

**ANGLICARE**  
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respect  
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Submission to the  
*Employment Services – building on success*  
Issue paper

**A social view of employment:  
A vision for the future**

March 2013

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# Anglicare Australia

Anglicare Australia is a network of 45 independent organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the faith that every individual has intrinsic value. Our services are delivered to one in forty Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, over 23,037 staff and 15,842 volunteers work with over 502,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

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## Executive Summary

For many people, paid employment is a fundamental building block for participating in society. For true participation this means real employment, rather than endless employment training, for example. The key failure of our imagination here is that we presume the primary cost of long-term unemployment is economic where more importantly it has a social or human cost to us all. We need to keep in mind what it is that we all miss out on when people, families and communities are disengaged or excluded from our wider society. This is why when it comes to supporting people re-engaging with the workforce, Anglicare Australia advocates for an *integrated* approach to employment services that links communities and employers, helps jobseekers develop work skills and get job ready, recognises the long term implications of deprivation and social exclusion, and sees job services as just one element of the bigger solution to untangle complex social issues. Anglicare Australia also believes the government has an essential role in ensuring adequate investment in housing, education and health services that underpin our communal wellbeing.

Economically, Australia's slowing GDP growth and its saturated capability to produce more efficiently from the existing pool of labour means that the greatest opportunity for economic growth involves those who have been out of the workforce for prolonged period of times, and those marginally attached to the workforce<sup>1 2</sup>. While it is an economically sound initiative, Anglicare Australia also argues it is imperative to consider these people's dignity and freedom of choice regarding their employment, as they may not have the same capacity to harness opportunities. In other words, those who have been out of the workforce for the longest time and experienced the greatest societal pressures should not be expected to do the worst jobs. The government and industry need to ensure that the employment support system is non-discriminatory and can respond to need and opportunity. Investment is also necessary to help this group of jobseekers fully realise their capacity to earn a decent wage and engage in their communities.

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Employment services for the future must take a social view of employment if they are to be effective.

In designing employment services for the future, Anglicare Australia highlights the three areas where the gains made can have a substantial impact on supporting people into the workforce: working with jobseekers; working with employers; and working with the sector.

**Working with jobseekers** involves complex issues that require a considered response. In many Government departments programs have already begun to reflect the shift in discourse around intensive and client focussed services. Billions of dollars are being spent on programs which hold at their core the principle of client-centred care. For future employment services, this model is also apt. However, a cookie-cutter model of employment support for people with different circumstances and needs is ineffectual. While the current operation is relatively successful in supporting people who are already likely to find employment, it hasn't been the case for jobseekers with a long history of complex

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<sup>1</sup> ABS, 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Mar 2012. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbyTopic/D2AE2F9036885AB8CA2579B9000D24B1?OpenDocument>

<sup>2</sup> Quiggan J. (2012), *Is working harder and longer really worth it?* The Drum Opinion, ABC. Available at: <http://www.abc.net.au/unleashed/4047396.html>

disadvantage and unemployment. Working with this group of people requires a different approach. It is time to test a new model.

What this means for future employment services is working intensively with disadvantaged jobseekers, offering support in a number of transition points in a person's employment journey, as well as creating pathways to gradually move jobseekers back from the edge of the labour market to the core where work and education opportunities are more secure. Experience shows that integrated approaches that combine personal support, soft and vocational skills development and work experience with a closer alignment to local employment opportunities are essential to overcoming barriers to employment<sup>3</sup>. Hence, in the development of employment services beyond 2015, Anglicare Australia encourages Minister Ellis and the Department to adopt a client-centred focus in designing services that put an emphasis on the importance of working intensively with people and assisting them draw connections between their current work and the vision of their own career path. It is employment services that have a social view of employment which will be able to work more effectively towards decent and meaningful engagement with the workforce.

**Working with employers** creates opportunities and a brighter future for people who are long-term unemployed and facing multiple disadvantages, as employers are "the engine room of economic activity and job creation"<sup>4</sup>. It is well documented that long-term unemployed people are some of the least advantaged in the labour market, with disproportionately low formal skills and education levels<sup>5</sup>. As people find it difficult to improve their employment situation, they become trapped in a succession of insecure jobs with minimal benefits, and further spiral into ongoing poverty and disadvantage once unexpected events or expenses hit. It is hence not hard to believe that this group of people is so often associated with poor physical and mental health, social isolation and poverty, further jeopardising their job prospects.

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Anglicare Australia recognises that supporting people facing multiple disadvantages and long-term joblessness is a matter of generating meaningful employment, and ensuring that they have the capacity to take up those opportunities. This is an area where government and business leaders should take the responsibility and opportunity to lead by example.

While employers tend to screen out people whose skills lose currency in favour of those with more recent work experience, research shows that employing disadvantaged people is no risky business and workplace diversity can actually provide additional values of improving staff morale and building customer loyalty and business brand<sup>6</sup>. It is also demonstrated that programs including *direct* work experience with employers are more likely to succeed<sup>7</sup>. Direct engagement of employers in development of tailored programs for long-term unemployed people is also one of the most effective ways to motivate participants<sup>8</sup>. In addition, Anglicare Australia argues the Australian Government should take the lead in creating more APS positions for those most marginalised from our society.

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<sup>3</sup> Brotherhood of St Laurence (2011), *Line of sight: better tailored services for highly disadvantaged job seekers*. Melbourne.

