"just what WfD has given me, get involved in a project that is doing something real, creating with other people, learning new skills, interacting with new people, seeing a whole new side of life, being supported, encouraged, your confidence built up, learn real skills through doing something real".

Equally valued was thought to be professional support and encouragement. The salient feature of the worker's contribution was that he/she should be proactive in noticing how young people are faring personally, offer assistance to meet a variety of needs and take the initiative in following up opportunities. Such active encouragement was thought to be essential to counteract young job seekers' loss of confidence.

Some young people had low expectations of what IA should offer and could not conceive of what could be done through the service : "maybe a job club, where you get together with other people".

4.3.11 Perceptions of further assistance needed

No one thought they needed any more assistance to determine a career path as they had formed clear aspirations at school. However, the majority were resigning themselves to any more accessible vocation. Even a young woman whose modest ambition was to be in fashion retail was considering giving up on her 'dream'. Only two young people clearly held firm, particularly after the boost provided by positive Work for the Dole experiences.

4.3.12 Young people's evaluations of JN's contribution to their job search

Young people appreciated being taught job search skills and being supported in their job seeking efforts. However, the most frequently mentioned experience with the JN was either a lack of interest in the young person or being pushed into anything, within a context of looming penalties. Most positions offered were casual, although for two who lived independently this was greatly appreciated and only in one case did the casual jobs offered consistently and proactively by a commercial provider build up to entry in the chosen vocational path.

Glowing reports were given only of Work for the Dole (WfD) projects. The reduction of isolation was appreciated most, regardless of the quality of the project:

"WfD has been the best thing in my life. Opportunity to meet great people, work as a group, I formed my best friendships. The worker I've had over 2 projects is now my friend. she's very encouraging, really interested in you and always building you up and making the whole experience fun and meaningful ..I learnt great skills. She is always looking for options and picking

what you are good at, giving feedback on skills and encouraging to explore them further. In the first WfD I learnt computer skills, in the second I built on these IT skills, in the third I moved onto computer graphics and desk top publishing. Now I'm designing theatre sets on computer ”

4.3.13 Mixed access to training through the JN.

Eight young people with clear vocational aspirations had wanted accredited vocational training in the field of choice from the time of their first contact with the JN. Two had succeeded in gaining a place in the desired courses recently. Five stated that their JN providers had been found them many opportunities to apply for apprenticeships or traineeships, not necessarily in the field of their choice.

Four young people with an interest in the arts were actively discouraged from their field by the JN and urged to undertake training that they had no interest in. As stated above, one job seeker found four training opportunities independently and found his case manager a block to his enrollment: “in three years of Intensive Assistance I have only been offered 2 courses, short term 10 week ones”.

A young person's clear expression of interest in a TAFE accredited course in November, met with no response from the case manager and she was following up enrollment herself at the time of interview (mid February 2002), when the semester had already begun.

Several young people found that the costs of transport, the need to work in order to survive independently or lack of public transport prevented them from taking up training opportunities.

4.3.14 The mixed value of job placements found through the JN.

Three young people living away from home valued the casual jobs found through the JN for the sake of their financial survival. As stated above, only in one instance did a string of casual positions build up to entry in the chosen field. According to the other interviewees, all job placements led nowhere, and all young people wanted on the job experience in their chosen area:

“one where employers will give me a chance to learn for longer than 2 days on the job.. they want someone they don't have to train at all..“.

“on the job experience, a real experience where you can learn and have your confidence built up “.

4.3.15 Young people's own efforts.

Only one young person did not seem to be particularly proactive in her job search. Eight felt they showed energy and commitment in seeking for any job in the face of persistent discouragement and frequently, unaffordable transport costs. An early school leaver attempted a return to school 4 years later. Young people with low levels of literacy found jobs or courses independently by looking through newspapers or the yellow pages public advertisements. Efforts included using all personal networks, building a portfolio in spare time at school, paying for private courses. The energy shown by the majority of the sample was persistent. The vignette at the beginning of this report “determination against all odds” is a particular illustration of this point.

4.4 Feedback from Job Network staff

The following issues were identified as systemic strengths and weaknesses impacting on JNM's capacity to assist young job seekers into sustainable employment pathways.

4.4.1 Inappropriate access arrangements

Centrelink as the sole point of entry to employment assistance can very often be an insurmountable barrier, and a deterrent from involvement with relevant JN programs. Many who are not entitled to income support need JN assistance.

