Anglicare Australia
in every Community

Submission to the Shaping the future of employment services consultation

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About Anglicare Australia

Anglicare Australia is a network of 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. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of $3.1 billion, a workforce of over 23,000 staff and 8,000 volunteers, the Network delivers more than 50 service areas in the Australian community. In all, Anglicare services reach almost one in every twenty Australians.

As part of its mission the Anglicare Australia Network partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice. Our first strategic goal charges us with reaching this by influencing social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.

Contact

Kasy Chambers
Executive Director

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

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Introduction

Anglicare Australia welcomes the opportunity to provide input to the Shaping the Future of Employment Services consultation. A stable and meaningful job creates opportunities for Australians to build their own lives with the dignity of supporting themselves. Without secure work, people lose security in all aspects of their lives. Difficult choices between whether to pay the rent or buying nourishing food are inevitable; insecure work invariably leads to poverty.

Anglicare Australia has long called for an overhaul of Australia's employment services system. It has been clear for some time that these systems and programs are not working to achieve their stated aims – helping Australians with barriers to employment find a suitable job. For too many people in the system, they are pushed into irrelevant or unhelpful 'training courses', find themselves being placed in unsuitable jobs, or are simply ignored because providers deem them too difficult to manage.

These flaws were acknowledged by the Minister for Employment and Workplace Relations in her 2026 speech at the National Press Club. As a result of the system's payment structures, providers are actively incentivised against the supposed aim of the system. Providers have been allowed to get away with delivering poor quality outcomes simply because the system has been structured to allow them to. This reform opportunity must ensure the structures of the employment services system bring providers into line and sees real outcomes.

The Government's stated new aim of three streams, each with varying levels of intensity of supports, must be structured correctly lest they find themselves repeating the current failed system. If the new intensive support stream is going to be successful, it must ensure that providers prioritise long-term re-skilling and preparedness for the workforce. This reform process can and should be more than minor changes to a broken system – it must be root and branch restructuring of how employment service providers operate.

Correcting the incentive structure

The Minister acknowledged in her Press Club speech that the employment services system often fails to provide genuine and adequate support due to the payment and incentive structure for providers favouring short-term results and quick placements, rather than genuine support and meaningful employment. Addressing this will be critical to ensuring that any reforms to the employment services system are successful.

A system which promotes churn and encourages fast turnover of participants is one that is ultimately working against itself. Further, additional payments and fees that drive providers to place people in inappropriate programs drive a sense of helplessness which leaves participants feeling trapped and demoralised. Research by Anglicare Australia shows that participants felt like they were being pushed into activities which did not support their job plans, were not helping them to find paid work, were not tailored to their needs, and were not providing them with the necessary support to find work.[i]

The Australian Human Rights Commission raised concern that the system's incentivisation of churn leads to abuse of clients based on what is profitable through 'creaming' and 'parking' clients.[ii] Clients with fewer barriers to work are prioritised – creamed – while those with greater barriers and requiring greater support are parked. In many cases, providers find profit from simply doing nothing. Clients who are able to become job-ready and find work in spite of the system while meeting their obligations still generate profit for providers.[iii]

Currently, Workforce Australia contracts allow providers to claim payments for referring people into training course that those providers also run. Then, in some cases, providers can claim the cost of the course through a reimbursement fund.[iv] The training courses do not even have to be relevant or useful. According to reporting, one provider was able to claim more than $100,000 by referring jobseekers to online short courses it ran on topics such as "body language" and "making decisions".[v]

Without linking meaningful training and work experience to real job placement through payment incentives, the system is unlikely to actually change. Providers cannot be rewarded for inputs like holding appointments and referral to irrelevant training modules. Instead, they should be paid when jobseekers are provided real opportunities to gain new skills and are assisted into meaningful, sustainable employment.

Recommendation
Anglicare Australia recommends ensuring that payment and incentive structures are linked to outcomes for participants.