<sup>4</sup> DEEWR (2013), *Employment services – building on success issue paper*, Commonwealth Government, Canberra

<sup>5</sup> Chapman B, Kapuscinski C (2000), *Avoiding recessions and Australian long term unemployment – discussion paper*, the Australia Institute;

<sup>6</sup> Australian Government (2012), *strengthening your business through diversity: A guide for employers*. Available at: <http://www.deewr.gov.au/Employment/Programs/Supportforemployers/Pages/Overview.aspx>

<sup>7</sup> DEEWR (2010), *A new partnership with industry*, Commonwealth Government, Canberra, March

<sup>8</sup> Wren T. (2011), 'Lifting participation and employment for disadvantaged job seekers: demand-led and supply sensitive reforms', ACOSS National Conference, 29 March

**Working with the community sector** should be seen as an integral component in creating an effective whole-of-person and client centred employment service system, as very often it is the trusting relationships that are built between clients and staff at service levels that gives clients their valuable self-esteem and confidence to reintegrate and contribute meaningfully in our community.

Anglicare Australia argues that employment provision services do not provide the ideal environment to breed and nurture these trusting relationships. Community organisations, on the other hand, are able to bridge that gap and hence should be recognised as integral to the employment assistance process.

Anglicare Australia commends the government for recognising an emerging trend of increased sector participation and hopes to see future employment services designed in a way that recognises the community sector especially, but also other service providers as key agents in the lives of those people who also access employment services.

**Working for the future** requires closer partnerships among employers, job service agencies and jobseekers to create a socially inclusive employment service system that allows everyone to have an equal opportunity to participate and contribute. Anglicare Australia recommends the following:

### ***Working with jobseekers***

- A social view of employment be adopted.
- Employment services are designed to hold the person rather than the process as central, with mechanisms to work intensively with those who seek additional support.
- Employment services are designed to adopt a Line of Sight methodology which ensures people accessing services understand what activities they will be undertaking, how that fits into their pathway and the type of jobs that are available along that pathway.

### ***Working with employers***

- Government recognises that supporting people into employment is not merely a matter of getting people jobs but rather a matter of generating meaningful employment for people and ensuring that they have the capacity to take up and sustain those opportunities.
- Government and business have to play a role in influencing employers and co-workers attitudes towards employing people with disability through targeted and broad ranging education campaign.<sup>9</sup>
- Employment services adopt a work practice of collaborating with business and community sector partners to identify opportunities for allowees that provide a line of sight to stable employment through a process of step-migration and long-term flexible support which increase as the duration of income support increases<sup>10</sup>.
- Government, through employment services, to provide innovative incentives to employers to increase the demand for labour. For example, by broadening and increasing wage subsidy schemes; tax incentives for the long-term employment of a long-term unemployed person; tax incentives upon demonstration of skill development for an employee from a disadvantaged background.<sup>11</sup>
- Government takes the lead in creating more Australian Public Service (APS) positions for those most marginalised from our society, such as those with disability, through the introduction of

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<sup>9</sup> *What Disposable Income?* Anglicare Australia submission to the Education, Employment and Workplace Relations Committee Income Inadequacy Inquiry August 2012

<sup>10</sup> *ibid*

<sup>11</sup> *ibid*

more APS1 and 2 entry level positions which have traditionally offered most opportunity to this group of people.<sup>12</sup>

***Working with the sector***

- Continue the work to embed community organisations in employment service assistance processes with a view to designing a system that takes into account the varying roles that community sector organisations take in supporting an individual.

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<sup>12</sup> ibid

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## A social imperative

This paper is a response to DEEWR's "Employment Services building on success" Issues Paper. It argues that our approach to employment services needs to be consistent with an ethos that includes and values citizens of all ages and capabilities. While employment participation in most instances delivers economic benefits all round, we can neither understand our brief nor effectively address the challenges until we take a broader view of employment as just one facet of a connected society.

For many people, employment in the paid workforce is a fundamental building block for their participation. For true participation this means real employment, rather than endless employment training, for example. However, while the economics of employment is held up as the purpose or outcome, it is the social and personal benefits of work to the new employees and to the communities and society they are a part of that are most significant.

The key failure of our imagination here is that we presume the primary cost of long term unemployment is economic where more importantly it has a social or human cost to us all. We need to keep in mind what it is that we all miss out on when people, families and communities are disengaged or excluded from our wider society. Most people want to be positively connected to society and to the people around them, whether they can work or not. Effective employment services cannot exist outside the rubric of a diverse and connected society. It is equally important that our infrastructure and development looks to the housing and transport needs of the least powerful, that our school systems seek to engage all young people, and that we take a reablement approach to care for everyone as they age, as it is to support people specifically into work.

When it comes to people in their working years, we advocate for an integrated approach to employment services. While many of Anglicare Australia's member organisations support people into work, many more provide services that are about being work ready, or finding the security and stability that are precursors to developing work skills. The popular notion that people who are out of work are simply dependent on welfare and lack drive or incentive flies in the face of the concrete barriers to employment, participation and inclusion that confront the most disadvantaged jobseekers. People who are close to this reality have a more realistic view of how complex it can be.

The related issue of poverty casts some light on this disparity of comprehension. In a survey conducted for Anglicare Australia last month<sup>13</sup>, 11% of all respondents thought that welfare payments should be set at a bare minimum, whereas two thirds took the view that the focus should be on cost of living when setting the level. However, while only 1% of those with household income of \$20k or less (and 9% on \$60-80k) agreed with that bare minimum proposition, 24% of households earning more than \$150k supported it. For many people at the more affluent end of our society, the circumstances of the less capable and well off would seem to be both unknown and unimportant. Inequity, perhaps understandably, can be overlooked from the top of the hill.

