

# Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements (ES 2015)

Submission and Recommendations to the Australian Department of Employment



The Voice of Multicultural Victoria

Ethnic Communities' Council of Victoria Inc. (ECCV) is the voice of Multicultural Victoria. As the peak body for ethnic and multicultural organisations in Victoria, we are proud to have been the key advocate for culturally diverse communities in Victoria since 1974. For 40 years we have been the link between multicultural communities, government and the wider community.

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Department of Employment  
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22 August 2014

Dear ES2015 Tender Manager

Ethnic Communities' Council of Victoria (ECCV) is the voice of multicultural Victoria, representing over 200 members from ethnic and multicultural organisations.

ECCV welcomes the opportunity to provide input to the Australian Department of Employment on the Exposure Draft for Employment Services 2015-2020.

ECCV is concerned about the long-term effects of unemployment and temporary employment amongst people from culturally diverse backgrounds, and especially amongst young people. We believe that with the right kind of assistance for jobseekers from migrant and refugee backgrounds, will significantly improve their employment opportunities.

It is crucial that the Australian Government ensures that the Employment Services Purchasing Arrangements, in the next few years, retain specialist providers to ensure that people from culturally diverse backgrounds are able to make a productive economic contribution in the workforce.

This submission is endorsed by the Melbourne Employment forum (MEF), an independent association working with a diverse range of community groups, job service providers, employer and industry groups, and the community sector to improve the employability of disadvantaged groups. Details of the MEF are in the appendix.

I am pleased to present to the Government an important set of recommendations in this submission to ensure that employment services adequately meet the needs of all Australian jobseekers.

Sincerely



Eddie Micallef  
Chairperson

## Executive Summary

This submission highlights the need for specialist providers to meet the needs of disadvantaged jobseekers from culturally diverse backgrounds. The recommendations focus on improving the assessment and interviewing of culturally diverse clients; the retention of specialist providers and appropriate support for culturally diverse clients; employer incentives, jobseeker relocation incentives, and job specific training.

## Summary of Recommendations

### Assessment

- 1.1 For CALD clients, JSCI interviews should always be in person, not via telephone.
- 1.2 JSCI interviews with CALD clients should only be conducted by skilled assessors trained in cultural competency.
- 1.3 Before any JSCI interview is held with a CALD client, the client is recommended to an appropriate community organisation for advice. A list of such organisations should be developed and made available at Centrelink.
- 1.4 Implement cultural competency training for assessors/Job Services Providers where required to accommodate the distinctive needs of CALD job seekers, as recommended by the Parliamentary Joint Committee for Migration.

### Specialist Providers

- 2.1 Reinstate the ability for tenders to be submitted as and by specialist CALD providers in ES2015.
- 2.2 Develop and instigate compulsory cultural competency training for Job Services Providers where required to accommodate the distinctive needs of CALD job seekers.

### Incentives for Employers and Jobseekers

- 3.1 Develop a Wage Subsidy eligibility criteria/guide for CALD jobseekers.
- 3.2 ES2015 to include Wage Subsidies for eligible CALD jobseekers.
- 3.3 Develop an On-The-Job Subsidy eligibility criteria/guide for CALD jobseekers.
- 3.4 Develop and include employer subsidies for on-the-job training (workplace culture, procedures, language) for eligible CALD jobseekers.

## Introduction

The Ethnic Communities' Council of Victoria (ECCV) was formed as a member driven peak body committed to empowering people from diverse and multicultural backgrounds. We strive to be a leader in advocating for human rights, freedom, respect, equality and dignity for multicultural communities and in building a strong and inclusive Victorian community however it should be noted that the issues discussed and recommendations formed in this paper apply nationally.

ECCV believes that it is important to examine the proposed Employment Services (ES) system experience through the eyes of disadvantaged jobseekers from multicultural backgrounds so that important issues relating specifically to them can be highlighted. When these problems are properly defined, we believe that solutions are quite obvious. We see no need to alter the current Stream system but we do want to see changes to the way it is managed.

We also believe that there is a pressing need to allow for the retention of specialist providers.

## Background – Culturally and Linguistically Diverse (CALD) Cohort

CALD jobseekers requiring service responses for employment are faced with many barriers determined by a range of factors such as their capacity, resilience, awareness (of options), connection to family and community, self-confidence, emotional and personal safety. Research shows these people are more likely to seek assistance and support from a peer or significant other such as family or school contact and therefore their ability to find those appropriate services (including employment) is also determined by the capacity of these significant others.