Mutual obligations as meaningful activities

When the Howard government abolished the Commonwealth Employment Service in the late 1990s, Australia began its shift towards a compliance-driven model of employment services. In the last 30 years, there is little evidence that this approach has borne any genuine success in helping Australians into employment.

The discussion paper outlines the intended aims of the new mutual obligations system. Activities and requirements will be linked to individualised employment goals as part of their Employment Goal Plan. The Government claims that this will ensure that mutual obligations are not onerous burdens on employment service participants, but instead genuinely helpful tools to get job ready.

For the Government's stated goal of effective mutual obligation tasks for service participants to be effective, then the incentive structures for providers to push meaningless courses on them and require them to make applications for unsuitable jobs must be changed. If providers remain incentivised to churn participants through low quality courses and activities, then they will continue to do so.

Completing relevant and quality short-term activities could include support to obtain police checks, working with vulnerable people or children checks, training in first aid, or support to obtain a driver's licence. These activities bear greater relevance when it comes to looking for work when compared to activities like learning to format a resume or obtain basic computer skills. Research from Anglicare Australia shows that many people would gladly take up mutual obligation activities that are more relevant and impactful to their ability to gain employment.[vi]

Further, the Government's new intensive support stream for those furthest from the workforce will require a greater understanding that short-term mutual obligation activities are deeply ineffective in supporting them to gain employment. Anglicare Australia's Jobs Availability Snapshot found that in 2025 there was 39 JobSeekers for every entry-level job, and that of those, 25 had long-term barriers to employment.[vii] These are people for whom small interventions are not going to help them find employment.

Therefore, if mutual obligations are going to be effective for this cohort, they need to reflect the long-term nature of preparing these participants for the job market. Activities would require understanding that retraining or upskilling will not occur by attending a half-day training course. The discussion paper suggests that these activities could take the form of "volunteering and work experience with social enterprises". While this is well intentioned, it will likely fail to make an impact on preparing people with long term barriers to employment. These people will require more intense support to become job-ready, and this will go well beyond undertaking work experience.

If the new employment services system is going to make genuine change and meet the promise that this reform opportunity offers, it must go further than just tinkering around the edges of mutual obligation activities for people with barriers to employment. It must be a larger scale overhaul that

works to connect Australians with genuine opportunities to re-skill and prepare to re-enter the workforce.

Recommendation
Anglicare Australia recommends that mutual obligation activities are explicitly linked to preparing participants for the job market through meaningful opportunities to build and gain skills, and employment readiness.

Long-term re-skilling

People out of work are remaining so for longer, and as a result this cohort is increasingly made up of Australians who would only be qualified for entry-level positions.[viii] This creates an inherent disadvantage to finding appropriate work in a labour market where entry-level positions are drying up, and there is greater demand to fill skill shortages.

The Government's aim for the new intensive support stream is to provide Australians furthest from the workforce with greater supports to find a suitable job. If this is going to achieve its stated aims, then the approach to assisting this cohort must look radically different to the current model of short-term programs that are currently offered under the Workforce Australia system.

These programs are not meaningfully re-skilling people, and pushing people with significant barriers to work into these programs simply does not work.[ix] The evidence shows that this cohort would be better served by gaining advanced qualifications that meet the demands of the workforce. The current employment services system is unlinked to vocational education, despite the increased investment and attention given to the sector under this Government.

While goals and outcomes will be individualised under the new system, utilising the TAFE and the vocational education sector as a method to re-skill people with barriers to employment to meet the demands of the modern workforce would see higher success rates than the current system. People with longer term barriers to employment will need more than frivolous short courses; they require deeper investment in skills training. In 2018, the Australian Council of Social Services called for the creation of an intensive service stream in the employment services model that would include the ability for "appropriately remunerated work experience in regular employment settings, vocational and other skills training".[x]

Recommendation
Anglicare Australia recommends providing vocational training courses and other long term re-skilling options to service participants.

