

iEmpower Youth and the Ethnic Communities'
Council of Victoria

The Next Generation of Employment Services: Discussion Paper

Submission and Recommendations to the Department of Jobs and Small Business



iEmpower Youth Inc is based in inner-west Melbourne, providing and coordinating integrated services for highly disadvantaged people from refugee and humanitarian entrant backgrounds. We work with our partners, both in the community and Government sectors to develop and implement joint solutions where young people are developed and empowered to be contributing citizens. We have been based in Kensington (and now Wyndham), the heart of the African-Australian community in Victoria, for the past 10 years. We provide people from diverse backgrounds with a one-stop employment centre where they can avail themselves of the best opportunity to get their lives back on track, and gain and maintain a career. As well as assistance in finding employment, iEmpower provides legal assistance, housing, immigration and education support. The centre has also been a hub for youth forums providing feedback to Victoria Police and other submissions.

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Ethnic Communities' Council of Victoria Inc. (ECCV) is the voice of multicultural Victoria. As the peak policy advocacy 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 we have been the link between multicultural communities, government and the wider community.

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Background

The Ethnic Communities' Council of Victoria (ECCV) is the voice of multicultural Victoria and peak policy advocacy body for eight regional ethnic community councils and up to 240 members, including ethnic and multicultural organisations across Victoria. For over 40 years, we have been the link between multicultural communities, government and the wider community. ECCV has a strong history of advocating for the rights of Victoria's multicultural communities.

iEmpower Youth Inc is based in inner-west Melbourne, providing and coordinating integrated services for highly disadvantaged people from refugee and humanitarian entrant backgrounds. We work with our partners, both in the community and Government sectors to develop and implement joint solutions where young people are developed and empowered to be contributing citizens. We have been based in Kensington (and now Wyndham), the heart of the African-Australian community in Victoria, for the past 10 years. We provide people from diverse backgrounds with a one-stop employment centre where they can avail themselves of the best opportunity to get their lives back on track (if they have had negative experiences), gain and maintain a career. As well as assistance in finding employment, iEmpower provides legal (diversion and rehabilitation), housing, immigration and education support. The centre has also been a hub for youth forums providing feedback to Victoria Police and other submissions.

iEmpower Youth Inc and ECCV have worked together on numerous projects that affect people from culturally and linguistically diverse (CALD) backgrounds for several years. In this paper, we will reference points made in the 2015 Employment Services Exposure Draft submission¹ produced by this partnership. More recently, we collaborated to hold the *Workplace rEvolution* conference, designed to highlight the problems facing culturally and linguistically diverse people in the labour market and produce recommendations to solve these problems.

The conference was timed specifically to coincide with the release of the employment services Discussion Paper, so that our response would be timely and current.

Whilst we are encouraged by the new initiatives suggested in the Discussion Paper, we note that there is little specificity regarding some of the most disadvantaged jobseekers - those from culturally and linguistically diverse backgrounds.

¹ Ethnic Communities' Council of Victoria, 2014, [Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements](#)

Summary of Recommendations

ECCV and iEmpower are pleased to present the following recommendations:

1. That the Federal Government introduce an employment services model that includes specialist job services providers to support the needs of culturally and linguistically diverse jobseekers.
2. That a new employment services system should include Assessment Centres to act as entry and exit points for jobseekers, and a hub between various service providers.
3. That a new model for provision of employment services feature Employment Coordinators who work with government, employers and training providers to place jobseekers in employment, training programs, and provide post-placement support.
4. That the Federal Government ensures that the new model for employment services features specialist staff who maintain a strong relationship with employers and jobseekers after placement, including in-person post-placement support for new employees.
5. That intensive job-readiness training be provided to all disadvantaged jobseekers (including new arrivals from diverse backgrounds) to effectively assist them to job search and prepare for the workplace.
6. That State and Federal Governments introduce legislation requiring that any successful bid for a government contract must provide a minimum number of jobs and training for long-term unemployed and other disadvantaged jobseekers.
7. That each function within the new employment services system (assessment, job training, education, etc.) be performed by specialists in the role, rather than individuals performing multifunctional roles.
8. That the initial assessment of jobseekers include whether they speak English as a first language, and that those who do not receive appropriate face-to-face, rather than online, service provision.
9. That the new employment services model include a staggered assessment of each jobseeker, performed by a specialist, to produce a comprehensive employment plan that includes referrals to appropriate services for disadvantaged jobseekers.
10. That under a new employment services model, all new migrants seeking employment receive an intense employment assistance program upon transfer from settlement services.
11. That the new employment services model include a points-based activation system for jobseekers who self-service, and that this system includes a trigger point to indicate when a jobseeker requires more intensive support.