Policy responses to the consequences of inequity then cannot be simply shaped by popular wisdom. They must instead reflect a close understanding of the circumstances they are to address. For employment services – as our members can testify – this means local programs, it means linking up to

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<sup>13</sup> The Australian Institute (2013), Survey for Anglicare Australia on setting welfare levels. Available at: [http://www.anglicare.asn.au/site/research\\_reports.php](http://www.anglicare.asn.au/site/research_reports.php)

communities and employers, it means recognising the long term implications of deprivation and social exclusion and seeing job services themselves as just one element of an intelligent response.

Finally, there is a need for moral leadership. The state (through both public policy and public funding) plays an essential role in ensuring adequate investment in housing, education and health services that underpin our communal wellbeing. Similarly, as we argue in more detail later in this paper, it has a role in ensuring the world of work is open to all with the capability: in regard to income support and job services on the one hand, and in employment creation itself on the other.

## An economic imperative

In an opinion piece in 2012<sup>14</sup>, Economist John Quiggan, pointed out that many Australians were already working to the upper extent of their productivity value. As Mr Quiggan told it, we have worked ourselves to the point where working smarter has morphed back into working harder. *“If you are putting in more hours, or increasing your pace along with your hours, to produce that last unit of output, your productivity is declining, not increasing.”*<sup>15</sup> The ideal, Quiggan stated, is to increase the production of technology and increase the educational capacity of the workforce to harness the efficiency of that technology. In one reading the mechanising of the workforce can be seen computers over people etc., but in another increasing the capabilities of the available human capital to match the increasing technological growth thereby increasing productivity overall can be seen.

The economic dimension of increasing employment is well understood. The growth in Australia’s GDP is slowing<sup>16</sup> and it is widely agreed that there needs to be a big push in terms of productivity to protect that growth when the boom is over. One way Government has seen to achieve this is to actively engage more non-workers. A shift in the notion of welfare is now seeing many supporting parents and people with a disability moved from other allowances onto Newstart and expected to find work, while changing demographics is reflected in the push to get older workers, even retirees, to return to the workforce.<sup>17</sup>

But in times of low unemployment, it is those who are the least job ready, skilled or attractive to employers who remain marginalised and excluded. The economic benefits that come with drawing people into the work force in this case depend on substantial upfront investment. Much as the Gonski review has pointed to needs based funding for schools, Government and industry need to ensure the employment support system is non-discriminatory and can respond to need and opportunity. In part that is about job services or something in their place, but it is also about a payment and compliance system that allows community connection and life-long learning to play a part.

Given that a portion of our workforce has reached the very limits of its capability to produce, the greatest opportunity for growth rests with the ‘other’ part of our population which so far has been overlooked, is underutilised—for a number of reasons—and only marginally attached to the workforce.

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<sup>14</sup> Quiggan J. (2012), *Is working harder and longer really worth it?* The Drum Opinion, ABC. Available at: <http://www.abc.net.au/unleashed/4047396.html>

<sup>15</sup> *ibid*

<sup>16</sup> ABS, 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Mar 2012, accessed at: <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbyTopic/D2AE2F9036885AB8CA2579B9000D24B1?OpenDocument>

<sup>17</sup> Department of Human Services, Building Australia’s Future Workforce. Available at: <http://www.humanservices.gov.au/corporate/government-initiatives/building-australias-future-workforce>

With full employment in Australia, many would argue that we should be less concerned with those who do not already have a job or the means to find one tomorrow. Economically speaking, people who are unemployed should sit back and enjoy the status quo. However, despite principles of efficiency and equity, we know that the 'pie' is not always equally divided and life for an unemployed person is hard. Barriers to employment perpetually exclude those without higher education, Year 12 or the requisite 'soft' skills; the presence or absence of which can dramatically impact on an individual's success in the workplace.<sup>18,19</sup>

Poor quality and limited work are additional elements of a broken system that has failed to support people who experience the worst societal conditions in Australia. DEEWR's data shows that many are able to transition between unemployment and employment with little to no support or, as is often the case, with a relatively short period of support. However, those who have been out of the workforce for the longest time, experience the greatest societal pressures, and have some of the worst life outcomes are also expected to do the worst work. Our affluent country seems happy to sacrifice a group of people who are the first to bear the brunt of economic downfall and the pressure of securing our economic future.

The dignity and freedom of choice that can come with employment are often denied many Australians because in effect they don't have the capacity to harness the opportunities that come their way. It would seem that there is some resistance from the wider community to the kind of extensive investment that is needed to address this inequity because the argument has been framed for so long as economic. However, as the Senate Community Affairs Committee's most recent report points out<sup>20</sup>, the social determinants of health affect the wellbeing and life chances of us all, and it is only through a coherent approach to these broader indicators that all Australians could ever have the option of full engagement and participation—such as through secure employment—in our society.

For the 235,000<sup>21</sup> people who have been unemployed for lengthy periods it isn't about an economic imperative, it's a personal one. Their own society has overlooked them and greater investment is needed to allow them to fully exercise their capacity to earn a decent wage and engage with their communities. In doing so, should they get the chance, they may just inadvertently contribute to growth in productivity and eventually in raising the quality of life for *everyone*.