The Joint Standing Commission on Migration recognised; “It is clear to the Committee that common barriers exist for first and second generation migrants and refugees wishing to work in Australia. CALD individuals find it particularly difficult to gain long-term employment in industries relevant to their skills, qualifications and experience due to the issues of discrimination in the workplace, the recognition of overseas qualifications by Australian employers and the need for Australian work experience.”

With regard to employment services, CALD people often view the assessment process as judgmental and are sometimes reluctant to fully disclose all contributing issues, especially as they see the process as part of the Centrelink compliance regime and tied to benefits. Exacerbating these issues is the high rate of unemployment and lack of social support that often lead to disconnection and an increase in multiple and complex barriers including isolation. Again, the Joint Standing Committee on Migration states “Research has revealed that CALD communities in Australia, New Zealand, Canada and the United States (US) have poorer employment outcomes than either the native-born or those who originate from other English-speaking countries.”

In fact, according to Jobs Australia, “Job seekers from a CALD background represented 18% of all job seekers in JSA services, but only 15% of job placements. CALD job seekers were less likely to be in

(currently) Stream 4 and more likely to be in Streams 2 and 3 than the national average. Job seekers defined as refugees made up 5% of the JSA caseload, but only 4% of job placements. They were less likely to be in Stream 1, and more likely to be in Streams 2 or 3 than the national average. Refugee job seekers were also more likely to be male than would usually be expected.”

CALD clients also have lower participation rates in the labour force, lower full time employment and higher unemployment rates overall as shown in the table provided by the Joint Standing Committee on Migration:

Table 11.1 JSA Stream PPMS Outcomes – December 2010

	Employed Full-Time (%)	Employed Part-Time (%)	Employed Total (%)	Unemployed (%)	Not in the Labour Force (%)	Education and Training (%)	Population
CALD job seekers	18.1	25.0	43.1	37.4	19.5	24.5	238 412
All job seekers	20.2	29.6	49.7	34.8	15.5	18.1	1 406 022

Source Department of Education, Employment and Workplace Relations, Submission 474, p. 16.

If we then refer to the following table provided by Job Services Australia, we can see that the situation has deteriorated quite dramatically:

Table 2.1 JSA Streams 1 to 4 Outcomes – March 2014

	Employed Full-Time (%)	Employed Part-Time (%)	Employed Total (%)	Unemployed (%)	Not in the Labour Force (%)	Education and Training (%)	Population
CALD job seekers	13.1	24.0	37.1	42.6	20.3	32.0	n/a
All job seekers	15.5	26.3	41.9	40.0	18.1	23.2	n/a

Source Department of Employment, Labour Market Assistance Outcomes March 2014

In the regions that ECCV operates, it is well known that the unemployment figure of young people from CALD backgrounds is much higher than the overall figure (estimated at more than 40%). It is of major concern to us and other community organisations in this area and why we are adamant that specialist assessors be used in the new ES from 2015. The figures in the above tables would indicate that more assistance is needed for CALD clients and specialist providers need to be retained in the ES2015.

The Joint Committee for Migration also recommended (11.33) “The Committee supports an investigation of the effectiveness of Job Services Australia provision of services to CALD individuals with the aim of improving access to and outcomes from these services” and (11.42) “The Committee believes Job Services Australia should implement cultural competency training for Job Services

Providers were required to accommodate the distinctive needs of CALD job seekers” yet the Exposure Draft not only removes the inclusion of specialist providers but makes no special allowances for CALD clients in terms of JSCI, wage subsidies or even education outcomes that may be essential to becoming employed.

The ES2015 Exposure Draft makes special allowances for young people and mature age jobseekers yet those from CALD backgrounds are statistically similar. Those on youth allowance are only marginally (2.9%) more unemployed despite many more (4.6%) engaged in study and having a higher participation rate. The Mature Age (over 50) cohort shows only slightly higher unemployment (0.5%) despite less participation (1.4%).