Given that Centrelink is apparently funded to allocate 20 minutes per job seeker, on only one occasion, there is little opportunity for understanding a young person's possibly complex needs and consequently, the referral system to the JN can be ineffective. Some staff said that young people are underrepresented in their services as they are rarely referred by Centrelink.

Young people need to contact a JN member in following up an advertised vacancy. Since Job Matching is a service for employers, only the most competitive applicants are selected for an

interview, with other young people usually meeting with no response from contact with the provider. JN members which have the state funded Community Business Employment (CBE) program, are able to service young people contacted through Job Matching by referral to such individualised support. CBE programs quote a success rate of 90% in placing young people into sustainable employment or training/education in their chosen field.

4.4.2 The inappropriateness of the JSCI

It has been increasingly recognised that the JSCI is an insensitive instrument with a high degree of error in identifying the needs of young people, who are reluctant to give sensitive personal information in the following circumstances: a short interview with a stranger; a known statutory agency with coercive powers; the recording of personal data in a national database over which the young person has no control.. Thus many young people who ought to have access to the resources attached to Intensive Assistance, contact the JN through Job Matching. According to interviewed managers, the agency then cannot afford to provide them with the requisite level of support. For example, some clients deemed not at risk through the JSCI, come for Job Matching and are placed into the Community Support Program.

4.4.3 The fiscal/contractual

The fiscal/contractual arrangements of the JN often are the most powerful system barrier to quality service provision. The Job Matching service is based on a through-put design and agencies are funded per placement into any job of a minimum 15 hours' duration. The payment per placement is very modest (\$300) deterring agencies from investing time required by disadvantaged job seekers. The primary in-built disincentive to spend time with less competitive applicants in the view of staff interviewed, is that Job Matching is a service to employers, not job seekers.

Similarly, the aim of Job Search Training is job placement as payment is attached to commencements of JST and to quick job placement, rather than completion of the training. Thus the payment structure undermines the program logic of JST. A senior manager estimated that at best only 50% of JST participants are placed into sustainable work.

4.4.4 Systemic barriers to service quality

Systemic barriers to service quality were thought to relate to the assumption that quality is driven by competition. The assumptions about people and the way forward, underlying the market model and regulations of the JN are not appropriate for employment services, in the view of some staff members. Quality employment services for young people, particularly those who have difficulties finding work, need to be primarily relationship based. Most young people resent being told what to do, but will work energetically in a context of trust and democratic participation in the decisions that affect their lives.

4.4.5 Inappropriate definitions of quality

Definitions of quality need to encompass the " distance travelled" and/or the job sustainability of each young person's outcome. Quality audits which focus on the quantitative to the exclusion of any broader concept of quality are unhelpful. For disadvantaged young people, the assumption that any job of is an indication of quality, regardless of duration or sustainability. Is inappropriate.

4.4.6 Program design

One manager said there are no barriers to assisting young people through Intensive Assistance given the considerable financial rewards to placing disadvantaged job seekers in full time work. However, employers are reluctant to engage a disadvantaged young job seeker into a full time position. Financial rewards for IA relate mostly to placement in full time positions. Research shows that there are many more part time opportunities for young people and that adults tend to be recruited into full time positions.

Young people mostly come to JNMs through Work for the Dole programs. A manager suggested that many young people could be assisted into sustainable vocational pathways, if the Commonwealth were to redefine Work for the Dole programs as employment outcomes rather than in terms of the discipline of mutual obligation.

4.4.7 Exclusion criteria

Exclusion criteria prevent uninterrupted movement between programs such as Work for the Dole and Intensive Assistance. This is currently being reviewed by Centrelink.

4.4.8 The definitions of outcomes

The present definitions of outcomes have a most significant impact and can actually inhibit entry into both sustainable employment and vocational pathways. The Commonwealth defines and rewards outcomes as *any* job placement. Thus, incentives rest with providers rather than young people or employers and providers lack incentives to invest in service models and service standards pertinent to shaping individual quality outcomes..

4.4.9 There is no specialist staff training required

Unlike most areas of service delivery where the Commonwealth funds services for disadvantaged people, there is no Commonwealth support for any form of recognized tertiary qualification for JN staff; (as the Working Nation arrangements did, most successfully.) There is no specialist staff education/training required and performance requirements are under-conceptualised. Further, In a case management contract, a job seeker has very little say in what will be provided and what s/he will do. In most other services there is a strong emphasis on education and training for personnel to assist them to understand the access and participation rights and responsibilities of clients/patients. In addition, as noted, if the young person possesses other serious obstacles or impediments preventing employment, they can be considered irrelevant or ignored.