12. That as part of the initial assessment, jobseekers are assessed for suitability to receive NEIS support, and that new migrants who were self-employed in their countries of origin are prioritised for this.
13. That the Government create an alternative scheme to the NEIS that encourages the creation of social enterprises and other startups, including by migrants from an entrepreneurial background, and that successful social enterprises be encouraged to form cooperatives.
14. That the Government consider innovative solutions to meet the employment needs of regional Australia, including the promotion of social enterprises and other non-traditional forms of work.
15. That the new employment services model separates the different elements of employment services in order to make providers more accountable.
16. That service providers in the new employment services system be paid only for measurable services and outcomes, with an additional fee for each assessment conducted.
17. That an iterative roll out of the new employment services system should include an assessment of each element to examine how well it is supporting jobseekers from culturally diverse backgrounds.

Chapter 2: The goals for future employment services

Question (i) What other economic, social or labour market trends are likely to affect employment services in the future?

There are numerous issues facing disadvantaged Australians in the current labour market and, by proxy, the employment services sector, particularly those people from culturally diverse and linguistically backgrounds. The predominant issues arising from the ECCV/iEmpower State Conference included:

- Flawed assessments of jobseekers from a culturally diverse backgrounds, and the associated delays in having these re-assessed
- Poor jobactive outcomes for people from culturally diverse backgrounds and Stream C in general
- Unconscious bias against jobseekers from culturally diverse backgrounds
- Lack of investment in preparation (workplace culture, job search training etc.) for migrant and refugee jobseekers
- Lack of coordination of services affecting people from culturally diverse backgrounds
- Inappropriateness of online services and apps for people from culturally diverse backgrounds
- The inability of the education system to keep up with the constantly changing workplace environment and the need for more relevant on-the-job training
- The need for apprenticeships to be more widely available, and not just in traditional trades

In our view, failure to address these issues could lead to further long-term welfare dependency, as has been highlighted in recent Department of Social Security (DSS) studies such as *Building a New Life in Australia* (BNLA) and their final 2017 Valuation Report. Those most at risk are new migrants from culturally diverse backgrounds, who take longer to adapt to local labour markets and workplace demands.

Question (ii) Are there other goals that should be included?

We believe that significant progress towards meeting the goals outlined in the Discussion Paper would come from the re-introduction of specialist providers (especially those assisting people from diverse backgrounds) within the employment services sector. We will elaborate on our reasons for this in the remainder of this submission.

Recommendation 1

That the Federal Government introduce an employment services model that includes specialist job services providers to support the needs of culturally and linguistically diverse jobseekers.

Chapter 3: Helping disadvantaged Australians into work

Question (i) What services should be available to job seekers who are disadvantaged in the labour market and how can they be delivered in a culturally competent way?

We believe that a number of measures need to be taken to properly assist the most disadvantaged jobseekers, particularly those from culturally and linguistically diverse backgrounds, including:

- Restoration of specialist providers
- Improvements to the process for assessing each jobseekers' needs and strengths
- Comprehensive preparation of jobseekers (including intense job search training)
- Legislative assistance for disadvantaged jobseekers to be trained specifically for government contracts

The most disadvantaged jobseekers have not benefited at all from the changes to the last employment services deed. In fact, they are even more disadvantaged. Under the current contract it is financially essential for jobactive 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 higher-needs clients occurs, which is one of the major factors causing entrenched and generational unemployment. Unfortunately, the statistics indicate that culturally diverse clients are far more likely to experience this.

At the recent iEmpower/ECCV employment conference, Janey Kuzma (State Manager Victoria, Department of Jobs & Small Business) noted that the employment market in Victoria was strong, but that there was concern that 26.3% of the 155,000 clients registered with jobactive providers were from a culturally diverse background. We note that the Discussion Paper welcomes suggestions to address this. Another conference speaker was Travers McLeod (CEO, Centre for Policy Development), who referred to the excellent publication *Settling Better*² and noted the need to promote coordination across the government, employment, settlement and migrant services sectors, another recurring theme of the conference.

