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**Submission regarding ‘The Next
Generation of Employment Services:
Discussion Paper’**

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About Anglicare Australia

Anglicare Australia is a network of over 40 independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. With a joint budget of \$1.48 billion, a workforce of over 18,000 staff and more than 11,000 volunteers, the Anglicare Network contributes to more than 50 service areas in the community. Our services are delivered to more than one million Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas.

Anglicare Australia has as its Mission “to engage with all Australians to create communities of resilience, hope and justice”. Our first strategic goal charges us with reaching this by “influencing social and economic policy across Australia...informed by research and the practical experience of the Anglicare Australia network”.

Contact Person

Kasy Chambers
Executive Director

Anglicare Australia
PO Box 4093
Ainslie ACT 2602
T: 02 6230 1775
E: kasy.chambers@anglicare.asn.au

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Introduction

Anglicare Australia is pleased to contribute to the Department of Jobs and Small Business' (the Department) consideration of the next generation of employment services and the creation of a more effective system.

Employment services are a crucial component of Australia's social safety net. These services are particularly critical for people who face significant barriers to work. Anglicare Australia is pleased the Department is undertaking this extensive review and has identified better meeting the needs of disadvantaged jobseekers as a particular focus area.

Introductory remarks

The starting point in creating "the next generation of employment services" must be recognition that the current system has failed. As acknowledged in the Discussion Paper, "almost half of the people in jobactive have remained in the service for two years or more. Among the most disadvantaged job seekers (Stream C), the average length of time on the caseload is five years."¹ Clearly this system has failed to support people who are most disadvantaged into jobs. The new employment services system must be specifically designed with the needs of people who experience significant barriers to work at the forefront. Further, there is persistent evidence that the outsourcing of employment services, particularly the inclusion of for profit providers, has led to widespread rorting of the system and significant harm to the most vulnerable job seekers.² Government must recognise its responsibility for stewardship of the system and ensuring people accessing government-funded employment services receive high quality supports. Creating an increasingly competitive environment for employment services providers has denied this responsibility. Government must consider appropriate strategies for carrying out this stewardship such as through a third-party regulator.

Secondly, while the role of employment services is to connect people seeking work with jobs rather than increase the number of jobs overall, the context in which people are seeking work must be acknowledged in the design and delivery of these services. Anglicare Australia's [Jobs Availability Snapshot](#) has found there is a consistent, systemic lack of entry-level jobs for those who need them. In 2017 our snapshot found a conservative ratio of five people in Stream C (facing the most barriers to employment) to each entry level position. This is worse even than the deplorable overall ratio of four people who are unemployed to every one job advertised.³ Consequently, the employment services system must abandon its focus on individual obligations and sanctions, and offer a range of supports which respond to the complexity of workforce exclusion, the aspirations and capacity of people seeking work, and creative opportunities for partnership and employment at the local level.

¹ Department of Jobs and Small Business (2018) *The next generation of employment services discussion paper*. p4.

² See, for example <http://www.abc.net.au/4corners/the-jobs-game/6247206> and <https://www.theaustralian.com.au/national-affairs/industrial-relations/failing-employment-services-program-sites-branded-a-mess/news-story/18d847b7858477721eabd6438790603b>

³ Anglicare Australia (2017) *Jobs Availability Snapshot 2017*. Anglicare Australia: Canberra. Available online: <http://www.anglicare.asn.au/our-work/research-reports/jobs-availability-snapshot>

These findings also point to a critical need for analysis of job demand to be better linked to employment services, and for government to take an active role in ensuring that this occurs. Our 2017 Jobs Availability Snapshot, for example, points to one area of federal government mapping growing demand for disability support workers yet this insight not seeming to inform employment services themselves.

Finally, for future employment services to effectively contribute to the creation of a robust and fair safety net for all Australians, it is critical that mutual obligation requirements for people receiving income support payments be separated from employment services. There is significant evidence of the abuse of power by private employment service providers, with vastly increasing complaints and people being completely erroneously penalised or cut off from vital income support payments by jobactive providers.⁴

This is exacerbated by the current “one size fits all” approach to employment services, where service providers are rewarded for effectively recycling people through their service rather than working with them to secure long-term outcomes. It also points to a broader problem: the false presumption that punishing or impoverishing people by cutting vital income support is an effective way to motivate them to look for work, where there is no evidence that this is the case, nor are there enough suitable jobs; particularly for those requiring entry level or low skill positions. This argument extends to ‘work for the dole’ programs which have systematically failed to increase employment opportunities or outcomes for people who are unemployed.⁵

The focus and settings for the employment services system therefore must be on supporting people into a sustained engagement in quality work. A more intensive, person-centred support system, which will achieve long-term employment outcomes for people with significant barriers to securing and staying in employment, is desperately needed. Such long-term employment outcomes are to the benefit of both the individual and wider society.