## Working with jobseekers

### ***Complex issues require a considered response***

In many Government departments programs have begun to reflect the shift in discourse around intensive and client focussed services. Billions of dollars are being spent on programs which hold at their core the principle of client-centred care. Early adopters were the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the Attorney General's Department (AGD)

<sup>18</sup> James J. Heckman, Tim Kautz, Hard evidence on soft skills, Labour Economics, Volume 19, Issue 4, August 2012, Pages 451-464, ISSN 0927-5371, 10.1016/j.labeco.2012.05.014. available at: <http://www.sciencedirect.com/science/article/pii/S0927537112000577>

<sup>19</sup> Cameron R. & Harrison JL (2012), 'The interrelatedness of formal, non-formal and informal learning: Evidence from labour market program participants', Australian Journal of Adult Learning 52.2 (July 2012): 277-309

<sup>20</sup> Parliament of Australia Senate Committees (2013), Australia's domestic response to the World Health Organisation's (WHO) Commission on social determinants of health report 'Closing the gap within a generation'. Available at: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate\\_Committees?url=clac\\_ctte/completed\\_inquiries/2010-13/social\\_determinants\\_of\\_health/report/index.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=clac_ctte/completed_inquiries/2010-13/social_determinants_of_health/report/index.htm)

<sup>21</sup> DEEWR (2013), Labour market and related payments monthly profile publication, Commonwealth Government, Canberra. Available at: <http://deewr.gov.au/labour-market-and-related-payments-monthly-profile-publication>

with the Family Support Program and the Family Law Services Program. Notable additions are the Aged Care Reforms, the National Disability Insurance Scheme (NDIS), the recent Gonski reforms to education (pending) and even to a degree DEEWRS own Remote Jobs and Communities Program.

In each of these cases, as much as possible, the services are designed to fit with the person, not the 'client' but the person. In some cases it means working intensively with individuals around their personal circumstances and overcoming barriers specific to them, such as in the cases of the NDIS, Aged Care Reform and Family Support Program, so that people might engage and participate in society to the extent they choose and not to which extent society has chosen for them.

*For future employment services, this model is apt.*

DEEWRS own data and other research a-plenty has shown the barriers that exist for people who are long-term unemployed. If the Department requires more evidence however, Anglicare Australia is able to provide an additional submission. Minister Ellis is well aware of the issues that people who are seeking work face, particularly those who have been searching for some time. The issues paper released for this consultation is quite clear about the particular issues preventing people from taking up and maintaining paid work. A lack of understanding is not the issue; up to this point the policy response to these issues has been a broad-brush systematic approach. A consolidated system where the focus is on the process and not the people. Employment has been conceptualised in isolation from the social – even human – experience. Evidently, this type of approach is largely ineffectual despite the good news figures listed in the issues paper.

As mentioned the current operation is relatively successful at supporting people who are already likely to find employment. It is for those who have cycled in and out of the labour force; who have limited to no experience; who are disadvantaged and stymied by stigma; or who have troubled and complex histories that the 'system approach' has been disappointing. 4

Numbers of people seeking meaningful and sustainable employment are increasing.<sup>22</sup> Possibly this is a result of other policy decisions driving people to be counted in unemployment figures,<sup>23</sup> though whether it is the case or not, these are people who need a sustainable job. One allowing them to shift from the depths of poverty and the margins of our society. A cookie-cutter model of employment support has proved ineffectual in supporting people with a long history of complex disadvantage and unemployment back—or in some instances for the first time—into the workforce. Working with people experiencing the greatest disadvantage requires a different approach. It is time to test a new model.

For future employment services, what this means is working intensively with disadvantaged jobseekers and offering support in a number of transition points in a person's employment journey.

### ***Pathways from the edge to employment***

In *Welfare*<sup>24</sup>, Daly describes a new model of society which takes advantage of a less affluent and newly created service-class, and allows those in the mainstream to enjoy the convenience of "services, servants and security" at the expense of those on the fringe. Former Deputy Prime Minister Brian Howe

<sup>22</sup> DEEWR (2013), Labour Market and related payments monthly profile publication, Commonwealth Government, Canberra. Available at: <http://www.sciencedirect.com/science/article/pii/S0927537112000577>

<sup>23</sup> *ibid.* Changes to DSP and Parenting payments have resulted in higher numbers counted among Newstart recipients, despite the high number of recipients with no to minimal participation requirements numbers have continued to grow. In the 12 months to January the number of jobseekers increased almost 20% and the proportion of long-term unemployed grew 25%.

<sup>24</sup> Daly, M. 2011. *Welfare*. Polity Press: Malden, Massachusetts, USA.

in his 2012 inquiry for the ACTU<sup>25</sup> further endorsed that notion by describing Australian society as those making up the core and those forming the periphery. In both cases, the model requires a group of people to live on the outside so that those on the inside can live the kind of life recognisable as typically contemporary Australian. More and more, Australia is seeing much of its workforce pushed to the fringes with little mobility from the edge in to the core.<sup>26</sup>

Anglicare Australia member, the Brotherhood of St Laurence (BSL), has written prolifically on the importance of 'line of sight' to employment opportunities. But for many who have existed at the margins of the labour force for long periods it may be a case of going back to the very beginning.

"The complex issues faced by these jobseekers require a fully integrated, flexible service delivery model with a 'line of sight' to local employers, including transitional employment providers... experience shows that better integrated approaches, that combine personal support, soft and vocational skills development and work experience with a closer alignment to local employment opportunities, are essential."<sup>27</sup>

In a submission to the inquiry on the adequacy of the Newstart payment Anglicare Australia provided the following as one of its supporting arguments for an increase in the payment. It is included here as it speaks to the availability of and the importance of matching people with the right jobs.