4.4.10 Reliance on central agencies is problematic for referrals.

At the local level, both government agencies tend to blame each other for having poor systems in place, leading to flawed referrals, which entail wasted resources for the JN providers and costs for even well functioning and skilled young people.

4.4.11 The JN's connection with Centrelink's breaching function

The JN's connection with Centrelink's breaching function can be counterproductive. According to JN staff, some JNMs use breaching to manipulate their caseload size by breaching a client with difficulties after receiving the up front payment. Association with Centrelink and its breaching power can also militate against young job seekers' positive engagement with a JN provider.

4.4.12 The level of compulsion

The level of compulsion in the JN system is now at such a high level that it compromises the countervailing public policy goal of public assistance. Coercion is seen by young people to

result in a significant narrowing of options, and when vulnerable youth attempt to escape from it, sanctions become harsher.

JN service providers engaging youth who have had coercive experiences, are given the added challenge of dealing with their residual anger. According to some managers, the approach to working with young people should not be punitive but based on open communication and negotiated agreement with the JN provider about the goals and strategies to be worked on by the job seeker. An effective professional relationship ought to enable the job seeker to feedback any dissatisfaction. An unwillingness to act upon the work agreement needs to be discussed with the case manager as it may be due to the young person not wanting the service. If this is the case, the young person should be able to withdraw amicably.

4.4.13 Unavailability of training programs

Although JNMs have the flexibility and capacity to allocate resources to fund training or to subsidise employment through any arrangement suiting an employer, there is no formal requirement for JNMs to spend anything on any young person, and anecdotal evidence suggests that often, service providers either need or choose to keep the funds for the sake of organisational survival or profit margins.

There is a dearth of skilled Certificate 3 trainers available to the JN to refer youth to, because of low salary levels in comparison with the commercial IT market. Certificate 2 training does not significantly improve marketable skills and statistics indicate a poor connection between possession of a Certificate 2 and permanent employment. Thus JN agencies are limited in the training they can offer in order to propel young people into sustainable employment pathways.

4.4.14 Inappropriate use of apprenticeships and traineeships.

There is an immediate problem that apprenticeships and traineeships are administered by a separate Commonwealth instrumentality. According to staff interviewed, traineeships are currently being used by some employers to employ adults, or to employ someone on lesser wage, or to pay an existing employee, so as to benefit from receiving the incentive payment. Some employers are said to misuse traineeships to try a worker at low cost and easily dismiss them, as trainees are not covered by unfair dismissal laws.

For the reasons above, some respondents were of the view that the traineeship system needs reviewing as it is now most often used by adults to obtain entry into a wanted industry, on low wages. A programmatic anomaly is that whereas JST providers are paid on enrollments, and yet provide only job search skills, Registered Training Organisations (RTOs) which impart specific work skills are paid only on completion and the organisation needs to bear the financial burden of drop out rates.

Traineeships are marketed by RTOs as providing a benefit to the employer. The payment by the employer to the RTO's skilling of a trainee is a lesser sum than the Commonwealth subsidy received for taking on a trainee. Some employers will then just enroll their long term employees into a traineeship as a way of making some quick profit.

Nevertheless, a manager pointed out, if someone begins a new apprenticeship with less than 3 months' employment, the state government pays the RTO and the Commonwealth doubles the subsidy to the employer. This is a lever JNMs could use to find a placement for a disadvantaged young person. Similarly, traineeships and apprenticeships can be used as a positive lever for employers to take a young person on, with bonus incentives to keep the worker for 13 and 26 weeks.

4.4.15 Lack of integration with local organisations .

The evidence was that on the whole, JN agencies only integrate and network with local community services agencies and local businesses if there is a financial incentive. Only one manager reported working well with community and local business networks, but this provider also had a CBE contract. Most JNMs do not have formal linkages link with schools, although most respondents agreed this would be beneficial for young people..

4.4.16 JN system's interaction with VET programs is non existent.

Respondents considered that the transition from school for jobseekers was an area of massive importance, but one which is ignored by JN policies and operating. There was some concern about teachers' lack of awareness of the realities of the 21st century labor market and workplace.

4.4.17 JN agency lack of capacity to provide track young people and offer continuity of support over years

As noted many young people require intensive emotional and social support not only over one episode, or even episodically but consistently and regularly. It is not possible for staff with caseloads of 100 or more to provide this, despite some providers' philosophical commitment to this.. Nor does the technology for tracking young people exist as they move from one provider or agency to the next, inside or outside JN

However, some staff suggested that there are potential strategies for reducing the staff time involved and improving the overall service by referring to other providers while still maintaining contact with the young job seeker. (This assumes the existence of appropriate providers with spare expertise, capacity and funding and cannot be assumed automatically) It was also suggested that JN members can also create friendly environments where young people feel comfortable to drop in any time with the knowledge that they will be attended to.