## Section 1 - Assessment

### a) Jobseeker Classification Instrument (JSCI). Refer S 2.8 Exposure Draft

Despite continuous development, the completion of the Jobseeker Classification Instrument (JSCI) can be a flawed process, especially for CALD background clients. ECCV sees many people from new migrant/refugee backgrounds who have multiple barriers including English language problems, torture and trauma, homelessness, cultural and religious issues and distrust of authority, leading to an unwillingness to disclose or misunderstanding of the process. We regularly experience the frustration of ES providers and community workers seeing their clients in lower ES streams when they should clearly be Stream 4 (currently). The incidence of people from these above mentioned disadvantaged cohorts placed in the wrong stream is much higher than those who are not. Keeping in mind that the JSCI is undertaken by JSA providers, Disability Employment Services (DES) providers or Department of Human Services (DHS) Assessors, the issue with it appears to be the inconsistency of assessments for CALD clients. This is not necessarily to say that the JSCI needs to be changed at all, more so the enactment of it (relative to CALD clients).

What ECCV has found, along with many other stakeholders is that many disadvantaged jobseekers do not disclose information that would accurately reflect their circumstances and place them in the correct stream. This is especially true for migrants and refugees whilst young CALD people are also most vulnerable to rapid disengagement, more so than a mature adult with life experiences. Under the current system, re-assessments are not common (and changes to the stream allocation even less so) so it can lead to these job seekers failing to maintain compliance obligations or connect meaningfully to the designated provider. ECCV has found this to be a commonly accepted reality amongst providers for migrants and refugees.

The current Job Services Australia (JSA) system allows for “specialist” providers of ES and we note that this has been discontinued. However we also believe that there should be specialist assessors at the start of the process (i.e. the initial interview) so that better standard is achieved. This would save time for both the ES Provider and DHS because there would be far less instances of re-assessment requests.

We would recommend that those specialist assessors be for CALD migrants and refugees, in particular, and other cohorts of disadvantaged people. We believe that it is essential to clarify whether the client is from a CALD group prior to arranging a JSCI interview so that the appropriate assistance can be put in place. We would also recommend that there be no telephone interviews of CALD clients and that all interviews be conducted in the presence of an appropriate social worker and, if deemed necessary, an appropriate interpreter.

The Joint Committee for Migration noted that “The assessment process for determining which stream of service a job seeker is eligible for has been criticised for not taking into account some of the major barriers faced by CALD communities, such as language competency. This absence means

that CALD job seekers who are disadvantaged by factors specific to CALD communities are not recognised, thus making it difficult to for some job seekers to be placed in a stream appropriate to their overall circumstances.”

Furthermore, the Joint Standing Commission on Migration noted that there was a lack of language services and recommended (11.38) that “Job Services Australia increase its interpreter and translator services, and improve access to these services for its clients.” This is especially applicable to the beginning of the process (JSCI) where the appropriate service delivery is determined.

**Recommendations:**

- 1.1 For CALD clients, JSCI interviews should always be in person, not via telephone.
- 1.2 JSCI interviews with CALD clients should only be conducted by skilled assessors trained in cultural competency.
- 1.3 Before any JSCI interview is held with a CALD client, the client is recommended to an appropriate community organisation for advice. A list of such organisations should be developed and made available at Centrelink.
- 1.4 Implement cultural competency training for assessors/Job Services Providers where required to accommodate the distinctive needs of CALD job seekers, as recommended by the Parliamentary Joint Committee for Migration.

## Section 2 – The Need for Specialist Providers

### a) ES Providers, and Lack of Collaboration

Since the dismantling of the CES in the 1990s and subsequent refining of the ES system, it has been the intention that this system form a network - supposedly sharing ideas, best practices and vacancies under a coordinated government umbrella. However, organisations that win the right to provide these services are effectively competing with each other for outcomes (which provide the profit and/or star ratings that lead to business certainty and continuance sought by all providers). So collaboration is, in reality, discouraged by the system itself and the lack of job placement payments in the ES2015 Exposure Draft would appear to exacerbate that. It is highly doubtful that providers will share vacancies or place clients tied to other providers for the duration of this system.

It is essential for ES providers to turn over and replenish caseloads so most providers give the bulk of their resources to clients who are most likely to achieve early outcomes. Thus, “parking” of clients occurs, which is one of the major factors causing entrenched and generational unemployment. Unfortunately, the statistics indicate that CALD clients are far more likely to experience this.

The ministerial issues paper 2013 mentions the jobseeker concern with “stigmatised by employers” if they work with specialist providers however, we strongly disagree with this assertion. Even the Joint Committee on Migration recommended (11.59); “The Committee recommends that the Australian Government develop initiatives for organisations to provide tailored opportunities for employment for CALD individuals such as the collaboration between National Australia Bank and Jesuit Social Services in delivering the African Australian Inclusion Program” yet we see no real evidence of this in ES2015.