*Unemployment continues to be a prominent and real-world issue; internationally the World Economic Forum has announced that financial instability and income disparity will be the number one global issue of concern for the next 10 years.<sup>28</sup> The OECD has reported that the level of the Australian Newstart system is insupportably low<sup>29</sup> and still the chief ameliorating strategy is for people to take up paid work. However, over the last 20 years the structure of occupations within industries has changed. At the same time as high-skilled occupations increased, massive decreases were occurring in low-skilled jobs. According to research from America, growth has been greatest in demand for expert thinking and complex communication<sup>30</sup> and – particularly in Australia as well – the largest decreases have been in those roles drawing on numerical clerical work and secretarial assistance, and routine tasks of machinery and plant operation.<sup>31</sup> This point was also raised in the issues paper.*

*The type of work that people coming off NSA might engage in is evaporating and recent research has been published introducing a concept relating to theoretical jobs. These are jobs that exist in principle in the economy, rather than actually available jobs available to people where they live and matched to their skill set.<sup>32</sup> The term allows for an explanation of the*

<sup>25</sup> ACTU (2012), *Lives on hold: Unlocking the potential of Australia's Workforce*. The report of the independent inquiry into insecure work in Australia.

<sup>26</sup> *ibid*

<sup>27</sup> Brotherhood of St Laurence (2011), *Line of sight: better tailored services for highly disadvantaged job seekers*. Melbourne.

<sup>28</sup> Sloan, J & Maher, S. 2012. *Income disparity world's chief risk, says World Economic Forum survey*. The Australian, January 13, 2012. Available at <http://www.theaustralian.com.au/national-affairs/treasury/income-disparity-worlds-chief-risk-says-world-economic-forum-survey/story-fn59nsif-1226243066379>

<sup>29</sup> Organisation for Economic Cooperation and Development. (2008), *Growing Unequal? : Income Distribution and Poverty in OECD Countries*. Available at <http://www.oecd.org/dataoecd/44/47/41525263.pdf>

<sup>30</sup> Autor, D., & Duggan, M. (2006), *The Growth in the Social Security Disability Rolls: A Fiscal Crisis Unfolding*, Journal of Economic Perspectives—, 20(3), 71-96 in Catholic Social Services Australia, Anglicare Australia, UnitingCare Australia & the Salvation Army (2011), *What if employers say no?* Canberra.

<sup>31</sup> Borland, J. (1998), *Earnings inequality in Australia : changes, causes and consequences*. Canberra: Australian National University, Centre for Economic Policy Research in Catholic Social Services Australia, Anglicare Australia, UnitingCare Australia & the Salvation Army (2011). *What if employers say no?* Canberra.

<sup>32</sup> Organisation for Economic Cooperation and Development. (2008), *Growing Unequal? : Income Distribution and Poverty in OECD Countries* accessed <http://www.oecd.org/dataoecd/44/47/41525263.pdf>

*incongruity between the seemingly countless number of jobs reported in the media and the high levels of unemployment present in the lower third of the social gradient. "With unemployment currently low and some employers complaining about skill shortages it might seem a stretch to argue that labour market demand is a problem. But data on the rates of male full-time employment suggest exactly that."<sup>33</sup> It illustrates the point that it may not be as easy as simply 'taking up paid work', when in reality, it seems these jobs seem to not exist where they're expected to be.*

*The Inquiry into Insecure Work in Australia conducted by Brian Howe for the ACTU in 2012 has also shown that the experience of people on low incomes, if they are able to obtain work, is that it is usually of a casual nature, highly insecure, labour intensive, low quality and often dangerous.<sup>34</sup> The upshot of all of this is that we now know that people fare worse when they take up poorer quality work but also that, largely, the only work that seems to be available at this time is generally of a poor quality.*

*To ensure that this is not the case, new employees, especially those returning to the workforce from long-term benefit receipt should have the opportunity to take up meaningful work (and this does not imply the complex work as noted above) that has value to them, their family and society generally. For those on the lowest incomes to make their way into the core intervention on both the supply and demand side of labour is required, if they are not to live their entire life on the periphery.<sup>35</sup>*

*The lack of the opportunity to work – whether due to an absence of jobs or ineffective matching – is a major hindrance to coming off benefits and making their way into the core. Research from BSL as referred to above has shown that the line of sight to the next step in professional growth is as important as the work that a person is doing.<sup>36</sup>*

END EXCERPT

In the development of employment services beyond 2015 Anglicare Australia encourages Minister Ellis and the Department to adopt a client-centred focus in designing services and be guided by the principles of working intensively with people and assisting them to draw connections between the actions they are taking and work and to have a vision of their own career pathway, whatever form that may take.

Ministers Shorten and Wong have recently introduced into parliament legislation to enshrine in law, the right to request flexible working conditions reflecting the importance of a work/life balance. In that instance, a social view of employment has been adopted and policy made accordingly. The lives of employees are important and so industrial laws are being made to reflect that notion. Employment services working intensively with people – mapping and having sight of pathways through training and employment – demonstrates that despite their having been outside the workforce for any amount of time, their lives are important too. It is employment services that have a social view of employment that will be able to work more effectively towards decent and meaningful engagement with the workforce.

<sup>33</sup> Catholic Social Services Australia, Anglicare Australia, UnitingCare Australia & the Salvation Army (2011). *What if employers say no?* Canberra.

<sup>34</sup> ACTU (2012), *Lives on Hold: Unlocking the potential of Australia's Workforce*, The report for the independent inquiry into insecurity work in Australia.