4.4.18 Lack of system capacity to address low literacy, numeracy etc

There is a significant unmet demand for literacy and numeracy courses. This is an area which requires a much greater commitment of resources by governments.

4.4.19 Conclusion to feedback from JN staff

The barriers enumerated above constitute systematic and often inescapable barriers to facilitating any young person not in full time work or education into sustainable employment pathways. It seems that the two most important system deficiencies are at the JN entry, where young people may be excluded and left to slide downwards and then at a later stage when it becomes obvious that multiple barriers operate which are beyond the competency of the JN provider.

Chapter 5. CONCLUSIONS

This chapter will firstly summarise the key findings found in the empirical data gathered in the interviews, focus groups and surveys with young people and JN staff. There will then be a return to the three questions framing this research and conclusions will be drawn in answer to each of these three questions on the basis of the evidence gathered. There will be a brief discussion proposing an analysis of each of these conclusions. Finally, some policy threads will be drawn together.

5.1 Key Findings

1. The sample of young people was, on the whole, not seriously or not at all disadvantaged when they left school, and some had reasonable academic scores. Eight out of 10 had positive family backgrounds, either lived at home or had frequent contacts and support.
2. They all, except for two young women, had very strong career or vocational aspirations which they pursued with a great deal of energy, in the face of continuing discouragement
3. Despite being in touch with the JN system since leaving school, they all became long term unemployed, except for one young man who after casual work, obtained entry into sustainable employment in the field of his choice within 18 months of leaving school.
4. The ten young people are examples of the literature about potential risks in the school to work transition and young people's needs for individually tailored guidance and support. This research supports the need for the existence of a closely woven service system ensuring that those not in full time work or education receive vocational guidance. The experiences of this sample of unemployed young people shows that the current Job Network arrangements are not an adequate safety net, even for some with average VCE scores or university degrees.
5. The findings here show that the existing system can directly contribute to some reasonably qualified young people becoming long term unemployed.
6. The report indicates the nature of barriers existing in the current system. Of particular importance, is that the point of entry of young people into the system is remarkably flawed and constitutes the first and at times unsurpassable barrier to a sustainable vocational

pathway. Information about income support and the Job Network is incomprehensible for many, partly because the complexity of the system is difficult for even professionals to understand, and mostly because of the central reliance on technology rather than human beings to communicate with job seekers. From such a poor beginning, most of this sample were blocked from pursuing their aspirations for years.

7. The framework underpinning the design of the JN system clearly is not compatible with the needs of young people in their transition to the workforce, let alone very disadvantaged ones. Consequently, financial constraints prevent even agencies deeply committed to and expert in the interventions required for facilitating sustainable employment outcomes for young people, from implementing best practice.
8. Other system design features militating against a service aiming at sustainable employment, include definitions of outcomes, of quality, the nature of mechanisms (or lack thereof) to ensure quality, accountability and staff development.
9. While the majority of the young people were very quiescent, it can be suggested without overstatement, that the system has crushed many of them. It is an intimidatory, confusing system based on an inappropriate knowledge base and skills about young people, the transition process, the labour market, skills acquisition and is significantly underresourced. Such inadequacies are very serious because exclusion from the primary labour market severely limit young people's life chances, on all sorts of levels.
10. The research certainly contradicts the myth that unemployment is an attractive option for some people. Unemployment meant poverty, isolation and frequently, depression for many young people.
11. The Work for the Dole program, by default, may well be the most positive and creative skills development service for young unemployed. Some of the factors accounting for the success of projects were the creation of something real in the community (e.g. theatre for public performance), meaningful skill acquisition, involvement in a group and learning interpersonal and team work skills, reduction of isolation, and most importantly, quality professional facilitation. This feedback from the young people demonstrates young people's eagerness to learn, to engage with others and the world of work. Young people spoke also of developing talents and personal growth, bringing fulfillment.

12. This suggests also the importance of on the job experience as a strategy for reducing unemployment and for assisting young people into sustainable employment. Young people were eager to volunteer in areas of their choice, yet there were practically no examples given of case managers using Intensive Assistance resources creatively and flexibly, although the young people may not have known about or remembered their case manager's interventions. JN staff need knowledge and skills in proactively finding and creating opportunities for job seekers.

