



## Discussion Paper Workforce Participation

### Introduction

Workforce participation policy may be considered in terms of two main elements:

- Review and reform of the employment services model (Job Network) with a view to maximising employment participation.
- The future of the marginalised labour force, including involuntary part-time, casual and voluntary workers.

These are related but have different policy emphases and appropriate timeframes for advocacy.

As with the recently established initiative on homelessness, there already is more than adequate research and argument on these topics. Productive advocacy will involve marshalling the relevant data and ideas with a view to persuading government (and other stakeholders) to adopt policies that accord with Anglicare Australia's values and strategic goals. (Which is not to say no more research should be done; merely that we may effectively proceed with what is available.)

It is recommended there be three levels of written material:

- Government submissions (whether or not formally invited) on high-level policy issues. The document to Minister O'Connor (see below) is an example.
- Detailed summaries of research (or, if done by an Anglicare member, the original research itself) as supporting documentation.
- A variety of media materials, written and audio-visual, including both Anglicare Australia's own and general publications.

### A general perspective

Underlying both proposed elements of workforce participation is the Rudd Administration's primary focus on economic management. Discussing social inclusion, for example, the Deputy Prime Minister has constantly emphasised that it must be seen in the context of — and as a means towards — increasing economic productivity. The rationale behind 'investment in human capital' is improving productivity by 'building social inclusion through hard economics'. The focus must be on 'replacing a welfarist approach to helping the underprivileged with one of investing in them and their communities to bring them into the

mainstream market economy'. In short, 'Including everyone in the economic, wealth-creating life of the nation is today the best way for Labor to meet its twin goals of raising national prosperity and creating a fair and decent society.'<sup>1</sup>

This is distinct from Anglicare Australia's primary emphasis on the moral imperative to engage all sections of society in meaningful activity, based on an appreciation of, and commitment to strengthening, human dignity. This obviously includes paid employment as the most desirable form of participation for the majority of adults, but does not make wealth creation the fundamental objective. Although, ideally, the twin goals of 'raising national prosperity and creating a fair and decent society' can be simultaneously realised, where there is a conflict it is the second which should take precedence.

That said, there is clearly much common ground and good will. There is also recognition within the Government more generally that social and economic participation can take many forms. However, the fact remains that Anglicare's essential vision is ethical and that this should guide the language and logic of all policy argument.

### **Reform of the employment services model**

Reform of the Job Network is on the Government's immediate agenda. Anglicare Australia has made a submission on the subject to the Minister for Employment Participation, Brendan O'Connor, followed by a meeting. A summary of the submission is provided as an attachment. Several points have emerged:

- The inter-relatedness of social inclusion and workforce participation.
- Anglicare Australia's strong belief in social inclusion being underpinned by the dignity of individuals and not simply the need for labour in a boom economy.
- The need for social, as well as economic, participation to be viewed as valuable: volunteer work and caring are two obvious examples.
- The possibility of integrating the recently announced strategy for employment for people with disabilities and mental illness and the Job Network review.
- The inter-relatedness of employment and such issues as homelessness and mental illness.
- The perverse incentives for people on the disability support pension (DSP) accessing Job Network Services; counter productive measures that discourage those on DSP from trying employment options.
- The onerous reporting regime for agencies providing Job Network services.
- The need to remove the punitive and coercive elements of the Job Network system.
- The need for long-term case management to secure effective pathways to employment, especially at critical transitional stages.

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<sup>1</sup> Julia Gillard, 'The Economics of Social Inclusion', Paper presented to the Sydney Institute, 12 July 2007, at [http://www.alp.org.au/download/julia\\_gillard\\_speech\\_social\\_inclusion.pdf](http://www.alp.org.au/download/julia_gillard_speech_social_inclusion.pdf).

- The significance of location, and the need to give resource priority to the most disadvantaged communities.
- The potential of intermediate labour market programs.