<sup>35</sup> *ibid*

<sup>36</sup> Brotherhood of St Laurence (2011), *Line of sight: better tailored services for highly disadvantaged job seekers*. Melbourne.

Anglicare Australia recommends the following measures for improving the job prospects of disadvantaged jobseekers through working with jobseekers:

- A social view of employment be adopted.
- Employment services are designed to hold the person rather than the process as central, with mechanisms to work intensively with those who seek additional support.
- Employment services are designed to adopt a Line of Sight methodology which ensures people accessing services understand what activities they will be undertaking, how that fits into their pathway and the type of jobs that are available along that pathway.

## Working with employers

Anglicare Australia acknowledges that employers are the engine room of economic activity and job creation<sup>37</sup>, and believes a productive partnership among employers, job service agencies and jobseekers is beneficial not only to those involved in the partnership, but also to the Australian society at large. In particular, Anglicare Australia encourages the Australian Government as a large employer to take a leading role in providing job opportunities for those living with disability or experiencing multiple disadvantages, to give them room for growth and development, and to nurture job security in the long term.

### ***Employment beneficial to jobseekers and employers***

It is well documented that long-term unemployed people are some of the least advantaged in the labour market, and with disproportionately low formal skills and education levels.<sup>38</sup> The lack of contemporary skills and education, together with the absence of labour market experience means this group of people is consistently excluded from the job market. Added to this is the ongoing cycle of poverty and disadvantage that further hampers their opportunities to settle in gainful employment, as any work they do get tends to be low-skilled, low quality, low security jobs with few benefits or training. As they find it difficult to improve their employment situation, they become trapped in a succession of insecure jobs with minimal benefits, and further spiral into ongoing poverty and disadvantage once unexpected events or expenses hit. It is hence not hard to believe that this group of people is so often associated with poor physical and mental health, social isolation and poverty<sup>39</sup>, further jeopardising their job prospects.

By assisting long-term unemployed people gradually transition their way back to the labour workforce, social problems such as homelessness and mental illness will be lessened, the positive effects of which will flow on to their families and people in their social circle and the wider community.

As for people living with disability, the Australian Government has rightly pointed out the benefits of gainful employment in enabling them to exercise more choice and control over their lives, which will in turn improve their overall economic and social wellbeing.<sup>40</sup> Workplace diversity also makes good business sense as evidence suggests that employers taking advantage of the full diversity of the

<sup>37</sup> DEEWR (2013), *Employment services – building on success issue paper*, Commonwealth Government, Canberra

<sup>38</sup> Chapman B, Kapuscinski C (2000), *Avoiding recessions and Australian long term unemployment – discussion paper*, the Australia Institute;

<sup>39</sup> Butterworth P. (2009), *Estimating the prevalence of mental disorders among income support recipients*, FaHCSIA, Commonwealth Government, Canberra; Horn M. (2011), 'Measuring social exclusion – evidence for a new social policy agenda', *Staying Power – Anglicare Australia's State of the Family report*

<sup>40</sup> DEEWR (2012), *Improving employment participation of people with disability in Australia discussion paper*, Commonwealth Government, Canberra, September

workforce create a more productive environment where people feel treasured; their talents fully developed and utilised, and organisational goals met.<sup>41</sup> Employers also reflected that employees with disability, including those with mental ill health, were no 'riskier' to employ compared with other employees.<sup>42</sup> On the contrary, they provide additional values of improving staff morale and building customer loyalty and business brand.<sup>43</sup>

Sadly, however, people living with disability and disadvantages appear to be 'particularly stigmatised', and employers seem unwilling to employ them due to 'misconceptions about the cost of modifications and adaptive technology.'<sup>44</sup> In other words, a person assessed as suitable to work does not necessarily have a realistic chance of finding a paid job, even with access to training and job search services.<sup>45</sup> They require *additional* support to both obtain and maintain gainful employment to improve their life situations.

Furthermore, in the context of an ageing population and a shrinking taxpayer base,<sup>46</sup> there is a strong business case to make for employers to employ long-term unemployed people and those facing disability and other disadvantages so as to take advantage of a pool of underutilised labour. This is especially relevant as Australia's rate of underemployment—those who work part time hours but would like to and are available to work more hours<sup>47</sup>—stood at 7.2 per cent in the fourth quarter of 2011; much higher than the OECD average of 5 per cent despite having a lower unemployment rate.<sup>48</sup>

### ***Employers and government should take the lead***

This brings us to the important role of employment service agencies in bridging the gap between employers and potential employers. While it is not uncommon for employers to screen out people whose skills lose currency in favour of people with more recent experience,<sup>49</sup> research shows that programs which include *direct* work experience with employers are more likely to succeed, as are those that integrate job search assistance.<sup>50</sup> Direct engagement of employers in development of tailored programs for long-term unemployed people is also one of the most effective ways to motivate participants.<sup>51</sup>

In the current system, employment services could be directed through contracts to work with business and community sector partners to identify opportunities that provide a line of sight to stable employment through a process of step-migration and long-term flexible support.<sup>52</sup> Although in future

<sup>41</sup> *ibid.*

<sup>42</sup> Australian Safety and Compensation Council (2009), *Are People with Disability at Risk at Work? A Review of the Evidence*

<sup>43</sup> Australian Government (2012), *strengthening your business through diversity: A guide for employers*. Available at: <http://www.deewr.gov.au/Employment/Programs/Supportforemployers/Pages/Overview.aspx>

<sup>44</sup> National People with Disabilities and Carer Council (2009). *Shut out: The experience of people with disabilities and their families in Australia*, Canberra