5.2 Concluding answers to the three research questions

As this paper shows, the Job Network experience for any unemployed young person or any group of unemployed young people is essentially 'hit and miss', because such young people fall between the currently disconnected policy arenas of education and transition policies on the one hand and welfare/work policy on the other hand.

In the Job Network , policy thus ignores:

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

Research Question 1: Does the JN lead to constructive experiences for young job seekers?

There were some reports of constructive experiences with the Job Network. Two aspects of JN services were found to be positive.

Firstly, two young people had found two large commercial providers a reliable source of frequent part time, casual work. Secondly, some Intensive Assistance staff showed interest and diligence in giving regular attention to their long term unemployed job seekers ("I feel cared for every two weeks").

However, most young people in this sample said that they had never been asked about their vocational aspirations, were actively discouraged from pursuing their interests, felt continually

pushed into accepting any offer, felt that the JN provider was only interested in their numbers, that the Job Matching providers blocked their access to employers and so on.

The empirical evidence shows that these young participants were not particularly disadvantaged at the point of leaving school, with over half completing the VCE and one a university degree and the majority coming from intact, supportive families. Despite energetic job search, undertaking of training courses and regular contact with the JN system, they all became disadvantaged through long term unemployment. The 'scarring' effect of long term unemployment was discussed in Chapter 2.

The feedback was that the Job Network was perceived as not interested at best and punitive at worst. The majority of young people did not know what the system consisted of, nor of the resources they were entitled to through Intensive Assistance. The end result of long term involvement with the Job Network was long term unemployment for all but one. All experienced discouragement, depression, loss of confidence, loss of direction, isolation, extreme financial hardship for those living independently, lack of money for transport and clothes to attend interviews or training. Only one intrepid young man seems to have maintained his personal vision independently (vignette 2). More educated young people were angry and scathing.

However, the majority of young people were quiescent and unquestioning, even when aware of malpractice adversely impacting on them. Although all claimed to be independently energetic in their job search, most had not been proactive in finding out their entitlements to the service system. All understood the framework of Mutual Obligation underpinning Centrelink income benefits, as these seem to be explained competently, but only three of the more educated and older young people criticised the system.

This group provides evidence contrary to the widely held belief that young people need to be coerced into finding permanent employment. It also suggests that the policy framework underpinning access to Centrelink income support and its administrative obligations including breaching, are counterproductive as these militate against young people's active engagement with JN to attain their employment goals. The Job Network is seen as part of Centrelink and is thus perceived potentially punitive. This breeds a culture of resistance to the service system. At best it produces a young people willing to comply with all requirements but without the initiative to proactively engage as actors and agents with the service system, let alone entrepreneurs of their own career.

Research Question 2. Does JN involvement lead to sustainable employment outcome?

As point 4 in the summary of findings above indicates, long term involvement with the Job Network did not prevent the young people surveyed from becoming long term unemployed. It can be concluded that in the case of this small sample, the Job Network did not lead to sustainable employment outcomes. All of these job seekers with average educational and positive family backgrounds fell through the gaps of the existing system into the adversity of long term unemployment.

The enthusiasm heard in this research came from participants in Work for the Dole projects, which were notable for their high quality professional facilitation. As noted, the factors identified as being important in facilitating discouraged long term unemployed job seekers into entry into sustainable employment pathways do not necessarily exist in the Job network. In fact according to JN staff and managers, the fiscal incentives and JN contractual parameters may militate against providers implementing such practices.

Nor are the policy parameters and assumptions of the Job Network in accordance with any knowledge of the realities of the Australian youth labour market. The incentives for the system operate on the premise that young people may need to be coerced into a job, or trained in job search skills.

The second erroneous assumption is that any time spent in any casual position will accumulate to permanent employment. The data above contradicts this. One can say that the Job Network is effective in placing the most marketable young people into casual employment, but it is less effective in achieving sustainable employment outcomes for less competitive youth. The latter are usually not even able to submit their resumes to employers directly, nor do any JN staff member usually ever find out about their circumstances.

Further, the assumptions underlying the design of the Job Network do not indicate any knowledge of the school to work transition process, policies, programs and practices and the system requirements for preventing the scarring of long term unemployment early in life.

Thus the Job Network cannot lead to sustainable employment outcomes for young people because the stepping stones are just not there.

Research Question 3: Does the JN enable the addressing of the complex needs of young people seeking entry into the labor market?

In the case of this small group of young people, the JN system was not able to address their complex vocational or social needs. According to the qualitative data obtained from discussions with Job Network staff, even providers committed to and knowledgeable about the requirements of a quality employment support service for young people, consider they are prevented from delivering it..