There are 53 specialist providers within the current ES system, along with 19 DES-DMS providers according to *Employment Services – building on success Issues Paper* and the March 2014 Star Ratings indicate that the average performance of all ES providers (in Victoria) is as follows:

	Avg. JSA	Avg. Stream 4	Avg. Stream 3	Avg. Stream 2	Avg. Stream 1
All Providers	2.97	2.21	2.28	2.33	2.52
Specialist	2.96	2.96	2.99	3.18	3.22
Specialist CALD	3	3.14	2.93	3.07	3.07

Source Department of Employment, JSA Star Ratings March 2014 (extrapolated)

According to the Department of Employment, specialist providers in the ES system do not necessarily achieve better outcomes, however the above table shows that it is certainly not the case in Victoria with the 14 specialist CALD branches outperforming the ES average by a large margin in every stream. It is also important to note that there are thousands of community and private specialist organisations throughout the country (such as the ECCV) that perform critical additional and complementary services for these jobseekers (unfunded from within the ES pool and most vulnerable to sustainability).

The tables referred to in the Background section of this paper show unequivocally the pressing need to allocate more resources to jobseekers from a CALD background. We believe that removing specialist providers will result in far fewer outcomes and excessive parking of CALD clients with multiple barriers (by generalist providers).

## **b) Applying For Jobs – Specialist Assistance**

In ES 2015, jobseekers will be required to apply for 40 jobs per month (notwithstanding allowances for employment regions). ECCV believes that this requirement alone is one of the main reasons why specialist providers must be retained in the ES system.

CALD jobseekers, as discussed in this paper, may face multiple barriers to employment, not the least being varying degrees of competency in English language (both oral and written) along with cultural and religious issues. For many of these CALD jobseekers, applications (especially in that volume) will prove to be a difficult task without significant help from an understanding provider.

It is our view that only specialist providers will have the immediate expertise to assist such clients with their Job Plan, job seeking tools, understand any cultural or religious requirements and connect them with employers who are open to placing them. It is also quite likely (in our experience) that specialist providers employ staff from a CALD background to reduce the time taken to properly formulate a Job Plan (i.e. in house interpreters, shared cultures etc.).

Specialist providers are far more likely to develop and maintain employer databases that are inclusive and accepting of clients from a CALD background. We earlier highlighted the example of National Australia Bank and Jesuit Social Services delivering the African Australian Inclusion Program and there are other similar programs in existence or planned such as the ANZ/Brotherhood of St Lawrence partnership with refugees. The point is that generalist providers are highly unlikely to promote such culturally-specific programs.

## **c) Post Placement Support and Workplace Culture**

We believe one of the best practice activities that Australian Apprenticeship Centres (AACs), DES and specialist providers perform is post placement support and/or on the job support.

Many of the JSA providers believe this can be done effectively over the phone but our experience and peak body statistical evidence shows that the more “hands-on” the service, the greater the retention rate and employers have more respect for agencies that visit their sites. There is a greater completion rate of traineeships and apprenticeships than JSA placements because AACs routinely and contractually perform post placement support. Many employers will employ disadvantaged jobseekers (even without incentives) but worry about the time taken to supervise and support. Initial assessments may not identify all of the jobseekers issues or barriers in relation to sustaining employment and problems can surface on the job as situations change.

Awareness of Australia's work culture is also important for migrants and refugees entering the Australian workforce for the first time. Specialist providers can work on a case-by-case basis to facilitate culture competency for both their clientele and the employers by creating a greater sense of awareness of both workplace and culture practices.

#### **d) Relevant Training**

ECCV believes that there should compulsory cultural competency training for Job Services Providers where required to accommodate the distinctive needs of CALD job seekers as recommended by the Parliamentary Joint Committee for migration. If the department does not recognise the importance of specialist CALD providers and their success rate, this initiative should be the minimum response.

In any case, there will be many CALD clients who will choose generalist providers and those providers should avail their staff of such training to ensure that these clients have as much opportunity to find employment as other jobseekers.

#### **Recommendations:**

- 2.1 Reinststate the ability for tenders to be submitted as and by specialist CALD providers in ES2015.
- 2.2 Develop and instigate compulsory cultural competency training for Job Services Providers where required to accommodate the distinctive needs of CALD job seekers.