The previous jobactive arrangements featured 53 specialist providers and 19 DES-DMS providers. According to the then Department of Employment's 2014 issues paper *Employment Services – Building on Success*, the March 2014 Star Ratings indicate that the average performance of all Employment Services providers (in Victoria) was 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	3.52
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)

² Centre for Policy Development, 2017 [Settling Better: Reforming Refugee Employment and Settlement Services](#)

The Department claimed in this paper that specialist providers did not necessarily achieve better outcomes. However the above table shows that this is certainly not the case in Victoria, where the 14 specialist culturally and linguistically diverse branches clearly outperformed the ES average in streams 2, 3 and 4 – the streams in which higher-needs clients were placed. 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 issues).

We believe that, whatever the final ES model, restoring specialist providers will result in far greater outcomes and reduce excessive parking of culturally diverse clients with multiple barriers. We also welcome the streamlining services for refugees.

In our view, the new ES model should begin with the inclusion of independent Assessment Centres (AC), which would act as a hub between various providers (such as DHS, employment services, Disability Employment Services, and education and training). We note that this is not entirely different from Option 2 in Chapter 6 of the Discussion Paper. The AS would employ expert assessors/case managers (including culturally appropriate personnel) to conduct initial assessments (including JSCI), comprehensive employment plans (including career counselling if necessary) and referrals of clients to appropriate providers, with a review on completion of the referral.

This model would provide a single entry and exit point for jobseekers, whilst maintaining consistency and a documented pathway for each client. For some jobseekers this may mean a single assessment and referral whilst for others with multiple barriers, it may mean multiple referrals and reviews but it ensures more meaningful activity for jobseekers (e.g. personal services such as accommodation/mental health, education, work experience/ training or an employment program). We would also recommend that the Assessment Centres be able to fast track registration of clients, especially those from culturally diverse backgrounds and other disadvantaged jobseekers, so that they receive assistance as quickly as possible.

The Job Plan should include mandatory fields and a plan for:

- Disability (or current injury) assessment – mental, physical, learning
- Situational Analysis – personal, location, family, financial, accommodation, substance abuse, cultural background or sensitivities, language assessment if required
- Employment history
- References
- Skills analysis
- Education history including any likely Recognition of Prior Learning
- Personal aspirations
- Career aspirations
- Transportation plan
- JSCI review

Once barriers are removed (by referrals or activities), the jobseeker is reviewed and referred to the next step on the Job Plan and the process repeated until they are employed. Jobseekers would follow individually tailored pathways with the ultimate aim for each being the same – suitable, sustainable, meaningful employment to the level of their capacity.

Recommendation 2

That a new employment services system should include Assessment Centres to act as entry and exit points for jobseekers, and a hub between various service providers.

Payment for services should also be less complicated than it currently is - having an Assessment Centre as a hub would enable all payments for service providers to originate from a central location. Overall, the benefits of Assessment Centres are many:

- Ability to have specialist assessors (e.g. youth at risk, people with disabilities, migrants and refugees) establishing trust and therefore disclosure of all relevant information resulting in appropriate Stream assessment
- Single entry & exit points for customers
- Single point of assessment, review and referral (consistency for clients)
- Single point of payment approval for services
- Specialist assessors provide consistency of quality
- Documented, easily monitored Job Plan and “rolling” JSCI at every critical milestone
- Speed of referral and commencement in pathway programs
- In-house tracking of progress and faster, more reliable feedback

Incorporating the use of specialist providers also means that there is no need for a separate DES system. Assessment centres run by specialists in people with disabilities could be established and operate in exactly the same manner as all others. We believe this would provide substantial savings for the government in administrative costs alone.

Specialist assessors at the Assessment Centres will also ensure that culturally diverse jobseekers receive training in notions of mutual responsibility. Civic duty and work ethic should form an important aspects of the training component. This will underscore the job-ready principles of the program.

Once the above mentioned Assessment Centres are in place (along with additional recommendations to follow), ES providers could be reconfigured as Employment Coordinators (EC) who work with government, employers and training providers filling specific vacancies or longer-term employment projects. They would also negotiate and arrange work experience placements as part of long-term training and employment commitments to clients.

These ECs could operate in a similar way to Australian Apprenticeship Centres (AACs) and promote cooperation with employers, especially those who wish to compete for government contracts. Their tasks would be to:

- Meet long-term needs of industry by continued consultation with government, local authorities and industry peak bodies by using forecasts of future labour and skills demands by analysing future projects and plans for the community.
- Develop skills training programs (in partnership with training and education providers) to meet those specific job needs and ensure that skilled labour is available at short lead times when projects demand.