<sup>45</sup> Anglicare Australia, Catholic Social Services Australia, The Salvation Army, UnitingCare Australia (2011), *What if employers say no?* Available at <http://www.anglicare.asn.au/userfiles/file/What%20if%20employers%20say%20no.PDF>

<sup>46</sup> DEEWR (2012), *Improving employment participation of people with disability in Australia discussion paper*, Commonwealth Government, Canberra, September

<sup>47</sup> ABS 4125.0–Gender Indicators, Australia, Jan 2013. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Jan%202013~Main%20Features~Underutilised%20labour~1130>

<sup>48</sup> *OECD Employment Outlook – How does Australia compare?* (2012), OECD. Available at: [http://www.oecd.org/australia/Australia\\_final.pdf](http://www.oecd.org/australia/Australia_final.pdf)

<sup>49</sup> Chapman B., Kapuscinski C. (2000), *Avoiding recessions and Australian long term unemployment – discussion paper*, the Australia Institute

<sup>50</sup> DEEWR (2010), *A new partnership with industry*, Commonwealth Government, Canberra, March

<sup>51</sup> Wren T. (2011), 'Lifting participation and employment for disadvantaged job seekers: demand-led and supply sensitive reforms', ACOSS National Conference, 29 March

<sup>52</sup> *What Disposable Income?* Anglicare Australia submission to the Education, Employment and Workplace Relations Committee Income Inadequacy Inquiry August 2012

iterations of the employment support services, this form of collaboration could be adopted as part of the service model much in the same way as the Communities for Children model in the Family Support Program or even Local Area Coordinators for Medicare Locals. Programs such as this take a community engagement focus to the way they coordinate and deliver services.

Anglicare Australia recognises that supporting people facing multiple disadvantages and long-term joblessness is a matter of generating and nurturing meaningful employment, and ensuring that they have the capacity to take up those opportunities. Hence, in addition to focusing on labour supply factors, such as increasing work incentives of jobseekers, we argue it is equally important to increase the *demand for this group of labour* by creating specially tailored job opportunities for them.<sup>53</sup> More importantly, Anglicare Australia argues that the Australian Federal and State governments should lead by example through the creation of job opportunities for people who would otherwise remain unemployed for long periods of time.

A good place to start addressing the lack of job opportunities for this particular group of people is for the Australian Government to adopt direct recruitment and social procurement policies that favour workers—and organisations which employ workers—with disability and other disadvantages through employment and contracting into Australian Public Service (APS) positions. This is a plausible solution with a reintroduction of more APS1 and 2 entry level jobs, which have traditionally offered most opportunity for people with disability<sup>54</sup> and those from long-term unemployment. It is a particularly telling argument, as according to the Australian Public Service Commission, there is little difference in productivity between people with disability and people without. Yet the proportion of Australian public servants with a disability has fallen steadily since the 1980s. In 1986, 6.6 per cent of ongoing staff had a disability. By 2010 this had fallen to 3.1 per cent.<sup>55</sup> The latest figures from a newly released ACOSS report shows that in 2012, there was only 2.9 per cent of public servants with a disability<sup>56</sup>.

We hope that by providing a significant example of what could be achieved in hiring long-term unemployed people and those with disadvantages, private sector employers will be encouraged to come on board to work closely with employment service agencies to work out strategies and incentives to increase the intake of this group of jobseekers, and to ensure that once in employment people are provided with opportunities that will enable them to be in “core” employment not only peripheral.

The responsibility of creating job opportunities lies as much with employers and governments as it does with the individual. Responsibility is theirs to create opportunities for unemployed people to take up which provide security for the long-term. Responsibility is also theirs to create opportunities which provide income enough to meet the challenges of day to day living, or at least not deny other opportunities to do so. The responsibility is also theirs to allow room for growth and development so as to continue the cycle of employment and productivity. If employers could stimulate job creation – with the support of governments at every level – to the extent that it provided an obvious pathway through employment intake, training, professional guidance and future capacity, those moving through the system would return a greater profit to the company and therefore the economy than does the continuation of unconnected series of casual jobs.

<sup>53</sup> Anglicare Australia, Catholic Social Services Australia, The Salvation Army, UnitingCare Australia (2011), *What if employers say no?* Available at <http://www.anglicare.asn.au/userfiles/file/What%20if%20employers%20say%20no.PDF>

<sup>54</sup> *ibid*

<sup>55</sup> *ibid*

<sup>56</sup> ACOSS (2013), *People with disability in poverty in Australia*. Australian Council of Social Services

Anglicare Australia recommends the following measures for improving the job prospects of disadvantaged jobseekers through working with employers:

- Government recognise that supporting people into employment is not merely a matter of getting people jobs but rather a matter of generating meaningful employment for people and ensuring that they have the capacity to take up and sustain those opportunities.
- Government and business has to play a role in influencing employers and co-workers attitudes towards employing people with disability through targeted and broad ranging education campaign.<sup>57</sup>
- Employment services adopt a work practice of collaborating with business and community sector partners to identify opportunities for allowees that provide a line of sight to stable employment through a process of step-migration and long-term flexible support which increase as the duration of income support increases.<sup>58</sup>
- Government, through employment services, to provide innovative incentives to employers to increase the demand for labour. For example, by broadening and increasing wage subsidy schemes; tax incentives for the long-term employment of a long-term unemployed person; tax incentives upon demonstration of skill development for an employee from a disadvantaged background.<sup>59</sup>
- Government takes the lead in creating more Australian Public Service (APS) positions for those most marginalised from our society, such as those with disability, through the introduction of more APS1 and 2 entry level positions which have traditionally offered most opportunity to this group of people.<sup>60</sup>

## Working with the community sector

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Working with a whole of person or client-centred approach takes into account what other supports exist in that particular person's life and seeks to build on those strengths. Many who are long-term unemployed are often being supported in other areas of their life - examples are housing, mental health, family support, alcohol and other substance dependence etc. Often, through these other supports trusted relationships form and it these people, in other service areas, that are best placed to assist a person into employment. As they are not solely focused on an employment outcome, employment can often an incidental but end result. Take for example this story from an Anglicare member about a young woman who was being supported by them and who was given an opportunity to work in a recycled goods shop...