Anglicare Australia supports the proposed move towards a model which “gets out of the way” of people who do not require much support to gain employment, and increases the support services for those who do. As the findings of the Departments’ user research shows, in order to be more effective these intensive services must take a relational approach, and acknowledge personal aspirations and situational barriers of people experiencing disadvantage, to better support them to move towards quality and sustained employment.

⁴ See, for example <https://www.theguardian.com/australia-news/2016/nov/29/australian-jobseekers-report-bullying-and-work-for-the-dole-safety-fears> and <https://newmatilda.com/2016/04/15/coalitions-6-6-billion-jobs-program-sees-spike-in-complaints/>

⁵ See, for example <https://theconversation.com/work-for-the-dole-doesnt-work-but-here-is-what-does-22492> and <https://www.theguardian.com/business/2016/oct/01/nearly-90-of-work-for-the-dole-participants-not-in-full-time-work-after-three-months>

Beyond Supply and Demand - enhanced services for disadvantaged job seekers

As we have argued above, Anglicare Australia supports the move towards a model of employment services which directs more resources to assist people experiencing significant barriers to employment, and changes the way these services are delivered so they are truly person-centred. The current system of a largely one-size fits all approach has not been effective for those who face the most barriers to gaining sustained employment.

The previous 'work first' approach to employment services has largely disregarded the nature of disadvantage faced by people with multiple barriers to gaining, and maintaining, employment. Research undertaken for the Anglicare Australia Network (*Beyond Supply and Demand*, 2014) suggests that a 'life-first' or person-centred approach which acknowledges and supports individual differences, contexts and aspirations will be much more effective in supporting people into long term work.

In this research, Goodwin-Smith and Hutchinson⁶ analysed qualitative data from 14 programs aiming to assist people experiencing significant disadvantage to overcome workforce exclusion. These programs included pre-employment training, assistance to overcome specific barriers to work and supported work placements. The researchers identified the importance of *placing the person at the centre of the service*, acknowledging an individual's aspirations and strengths, addressing the whole person and acknowledging individual differences. They also identified the importance of acknowledging the circumstances that surround a person, which means taking a 'life-first' approach with appropriate case management and advocacy, recognising the importance of social and community connection, and recognising the impact of the quality and sustainability of work placements on a person and their future engagement with work. This person-centred approach means thinking of someone not just as a client with barriers to work, but as someone who is an active agent in their employment pathway, with potential to contribute.

Such a person-centred approach leads to long-term employment outcomes. This approach acknowledges the individual agency, strengths, aspirations and the context of each person accessing employment services, and as such increase the effectiveness of employment services for people experiencing significant disadvantage. This approach means moving towards a partnership model between employment service providers and individuals seeking employment, and "building relationships where unemployed people's strengths and aspirations are acknowledged, respected and used to determine future pathways".⁷

⁶ Goodwin-Smith, I. and Hutchinson, C. (2015) 'Beyond supply and demand: addressing the complexities of workforce exclusion in Australia.' *Journal of Social Inclusion* 6(1). Available online: <https://josi.journals.griffith.edu.au/index.php/inclusion/article/view/640/670>

⁷ Ibid. p181

In 2016, Anglicare Australia's first Jobs Availability Snapshot also explored the impacts of unemployment for communities around the country, and the effectiveness of person-centred approaches to supporting people to gain employment. This study highlighted programs and policy interventions for people facing significant barriers to work. Each of these emphasised the importance of placing the wellbeing of the person at the centre, acknowledging their circumstances, and working in partnership with them and their communities. Such an approach is not only beneficial for the person accessing services, but leads to the best long-term employment outcomes.⁸

In the Discussion Paper the Department acknowledges the most effective service models place the user at the centre. For people who experience significant barriers to work, this means a service model which acknowledges the complexities of their situation as well as their strengths and aspirations. For example, this means supporting people to access training opportunities which fit their interests and aspirations and are likely to translate into employment opportunities for them, rather than enforcing completion of training for the sake of it. In previous research the Brotherhood of St Laurence found that 44 per cent of people accessing their services who were unemployed had obtained two or more qualifications in the past five years.⁹ Goodwin-Smith and Hutchinson's research highlighted the success of individualised support to gain meaningful qualifications, such as through supported traineeships or partnerships with employers.¹⁰

This person-centred approach could be explored through real investment in the co-design of job services with and those poorly served by these services in the past. The issue at a national level is not one of employment services *per se*, but of services that are appropriate, responsive and effective for the people who are locked out of work. A commitment to working respectfully with people would lead to a greatly improved jobs services system.