- Meet the current needs of employers with a team of field consultants making regular quality contact with employers large and small. This strategy would help alleviate short-term labour demands as well as solve long-term skills shortages with specific job training.
- Provide comprehensive post-placement support.

There is also no reason why these ECs could not, in time, perform the services of the current AACs, providing substantial savings to the department. This would deliver obvious benefits to business, including:

- A specifically trained workforce delivered on time
- Cost effectiveness (no upfront outlay, little impact on existing HR roles)
- Likelihood of a loyal workforce

This model would also be very effective for large employers who do not rely on or bid for government contracts. If they adopt a long-term approach to recruitment, knowing their plans and trends, they can also avail themselves of the service. ECs could (with DJSB assistance) market these services to them.

Recommendation 3

That a new model for provision of employment services feature Employment Coordinators who work with government, employers and training providers to place jobseekers in employment, training programs, and provide post-placement support.

We believe it is best practice to provide post-placement support and/or on-the-job support, much like the TAC and Work Cover consultants do, as this results in a much higher retention rate.

Many jobactive providers believe post-place support 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 that employers have more respect for agencies that visit their sites. ECs could maintain a strong personal relationship with the employer and jobseeker after placement. We note that there is a greater completion rate of traineeships and apprenticeships than jobactive 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 a jobseeker’s issues or barriers in relation to sustaining employment, and problems can surface on the job as situations change. The benefits of providing comprehensive and personal post-placement support are:

- Employers appreciate a single point of contact to resolve any issues that may arise.
- Jobseekers feel empowered to raise with their employment coordinator issues regarding their employment, or personal issues that could affect their employment.
- Many issues can be resolved quickly by an employment coordinator by drawing on resources from many providers, with no cost or impact to an employer and resultant sustainable employment for the jobseeker.

Recommendation 4

That the Federal Government ensures that the new model for employment services features specialist staff who maintain a strong relationship with employers and jobseekers after placement, including in-person post-placement support for new employees.

We note that the discussion paper suggests a return to intensive job-readiness training and we wholeheartedly support this. Whilst this initiative should assist all jobseekers, it is especially important for new arrivals from diverse backgrounds who desperately require assistance with job search in a new environment, résumé construction, and understanding local workplace culture and expectations. We suggest that these services be provided on a competitive basis to encourage innovative programs and to ensure success for jobseekers. These providers could also operate on a star ratings basis and, like in the NDIS, jobseekers could be involved in the decision-making process.

During the recent ECCV/iEmpower employment conference, Yossi Goldfarb (Executive Director Employment Outcomes, Department of Economic Development, Jobs, Transport and Resources) elaborated on the success of the Jobs Victoria Employment Network (JVEN), an initiative intended to address labour market inefficiencies gaps in the way that employment services currently address the basic needs of culturally diverse clients. These services included preparation for interviews, applications and workplace practices. In his opening address to the conference, the Hon Robin Scott (Victorian Minister for Multicultural Affairs) also mentioned the need for people from diverse backgrounds to receive assistance in interview skills and workplace language and culture. During a panel discussion on “Innovative Employment Pathways”, Simon Jedwab (Service Development Manager, Jewish Care) spoke about employment services and the elements that were missing from the current system, stating that JVEN had enabled more career counselling and job ready training than the federal jobactive system because “it is always about the employer” and their needs.

Recommendation 5

That intensive job-readiness training be provided to all disadvantaged jobseekers (including new arrivals from diverse backgrounds) to effectively assist them to job search and prepare for the workplace.

Questions (ii) What incentives might be useful to assist job seekers who are disadvantaged in the labour market to find work?

It is our view that government should lead by example and legislate that all future government contracts have a provision for the employment of disadvantaged jobseekers (as the Victorian State Government have for apprentices). They can do this by ensuring that there is coordination and cooperation between the various public service departments and between state and federal authorities on these future works contracts, especially on longer-term projects such as infrastructure. These projects have long lead times so they can accommodate the training and provision of experience for disadvantaged jobseekers.