## **Section 3 – Stronger Incentives for Employers**

### **a) Wage Subsidies**

The ES2015 Exposure Draft attaches an employment wage subsidy for young people and mature age jobseekers yet those from CALD backgrounds are statistically similar and do not attract an incentive for employers. Those on youth allowance are only marginally (2.9%) more unemployed despite many more (4.6%) engaged in study and having a higher participation rate. The Mature Age (over 50) cohort shows only slightly higher unemployment (0.5%) despite less participation (1.4%).

We regard the lack of employment subsidies for CALD clients as quite discriminatory, given that they can demonstrate as much difficulty in finding work as the other incentivised cohorts.

The biggest challenges for CALD job seekers, especially the newly arrived, is finding a job in Australia and participate in a new labour market, learn about Australian workplace culture and develop local work experience. Because these jobseekers may lack knowledge of Australian workplace culture and procedures and English language skills, employers can be reluctant to offer jobs because of the likely additional time and cost involved with inducting CALD workers. Wage subsidies are a good method of reducing this early burden on the employers and we recommend that the proposed subsidies in ES2015 be extended to include CALD jobseekers. It may be appropriate to adopt a means test in terms of arrival to Australia, length of unemployment, demonstrated skills/needs, English language skills or any other criteria deemed necessary to define eligibility.

### **b) Relocation Incentives**

The adoption of relocation incentives for jobseekers to areas with employment opportunities is to be commended. ECCV believes this idea should be taken further and include training. If projects in regional areas had adopted plans to include training and employment of disadvantaged jobseekers in the initial phase of planning, there would also be time to promote and plan relocation of future workers. There are many successful multicultural regional communities and jobseekers are probably unaware of the benefits of moving to these places. Good examples can be seen in Shepparton and Wonthaggi. Governments are always discussing decentralisation plans and increased regional development and this will hopefully continue, given the populous state of capital cities.

Whilst the incentive is an excellent strategy, we would like to enhance this by the Department developing and making available a specific web page that highlights where there are labour shortages that incentives will apply. It would also be useful to detail what those incentives include so that jobseekers have all the information necessary to make informed decisions or discuss them with ES providers.

### **c) On-the-Job Training Incentives**

It is our firm belief that employment related and job specific training are far more valuable than many of the certificate courses offered to jobseekers (certainly in the past). We concur with the initiative to remove training outcomes for all but 15-17 year olds because much of the training provided in the past did not lead to employment outcomes (including English language training).

However, there is an obvious need for job specific or on-the-job training in order to gain and maintain employment and we believe that employers should be offered incentives or grants to assist with that initial training (as distinct from a wage subsidy) that specifically applies to workplace culture and procedures. Employers invest a great deal of time and money, training new employees (even for the most basic of jobs) and we envisage that this additional incentive would provide more opportunities for CALD jobseekers.

#### **Recommendations:**

- 3.1 Develop a Wage Subsidy eligibility criteria/guide for CALD jobseekers.
- 3.2 ES2015 to include Wage Subsidies for eligible CALD jobseekers.
- 3.3 Develop an On-The-Job Subsidy eligibility criteria/guide for CALD jobseekers.
- 3.4 Develop and include employer subsidies for on-the-job training (workplace culture, procedures, language) for eligible CALD jobseekers.

## **Section 4 – Other**

### **a) Technology**

Technology should be used to promote collaboration between service providers whilst still encouraging competitive practices. We recommend that a website be developed to include where there are labour shortages and incentives will apply, to detail what those incentives include and promote relocation (information or documentary about regional areas and jobs). Social Media such as Facebook are powerful tools for promotion of specific employment projects.

We also recommend development of an Application for mobile phones/tablets which would help maintain contact, save time and alleviate compliance issues (especially with young people).

# Appendix

## Endorsing Stakeholders

The MEF has endorsed this submission.

The Melbourne Employment Forum (MEF) is an independent association working with a diverse range of community groups, job service providers, employer and industry groups, and the community sector, with the aim of helping all members of the Melbourne community to improve employability.

The MEF was formed following extensive consultation with key stakeholders in the City of Melbourne. MEF currently has over 70 member organisations. It continues to advocate for tailored series for migrant and refugee job seekers and has produced various resources to help disadvantaged job seekers.



Website: <http://www.melbourneemploymentforum.org.au/>



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