### **The marginalised labour force**

The condition of part-time, casual and actual or de facto voluntary workers should be a high priority. This takes account of a wide range of individuals, groups and circumstances, including people with disabilities, older retrenched workers and the significant number and categories of the 'hidden unemployed'. While a comprehensive treatment of the several constituent issues, not to mention substantive policy change, will require increasingly detailed advocacy over the Government's whole term, it may also legitimately be introduced into debate on reforming or replacing the Job Network.

Workplace conditions are 'live' to the extent the Government's abolition of AWAs opens the way for alternative 'flexible' arrangements. Current discussion over extending parental leave may be a foretaste of debates to come.

It is proposed to develop a policy framework for dealing with the marginalised labour market that would cover, among other things:

- A critique of the established orthodoxy on workforce (and economic) structure, with particular focus on the distinction between the productive, social transfer, and voluntary sectors.
- A proposed alternative set of criteria for determining the social and moral value of different forms of work both within and outside the mainstream market economy. This will necessarily involve discussion of broader economic issues: notably on the questions of what constitutes the 'real' economy and 'real' jobs.
- An indication of the broader macroeconomic, fiscal and welfare policies that would be needed to accommodate these changes.

Using the above-mentioned written materials, this would culminate in a major public document well before the (putative) 2010 federal election.

### **Strategy**

Anglicare Australia will

- respond to and further advocate on Minister O'Connor's review of the employment services model.
- liaise with the Parliamentary Secretary for Disabilities and Children's Services, Bill Shorten, to facilitate integration with the strategy for the employment of people with people with disabilities and mental illness.

- develop the above policy framework for the marginalised labour force.

**ATTACHMENT: Summary of submission 'Without Prejudice' to the Minister for Employment Participation, February 2008.**

Any effective reconfiguration of the current employment services model should be undertaken in the context of a broader consideration of social and economic participation, in which mainstream employment plays the foremost but not exclusive part. This is in line with the Government's Australian Social Inclusion Agenda and its commitment to fiscal responsibility.

In examining economic participation, it is necessary to distinguish between paid and unpaid work (both of which are valuable), and among different categories of 'job seeker':

- Those who are ready, or almost ready, to participate in the mainstream job market and who require limited, if any, assistance.
- Difficult-to-place job seekers who require some form of intensive assistance to become work ready for the mainstream job market.
- Highly disadvantaged job seekers who, no matter how much assistance they receive, have little hope of being employed in the mainstream job market, but who might be employed outside it.
- Those who are job seekers in name only, as they have no current realistic prospect of employment of any kind.

The Job Network has failed many in the third and fourth groups because it has attempted to use the same methods for assisting them as it has for the first two. The Network has also been distorted by the commitment to a quasi-market model and a narrow interpretation and application of 'mutual obligation', leading to a one-sided, often coercive form of accountability. This has been counter-productive, with a negative impact on providers and clients alike.

Anglicare Australia suggests that Government might improve the current employment services model along the following lines:

- That there be a conceptual and practical reconfiguration of the purpose and intended outcomes of the Job Network system.
- That the Network not provide employment services for those who are job seekers in name only; and that these people be provided day services or other forms of occupational therapy under a different agency.
- That the Network discard the function of job brokerage for those who are 'work ready' and able to find work for themselves. Such people should continue to receive income support from Centrelink, in accordance with standard reporting requirements, for an agreed period, after which their classification and responsibilities would be re-assessed.
- That the Job Seeker Classification Instrument be refined, not only for determining the appropriate level of income support, but also the kind of contractual arrangement that would meet the requirements of genuine reciprocal responsibility.

- That Job Network concentrate on two groups: those who, with greater or lesser individual case management, have a realistic prospect of paid employment in the mainstream economy, i.e. given employer demand; and those for whom intensive assistance will not lead to employment, but could lead to some other form of worthwhile economic as well as social participation — notably in the voluntary sector, or some comparable alternative.
- That there be no financial or other penalties imposed on those who voluntarily move from non-employment to employment services and support, and who subsequently find they cannot meet the requisite demands.
- That there be a truly independent body to adjudicate disputes over such matters as breaches and penalties.

Such a reform of the Job Network's purpose and structure would itself yield cost savings. These would be reinforced by the savings made from the opportunity costs associated with continuing unemployment and its social consequences.