We believe that every future government contract (state or federal) over a certain value (say \$1m) must provide a minimum number of jobs and training for long-term unemployed and other disadvantaged jobseekers (on a pro-rata basis). This will automatically create the need for employers

to maintain relationships with job service agencies, to provide much needed work-specific training and a career path for the jobseekers, and solve the problem of skills shortages. By proxy, the most disadvantaged jobseekers (including those from culturally diverse backgrounds) will be assisted the most from such an initiative.

Public and political discussion often focuses on skills shortages and the need to obtain overseas labour to fill these gaps - yet local unemployment is steady and underemployment is a chronic problem. There are thousands of disadvantaged jobseekers that could fill these skills shortages if there was consistent, long-term planning. Billions of dollars will soon be spent on new infrastructure projects providing thousands of new jobs across the country, but the most disadvantaged jobseekers will have little or no access to these despite the fact that they could be trained during the long lead times to project initiation.

This is the case with all major projects. Federal statistics show that we spend about \$50bn per annum on contracts that are subject to tender, and that the vast majority of them (76.3%) are valued at over \$5m.³ Yet it is doubtful that one highly disadvantaged jobseeker employed on any of them. Logically, when faced with both skills shortages and unemployed workers lacking skills, the solution should be to provide those unemployed workers with the necessary skills. Yet this rarely happens because no single entity (government or private) will accept the responsibility.

ECCV and iEmpower believe that entrenched/generational unemployment and welfare dependence is a major problem and is one of the greatest threats to new arrivals from culturally diverse backgrounds (as well as other disadvantaged cohorts). By adding this requirement (to train and employ disadvantaged groups) in order to win government tenders, responsibility is switched to employers who will have a massive incentive to respond. They will also be much more likely to then cooperate with Employment Coordinators (in much the same process as AACs) to make the process easier and less (administratively) costly to them.

Recommendation 6

That State and Federal Governments introduce legislation requiring that any successful bid for a government contract must provide a minimum number of jobs and training for long-term unemployed and other disadvantaged jobseekers.

Public Service departments should also have minimum quotas for employing long-term unemployed or disadvantaged jobseekers, especially when planning future employment drives. Where there are known shortages and the needs are not immediate, there is no reason why specific employment projects for disadvantaged jobseekers cannot be instigated at that point. An ES provider could arrange the necessary recruitment, training and induction of workers from the pool of unemployed. In some cases, vacancies that need to be filled urgently and require specific qualifications may be out of reach, however there are often overseas-qualified migrants/refugees working in lowly-paid jobs well under their skill level that deserve should be consideration.

Assistance for jobseekers to relocate should be retained and encouraged. Legislated placements for disadvantaged jobseekers in government projects and the restructure of ES would assist to promote relocation to areas offering employment. If projects such as regional rail links or the expansion of corrections facilities in regional areas adopted plans to include training and employment of

³ <https://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/>

disadvantaged jobseekers in their initial phase, 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.

Whilst we also support wage subsidies for employers to take on disadvantaged jobseekers, we note that these initiatives have not made much difference in the past and have in fact been abused in some cases and encouraged rapid turning-over of clients. In our view it is much more productive and sustainable for those funds to be invested in specific training jobseekers.