Reflection points the reader to a range of Government policy errors in responding to the issue of youth unemployment. The principle policy strategy over the past two decades has focussed on promoting school completion or participation in apprenticeships/traineeships. This ignores the fact that students with year 12 and even university graduates can remain unemployed. The Australian VET system has been described as fragmented.. But successful school to work transition demands a systemic response, quite contrary to the atomisation characteristic of present arrangements, evident in the absence of joined up arrangements between DEWR and DEST.

5.3 Final comments

For some young unemployed jobseekers, the Job Network is a blunt instrument, based on a notion of shaping young people's behaviour by a series of constructed disincentives, which have no empirical foundation. This report cannot generalise to all jobseekers but in the course of its preparation, one senior executive from a reputable provider not offering JN said that she had never met a young person in her (western Melbourne) patch who had considered they had been assisted by JN.

It is of concern that the evidence presented from this small sample suggests that some young people, including those from positive educational and family backgrounds were diverted from their mostly strong vocational aspirations by their reliance on an employment service/welfare system lacking professional career guidance.(note the Youth Pathways report, Footprints to the Future for an argument of the signal importance of this for young people).. Thus it is reasonable to argue that in these cases that the Job Network missed the opportunity to stem their slide into further becoming disadvantage and long term unemployment.

It was unexpected to find that the Job Network involvement may actually make things worse for young people who are not overly disadvantaged.to begin with. If young people with average to good educational qualifications and not in disadvantaged labor markets can become long term

unemployed, how much more are others with disadvantaged backgrounds likely to be at risk of “permanent scarring”.

The existence of a cohort of young people disconnected from participating in the opportunities of society, and in particular, unable to earn their own income, ought to be a matter of great concern to the Federal and other Governments. The mutual obligation equation in Australia has been implemented in a manner placing undue weight on the need to ensure the individual’s compliance, with very little corresponding acceptance of obligation by Government to ensure the well being of young people within Job Network.

The McClure report and Australians Working Together are based on the recognition of the destructiveness of the way that mechanisms of social exclusion amplify and exacerbate disadvantage..However, both reports may underestimate the size of the target group at risk. Empirical evidence shows that children experience cumulative stresses at various stages of the development, particularly at transition points, such as from primary to secondary school, and from school to work.

The Productivity Commission Draft Report appropriately recognizes that the incentives and contractual obligations of the Job Network can be counterproductive. However, simply tweaking the incentives and changing monitoring or accountability arrangements are likely to be of limited cost effectiveness unless policy makers work from the basis of knowledge of the dynamics of the youth labour market, the human experiences of long term youth unemployment, what is required to prevent it and lift a long term unemployed young job seeker into sustainable employment. From such knowledge will be derived the appropriate micro system responses.

As one interviewed Job Network manager suggested:

“first DEWR ought to ascertain the cost of providing an effective service to young people, and then select tenders only on the basis of quality”.

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Appendix 1

Detailed methodology

4.1.3 Sample identification.

Centrelink Central Office was contacted for permission to interview anonymous young job seekers but this was refused under commercial law to gain what could have been seen as preferential access to information.

In line with the Jesuit Social Services' Unequal in Life classification of locational disadvantage, Job Network providers from two metropolitan Melbourne outer suburban areas with high youth unemployment were approached for access to ten unemployed young people who have had significant contact with the Job Network system. Not unexpectedly, it was difficult to locate the sample.

Case managers in participating agencies initially approached some young people and explained the nature and purpose of the research. The research worker had a discussion with each young volunteer, ensuring that it was understood that participation would not benefit their individual situation, their experiences would be reported anonymously, no personally identifying data to be collected, and the report is to be used in discussions with senior bureaucrats about the need to alter the Job Network to be more responsive to young job seekers. Young people would be asked questions about their family background and personal social circumstances in general terms and only if relevant to their capacity to obtain sustainable employment.

The participants agreed to be re-interviewed twice within intervals of one month. They accepted the token payment of \$30 in recognition of their time and input.

Interviews were carried out in the offices of the involved agencies or at a location and time convenient to the participants. Discussions were not taped and the researcher made notes, which are kept safely in her possession. The notes do not contain any personal identifying data.

4.1.4 Strengths and weaknesses of the methodology.

Weaknesses of the data obtained include:

- Reliance on job seekers' memory of past job seeking

- Small sample size
- Qualitative data recording young people's impressions, the subjectivity of which is difficult to distinguish from the reality of services actually provided
- Sample skewed by consisting only of organisations and young job seekers willing to contribute to this project goals, implying some shared value base.