Compliance

One of the employment services system's key failures has been harsh and unnecessary compliance. In 2005, the Howard government introduced reforms to the employment services system that would make providers responsible for suspending income support payments. At the time, Anglicare Australia Network agencies delivered Job Network services in three states, and together with other major Church providers, represented 20 percent of all Job Network services. Ultimately, the harsh nature of compliance led Anglicare agencies to withdraw from the employment services system.

It is clear that the current system of compliance does not work and instead will actively harm Australians seeking support from employment services. Repeated evaluations of compliance-based systems have consistently found that there is little or no impact on sustained employment.[xi] Further, the creation of the Workforce Australia online portal diverted low-need jobseekers away from providers. With fewer clients being directed to them, providers received a perverse incentive to issue breaches and penalties in order to create new funding streams to replace previous clients.[xii]

There is widespread evidence of the compliance having failed. Many jobseekers reported being breached for missing appointments that had not even happened, while others were penalised after providers declined to reschedule appointments that clashed with training activities, job interviews, and in some cases casual work.[xiii]

Despite the Targeted Compliance Framework being deemed to have illegally withheld money from Australians, the Department of Employment and Workplace Relations confirmed to Senate estimates in June 2026 that the system would return to full operation by early 2027.[xiv] The discussion paper raises the possibility of a new approach to compliance with "appropriate safeguards [to] ensure compliance powers are exercised lawfully and fairly".

Allowing providers to continue to issue penalties and breaches will undermine any reforms to the system. People with barriers to employment require the promise of support, not the threat of payment suspension.

Recommendation

Anglicare Australia recommends abolishing the Targeted Compliance Framework and end the use of payment suspensions and penalties as a core feature of employment services.

Conclusion

For decades Australia's employment services system has failed to deliver meaningful outcomes for Australians out of work and with barriers to employment. Governments of many stripes have tinkered around the edges of the system's format without ever reforming the system and tackling it's core failures.

These reforms provide the Government with the opportunity to genuinely overhaul the failed system that has left too many people behind and trapped in poverty. Greater focus and investment into providing genuine assistance to Australians with longer term barriers to employment requires the system to favour progressive outcomes over short-term placements.

In her speech to the National Press Club announcing these reforms, the Minister for Employment and Workplace Relations offered a vision of an employment services system that tailors its supports to the individual needs of participants, building skills through personalised employment plans and logical mutual obligation activities, and unwinds the perverse incentives for providers. If the Government can see through this vision, then the employment services system might live up to its promise.

But these reforms can go further. The Government should not waste this opportunity to link employment services with re-skill opportunities through vocational training. Further, there must be a genuine overhaul of the compliance framework which has for too long been allowed to operate illegally and cause harm to vulnerable Australians.

Australians with barriers to employment cannot wait for another tinker around the edges approach to reform; they need and deserve a system that actually works to make finding meaningful work a reality.

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[i] Anglicare Australia (2021) Asking Those Who Know.
[ii] Australian Human Rights Commission (2016) Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability.
[iii] Anglicare Australia (2023) Creating Jobs, Creating Opportunity.
[iv] Ibid.
[v] Ibid.
[vi] Op cit: Anglicare Australia (2021)
[vii] Anglicare Australia (2025) Jobs Availability Snapshot: Tenth Edition.
[viii] Op cit: Anglicare Australia (2023)
[ix] Anglicare Australia (2024) Repeat Failure: Why Australia's workforce programs aren't working.
[x] Australian Council of Social Service (2018) Submission on Future Employment Services.
[xi] Op cit: Anglicare Australia (2024)
[xii] Henriques-Gomes, L. (2022) In Australia's welfare sector obligations are 'mutual', but profits flow only one way.
[xiii] Op cit: Anglicare Australia (2023)
[xiv] Parliament of Australia (2026) Hansard, Education and Employment Legislation Committee Estimates, Tuesday 2 June 2026.