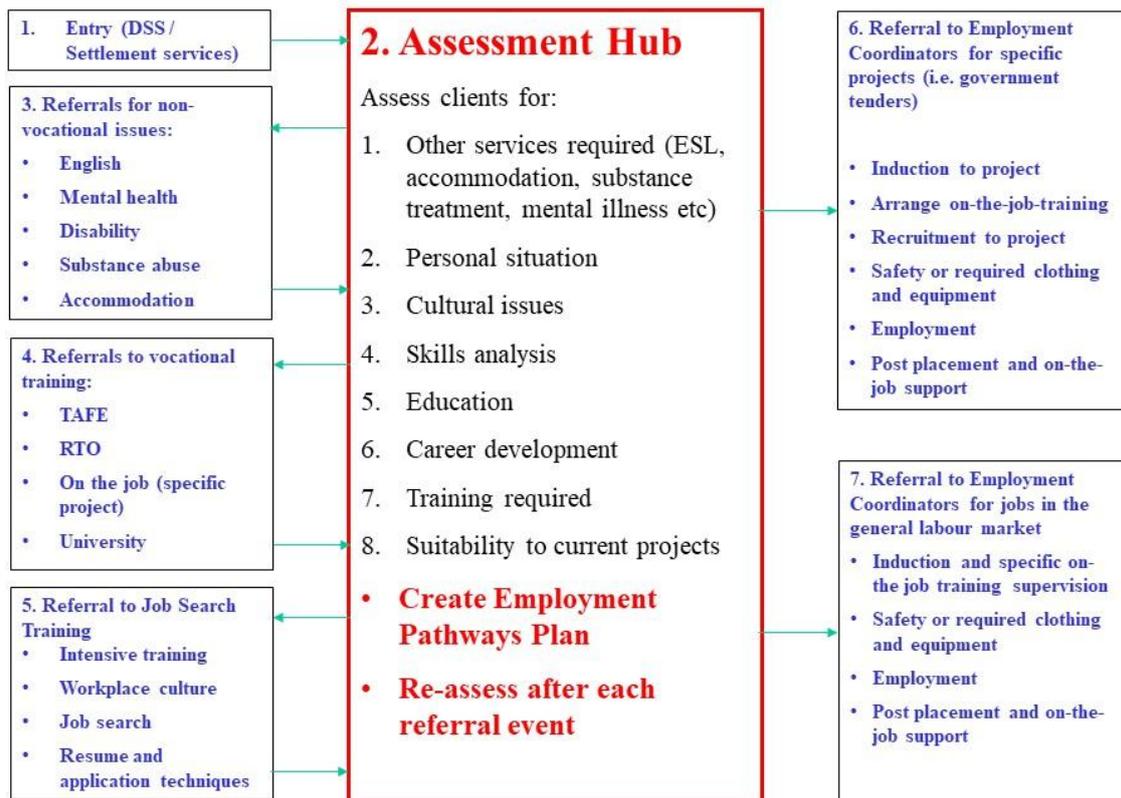
The ECCV/iEmpower conference heard many speakers encourage new, more innovative ways to promote coordination between government, ES providers, employers and the settlement and migrant services sectors. Joe Burke (Executive Director, Victorian Department of Education and Training) emphasised that employment initiatives needed to be relevant to current employment needs (such as the forthcoming infrastructure boom) and that the employment system needed to be “more joined up”. Helen Kapalos (Chair, Victorian Multicultural Commission) called for “non-traditional” partnerships with government and business (via individuals or service providers within diverse communities), which was another enduring theme throughout the conference.

Question (iii) Are enhanced services best delivered through a single unified service, or a model that includes specialist service provision directed at particular cohorts of jobseekers, as well as a core service?

The aim of the most recent employment services re-structure was to create a network of providers sharing best practices and vacancies under a coordinated government umbrella. However, the organisations that win the right to provide these services are effectively competing with each other for outcomes that provide the profit (in the case of private organisations) and the ratings that lead to business certainty and continuity sought by all providers. Collaboration is therefore actually discouraged by the system itself. Because of the incentive to quickly turn over their client bases, most providers focus almost all of their on clients who are likely to achieve faster outcomes. There is also little or no incentive for providers to find real work experience or training that will genuinely enhance their clients’ employment prospects. Regardless of what ES providers or peak bodies say, “parking” of clients occurs and this is one of the major factors causing entrenched and generational unemployment.

To properly support disadvantaged clients, we would prefer to see a model where there is investment upfront to ensure a genuine improvement in their employment prospects.

As previously detailed in the response to Question 3(i), we believe that a consistent pathway should exist for each jobseeker so that their development is tracked and recorded to accurately assess the assistance that they require, and to meet mutual obligation requirements. The Assessment Hub model (depicted below) creates a clear pathway for each jobseeker, allows easier monitoring of progress (for both government and providers) and genuinely assists jobseekers to improve their prospects. It is our firm belief that long-term welfare savings would far outweigh the up-front investment required.



Question (iv) How could the quality of services job seekers receive from their employment services consultant be improved?

In our experience, there is a variation in the skills and abilities of jobactive staff. This is likely due to the way that the current ES model encourages providers to recruit generalists rather than specialists. Currently, employment consultants are recruited by providers to case manage and assess clients, understand their job requirements, be skilled in computing and administration, create résumés and job application documents, all in a timely fashion. Many are asked to actively seek vacancies and recruit candidates as well. There is also a vast difference in the training and educational levels of workers in this industry.