*After her first day at work the new recruit called to share the news of her day. She was happy, enthusiastic – even ecstatic – saying she had had a wonderful day in the shop. She explained that the ladies had made her feel very welcome; they were fun; and through realising that she could connect with customers, she felt that she did actually contribute. The new recruit told how she had been out of work for three years and is a young woman. She mentioned that though her participation obligations required her to only work two days per week she would come whenever she was needed and would gladly travel to an alternative shop if she could help out.*

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<sup>58</sup> *What Disposable Income?* Anglicare Australia submission to the Education, Employment and Workplace Relations Committee Income Inadequacy Inquiry August 2012

<sup>59</sup> *ibid*

<sup>60</sup> *ibid*

This example is demonstrative of the relationship that forms between a person and the staff at services who have formed solid trusting relationships with them. The anecdotal evidence coming from programs within services supports the theory which states how affected, insecure and lacking in confidence many of the applicants are, or have become is often due to their treatment or lack of empathy by their employment providers. Further that given respect, encouragement and support, people who have been absent from the labour force can gain valuable self-esteem and confidence and can integrate and contribute meaningfully.

In time, relationships such as these may be built with employment service providers. A time was, with programs such as the Job Placement, Employment and Training program for young people, where people could work together on outcomes and where trusting relationships existed. With the shift to the current system of employment service provision the possibility of trusting relationships has been eroded. From working in partnership the mode of operation has moved to punitive monitoring and control, meaning that trust can never be engendered. As one worker stated it she became “judge, jury and executioner... this was in no way helpful to the work I was employed to do as the trust and relationship fell away.”<sup>61</sup>

Community organisations are able to bridge that gap and should be recognised in the employment support sector as integral to the employment assistance process. Anglicare Australia is aware of the work Minister Ellis is embarking upon to include community sector organisations in the outcome payment structure of the current system. Important as this work is it is a reaction to an emerging trend of increased sector participation. Interestingly, community sector after having walked away from the Job Network again feel compelled to augment a failing system. Future employment services should be designed recognising the community sector especially, but other service providers as well, as key agents in the lives of those people who also access employment services.

The National Compact: *working together* is an agreement between the Australian Government and the not-for-profit sector to find new and better ways of working together based on mutual trust, respect and collaboration. These principles are the hallmark of how employment services, other community sector organisations and individuals ought to work together.

Anglicare Australia recommends the following measures for improving the job prospects of disadvantaged jobseekers through working with the sector:

- Continue the work to embed community organisations in employment service assistance processes with a view to designing a system that takes into account the varying roles that community sector organisations take in supporting an individual.

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<sup>61</sup> Personal email with Cec Shevels, CEO of The Samaritan Foundations (2013)

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## Working for the future

An effective future job service model requires closer partnerships among employers, job service agencies and jobseekers to create a socially inclusive system that allows everyone to have an equal opportunity to participate and contribute in our community.

Anglicare Australia recommends the following:

### **Working with jobseekers**

- A social view of employment be adopted
- Employment services are designed to hold the person rather than the process as central, with mechanisms to work intensively with those who seek additional support.
- Employment services are designed to adopt a Line of Sight methodology which ensures people accessing services understand what activities they will be undertaking, how that fits into their pathway and the type of jobs that are available along that pathway.

### **Working with employers**

- Government recognises that supporting people into employment is not merely a matter of getting people jobs but rather a matter of generating meaningful employment for people and ensuring that they have the capacity to take up and sustain those opportunities.
- Government and business have to play a role in influencing employers and co-workers attitudes towards employing people with disability through targeted and broad ranging education campaign.<sup>62</sup>
- Employment services adopt a work practice of collaborating with business and community sector partners to identify opportunities for allowees that provide a line of sight to stable employment through a process of step-migration and long-term flexible support which increase as the duration of income support increases.<sup>63</sup>
- Government, through employment services, to provide innovative incentives to employers to increase the demand for labour. For example, by broadening and increasing wage subsidy schemes; tax incentives for the long-term employment of a long-term unemployed person; tax incentives upon demonstration of skill development for an employee from a disadvantaged background.<sup>64</sup>
- Government takes the lead in creating more Australian Public Service (APS) positions for those most marginalised from our society, such as those with disability, through the introduction of more APS1 and 2 entry level positions which have traditionally offered most opportunity to this group of people.<sup>65</sup>

### **Working with the sector**

- Continue the work to embed community organisations in employment service assistance processes with a view to designing a system that takes into account the varying roles that community sector organisations take in supporting an individual.

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<sup>62</sup> *What Disposable Income?* Anglicare Australia submission to the Education, Employment and Workplace Relations Committee Income Inadequacy Inquiry August 2012

<sup>63</sup> *ibid*

<sup>64</sup> *ibid*

<sup>65</sup> *ibid*