Strengths

- qualitative data obtained through a relaxed discussion facilitates an accurate understanding of each young person's experiences
- data collection method allows interviewees to give unexpected information
- semi-structured interviewing format sets parameters for the legitimacy of questions asked, assisting job seekers to feel safe as well as focused on reflecting on relevant issues
- interviewing young people three times gives strong empirical data about experiences of contact with JN services, together with clear data on the current social context of each young person's life. This includes quantitative data about number of contacts, job applications, interviews, time spent with JN staff etc, as well as empirical qualitative data .
- triangulation provided by drawing on empirical data from the young people, from JN staff and managers and from the national and international research and program evaluation literature.

Opportunities

- findings may lead to a larger project with more definitive methodology
- the findings could be used as a basis for staff training and the setting of service standards
- enlarged understanding of the diversity of job seeker needs and greater clarity about the definition of quality service.
- the development of correspondingly improved program design and contractual parameters, improved definitions of outcomes, increased cost efficiency through resource reallocation to evidenced based programs together with more effectively targeted financial incentives.

Threats

- the report may not be considered by highest levels of government because of its modest size
- implementation of the findings may require unattainable resource allocation.

The *Youth Pathways* report suggested the following overarching principles/benchmarks are:

A national commitment to a full secondary education (or its vocational equivalent)
Education and training are the foundation for effective transition to adulthood and work.

Appropriate career and transition support.

Focussed local partnerships for young people at risk.

A system that responds to diversity collaboration between stakeholders and participation by young people.

An integrated effective youth transition system.

The *Youth Pathways* recommendations about how to improve the labor market assistance system for young people are in broad agreement with those developed by other labour market policy makers and experts (e.g. Finn 2001, BSL et al 2001, ACOSS 2000, Dusseldorp Skills Forum 2001). The research questions will elicit data with relevance to most of these recommendations, as will be demonstrated below.

This section will be organised under headings provided by the three research questions, followed by specification of the themes/issues to be explored in the interviews. References will also be made to how the data elicited relate to the recommendations of Youth Pathways.

Please note that interviews will not necessarily proceed in the order, nor style, of the questions/themes presented hereunder.

2.1 Research Question 1:

Does the JN provide a constructive experience for disadvantaged young people?

2.1.1 Questions/themes

Nature of contact with Centrelink:

What were your needs for or expectations of assistance?

Capacity to communicate with Centrelink staff

Availability of comprehensible and comprehensive information about a range of options and services needed for eventual stable employment

Income support: what were you eligible for and how adequate was/is it?

Understanding and negotiating the PFWA.

Understanding and negotiating the JSCI.

Understanding the various exclusions/eligibility criteria.

How do you understand Mutual Obligation? How do you feel about it?

How do you understand when breaching occurs?

What happened to you when and if you were breached?

What is it like to fulfil the administrative requirements: e.g. fortnightly forms, job diary etc.

How do you feel/perceive Centrelink? (Emotional level)

Job Network variables

Process of getting information about an advertised job

How do you find out about and choose a JNM?

What happens at reception of the JNMs you have frequented?

What did/do you need/expect from the JNM?

Have you experienced Job Search Training? Comments

Have you been in Intensive Assistance? Comments.

2.1.2 Links with Youth Pathways recommendations.

The information given in response to these questions relates to the following recommendations in Youth Pathways:

Rec 13; DEWRSB, FaCS, Centrelink and Victorian departments ensure PFWA s take account of young people's personal circumstances, particularly with respect to activity tests and sanctions.

Rec 22: DEWRSB, FaCS, Centrelink and Victorian training programs be integrated to remove irrational exclusions for participation which limit the programs' cumulative potential to act as stepping stones to meaningful life long employment

2.2 Research Question 2:

Does the JN lead to sustainable employment outcomes?

2.2.1 Questions/themes

The most important question asked of the interviewee here will be:

Describe in chronological order, what happened and what you did since you left

school in order to obtain permanent stable employment.

Such plotting of factual steps and events will constitute the empirical data sought to answer question 2. Additional details will be provided through these questions:

Centrelink

What has Centrelink done for you?

Do you know what else Centrelink could do to assist you in your future career?

Job Network

What has any JN member done for you?

What assistance do you need to apply for a vacancy?

What assistance do you need to determine a career path?

Do you know what resources are made available by governments to JN members particularly for IA?

What do you think IA should offer

What did you receive from the IA service?