Online and face-to-face services

As raised in Chapter Four of the Discussion Paper, increasing use of technology and online services could be a clear improvement to the employment services system, with many benefits in accessibility and efficiency for people who have digital literacy. Therefore it is critical that the choice to access face-to-face support services remains open to all people receiving employment services. However, recent research from the Anglicare Australia Network has shown the severe stress and decline in outcomes for people accessing Centrelink services where people are compelled to use "self-service" features but do not have the personal capacity to deal with automated systems, and where the service lacks the capacity to offer them face to face alternatives.¹¹

⁸ Anglicare Australia (2016) *Positions Vacant? When the jobs aren't there*. Anglicare Australia: Canberra. Available online: <http://www.anglicare.asn.au/publications/state-of-the-family-report>

⁹ Brotherhood of St. Lawrence. (2011) *Decent sustainable work for all in a global economy: Submission to the Independent Inquiry into insecure work in Australia*.

¹⁰ Goodwin-Smith and Hutchinson. pp.173, 170, 181

¹¹ Hinton, T. (2018) *Paying the Price of Welfare Reform*. Available online: <http://www.anglicare.asn.au/home/2018/06/25/landmark-report-shows-centrelink-automation-is-failing-the-vulnerable>

This research showed there are multiple reasons why people may prefer face-to-face support, including low levels of IT literacy, complexity of their situation, lack of access to technology, cultural or linguistic differences or preference for engagement with a staff member to ensure their form had been completed correctly. The severe distress and difficulties caused by automation in the Centrelink system must not be repeated in the employment services model. Anglicare Australia understands it is the Government's intention to retain some face to face services, and emphasises that any person accessing employment services (regardless of what level of support they are accessing) must be able to access face to face support services as they need.

Job seeker assessment

Anglicare Australia strongly supports a person-centred assessment process which identifies the strengths, aspirations and types of supports required by individuals accessing employment services. Improving the assessment process to create a more holistic approach which builds a picture of individual strengths, employability skills, relevant contextual factors and needs would allow for more effective and individually suited employment support services.

There are many varied and complex reasons why individuals can face barriers to employment and require more intensive support, such as living in an area with few jobs, re-entering the workforce after a period of caring, having a mental illness or disability which is not severe enough to qualify for the Disability Support Pension, or having low literacy, numeracy or English skills. While the Department has identified several cohorts of people who are typically experience vulnerability in (re-)gaining ongoing quality employment, the assessment process must recognise that it's impossible to neatly categorise all the reasons someone may be disadvantaged, and allow for understanding of the particular individual needs, context and aspirations so that every person can be most appropriately and effectively supported.

Competition and quality

As noted in our introductory remarks, Anglicare Australia is deeply sceptical that retaining the outsourcing of employment services is effective or appropriate. We therefore have strong reservations about assumptions that increasing competition will provide better outcomes for people who are unemployed or increase the quality of services. Indeed the evidence would suggest that human services are poorly suited to marketisation and competition as a means to produce better outcomes for the people they are meant to serve, an observation recently echoed by the Productivity Commission.¹²

¹² Productivity Commission (2016) *Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform*. Productivity Commission: Canberra.

Human services are delivered to people who often are experiencing significant vulnerabilities and where market systems can create perverse incentives for providers, as the persistent scandals surrounding jobactive providers has shown. In disability and aged care services increasing competition through individualised funding models has increased the agency individuals can exercise over the services they receive; but there is also significant market failure in rural and regional parts of Australia, in specialist services, and significant evidence of it failing to provide better outcomes for people experiencing vulnerability and lacking the personal capacity to navigate a complex market system.

We can see no reason to believe that a competition based job services market will offer any benefit or advantage to people facing the greatest barriers to inclusion or employment. Based on existing evidence of increased competition in education and human services, we suspect instead that increasing the number of providers is likely to simply provide a good return to the businesses with the cost of ongoing exclusion.

We also strongly urge the review to properly consider the need for a third party independent body to better regulate employment services, and provide advocacy for people using them. People with barriers to work are frequently highly vulnerable, and the current system has demonstrated both the ease with which providers can behave fraudulently, and misuse the power they have over people seeking assistance to find work. We have similarly noted this need for people interacting with Centrelink in our recently released report, *Paying the price of welfare reform*, and there is the potential to consider co-funding of a 'one stop shop' for advocacy and advice for people navigating both employment services and government income support.¹³

Conclusion

Anglicare Australia appreciates the opportunity to contribute to consideration of Australia's future employment services model. As discussed, our extreme concern is that previous systems have failed to effectively support people experiencing disadvantage into sustainable work. A future system must properly account for the needs and experiences of people with significant barriers to employment, and seek to work with them to create a supportive and effective model, including consideration of co-design approaches. The extensive experience of the Anglicare Australia Network demonstrates the need to move towards a person-centred model of support, which acknowledges the strengths, aspirations and context of each individual, and works in partnership with them and local communities to support long-term employment.

Further, Anglicare Australia refutes greater marketisation of employment services as the most appropriate model, and has serious concerns regarding a system which allows the abuse of power by private providers. We support consideration of further regulation of the industry and establishment of a clear complaints system and advocacy by an independent third party. These changes are needed to ensure a fair employment services system which effectively meet the needs of all Australians, especially those experiencing significant barriers to getting and keeping a job.

¹³ Hinton, T.