Training

What training do you think you need/would like?

What has impeded you from accessing it?

Do you know what training is available, cost etc?

Experience of benefits or barriers to apprenticeships or traineeships

Experiences of training, and outcomes of this training?

Job Placement

What kind of jobs have you had? How did you obtain them? (Through the JN?) What did they lead to?

What do you think they should lead to?

What kind of job experience do you need?

What assistance do you need to come into and keep a job of your choice?

Are there jobs in your locality or geographically accessible?

2.2.2 Links with Youth Pathways Recommendations.

The information given in response to these questions relates to the following recommendations in Youth Pathways:

Recs 10, 11: develop relevant and monitorable performance indicators giving information about quality of outcomes and transitions pathways, retention and progression in raising employability including development of meaningful data bases. Develop research particularly qualitative

2.3 Research Question 3:

Does the JN enable the addressing of the complex needs of young people disadvantaged in the labour market?

2.3.1 Questions/themes

2.3.1.1.1 Interviews with youth

Individual needs for transition support

How was school? When did you leave , what did you want to do etc

Literacy, numeracy and other skills or skill deficits as perceived by YP

Describe your general pathway to employment/unemployment in chronological terms

Did any of the following personal circumstances feature in your life?

Family conflict

Debt, poverty

Lack of suitable, stable housing

Support networks or adult caring person

Substance abuse

Depression, low self esteem, confusion

Physical illness

Juvenile justice issues

Personal trauma and abuse

Lack of work skills

Communication skills

Lack of real accredited skills

Lack of suitable clothing

Not used to routine/discipline of work

Frustration with unfulfilling work, frustration of talents through variety of barriers

Boredom, loneliness, isolation, no recreational opportunities

Did any JNM or Centrelink staff ever discuss these issues? Did they offer any suggestions for help? Did they know anyone in the local area who might assist you with these barriers to your employment?

What could have helped you over the years since you left school to attain a stable

employment future? Eg someone consistent to guide you over time? access to youth services, peer social group, or counselling, etc

2.3.2 Interviews with Job Network Managers.

Question three will significantly rely on the data elicited from interviews with Job Network staff.. A focus group with such managers was carried out and consisted of a discussion of the capacity of the JN to assist the target group. It is proposed to explore the themes in greater detail through individual interviews with four or five managers in their capacity as JN providers employed by an agency with a specialist commitment and expertise in assisting youth disadvantaged on the labour market.

How frequently does their JN agency service YP? What do they provide for them?

What are the barriers to servicing YP?

Impact of contestability principle on service quality?

Impact of fiscal/contractual arrangements in terms of incentives or capacity to assist YP?

Impact of definitions of outcomes?

Impact of reliance on Centrelink as the gateway?

Impact of connection with Centrelink in the breaching function?

Issues about relationship with Centrelink and DEWSRB

Impact of mandatoriness of participation in programs

Training programs available through the JN: flexibility, availability and resourcing

Accessibility and relevance of apprenticeships and traineeships. Any comments for improvements?

Are there any barriers to the JN integrating and networking with other local agencies and businesses?

Should the JN links with schools for early intervention, imparting of workplace orientation, careers counselling?

Comment the JN system and its interaction with VET programs, appropriateness etc.

Can your JN agency provide continuity of support with YP over time, what does it cost and what are the barriers to this?

How do you as a JN provider, deal with low literacy, numeracy, poor appearance and presentation, lack of social skills, youth who have been through juvenile justice system? Do you have the resources, financially and in terms of skills?

Can you as a JNM work with families and other emotional./health issues or do you know where to refer?

2.3.2 Links with Youth Pathways recommendations.

The information given in response to these questions relates to the following recommendations in Youth Pathways:

Recs 4, 5, 6, 7: development of a transition support system beyond school, probably with individual case assistance, community partnerships, integrated services at local level, skills training for professionals in using the range of community and other services to facilitate a young person's transition to stable employment, including engaging the support of families

Rec 22: DEWRSB, FaCS, Centrelink and Victorian training programs be integrated to remove irrational exclusions for participation which limit the programs' cumulative potential to act as stepping stones to meaningful life long employment

Recs 14, 15, governments develop and tap into resources and opportunities of local communities

Recs 16, 17, 18: early identification of and intervention for young people at risk

Rec 19, 20: young people with high needs require connected up services at local level inter governmental and inter-agency

Rec 21, 22: young people not in mainstream education or not connected with employment have access to opportunities for information and vocational experiences in supportive settings which develop foundational employment skills such as literacy, technology, communication, independent living skills.