If the jobactive system was restructured as we have recommended, specialists would manage each function (much like TAC or Work Cover consultants), rather than relying on individuals to perform multifunctional roles. Specialists would support jobseekers as:

- Assessors – including specialists in young people, migrants and refugees - to provide thorough ongoing execution of the JSCI and refer to appropriate services.
- Employment Coordinators – much like the AACs who operate at present – gathering vacancies and servicing employers who have committed to jobseekers.
- Other Services – counselling, mental health support, accommodation, relocation, transport, substance abuse, education and training etc.

Best practice is to have experts performing specific tasks, eliminating duplication, and operating within a centralised system. We also recommend that, like other industries (e.g. Financial Services), a structured minimum qualification should be required for staff working in Assessment Centres.

Recommendation 7

That each function within the new employment services system (assessment, job training, education, etc.) be performed by specialists in the role, rather than individuals performing multifunctional roles.

Chapter 4: Empowering jobseekers and employers through improved online services

Question (i) What online tools and assistance should be included to better meet the needs of particular user groups? Which are the most important features that are required?

During the iEmpower/ECCV employment conference, delegates were introduced to the Victorian Government's *Recruit Smarter* initiative by the Hon Robin Scott and Michelle Stratemeyer (Postdoctoral Research Fellow, Centre for Ethical Leadership (CEL)). *Recruit Smarter* is a pilot program to trial different approaches to addressing unconscious bias in recruitment processes. The results of the pilot will be analysed by the CEL and form the basis for recommendations for best practice in recruitment. The goal of this work is to improve hiring practices and contribute to a fairer playing field for all Victorian job applicants. In our view, this is an important initiative that the new employment services model could adapt once the final software is developed. It could work hand-in-hand with the model proposed in 3(i).

We note that existing online services for jobseekers may disadvantage those who do not speak English as a first language, and we recommend that this be taken into consideration at initial assessment. We believe that our recommended model would mitigate this.

Recommendation 8

That the initial assessment of jobseekers include whether they speak English as a first language, and that those who do not receive appropriate face-to-face, rather than online, service provision.

Question (ii) Is there a group of users that the online service should target?

In our view, only jobseekers who have been assessed as being capable of using job search technology should have any demands (i.e. mutual obligation) placed on them. In any case, there are enough online job search tools and job vacancy sites and capable users already access them.

Question (iii) How can data be used to provide more personalised, effective services?

No comment.

Question (iv) How should the online service interact with existing online job aggregators and recruitment firms?

No comment.

Chapter 5: Better meeting the needs of employers

Question (i) How can the Government raise awareness of employment services available to employers?

We believe that relationships between jobactive providers and employers are generally quite ad hoc (i.e. from vacancy to vacancy), rather than formally established relationships. Large employers are hesitant to use ES providers for their vacancies, preferring to advertise themselves or use professional fee-for-service recruitment companies, as there is a perception that jobactive providers simply promote their candidates rather than matching the needs of the employer. It is also apparent that both employers and (especially) ES providers look at short-term goals rather than long-term solutions. Employers seek services that offer real and tangible benefits and support their bottom line, which is why we are proposing the legislative solution to winning government tenders outlined in 3(i). We also believe that a new model that places preparation of jobseekers at its core would see more employers using the service.

Question (ii) How can future employment services add value to an employer's recruitment process?

As we have already detailed, we firmly believe that by legislating a requirement to train and employ disadvantaged groups in order to win government tenders, employers will accept this responsibility provided that they are given the appropriate assistance. They are also far more likely to then cooperate with Employment Coordinators (in much the same process as AACs) to make the process easier and less (administratively) costly.

Our recommended model would also see renewed confidence in the jobactive system by employers as it became recognised that it was producing better-prepared jobseekers.

Question (iii) What functionality would employers expect or desire in an online employment service?

The *Recruit Smarter* initiative, recently trialled in Victoria, is an enterprise that would not only address unconscious bias in recruitment, but assist employers to shortlist candidates on a true skills-based foundation, and promote diversity in the workplace.

Question (iv) How should employment services providers work with employers to meet their needs?

Adopting our recommended model would provide better prepared jobseekers to employers. At the ECCV/iEmpower conference, Jan Owen (CEO, Foundation for Young Australians) challenged delegates to understand and prepare for the "new work order". The talk looked at the current needs of employers in a dynamic and constantly changing workplace, with an emphasis on the culturally diverse youth. Emphasis was given to education and the importance of educators catching up with trends in the workplace. There is a currently a mismatch between what young people are studying and the real requirements of employers. This particular speech detailed the need for communication and presentation skills and that, in the modern workplace compared to the past, it is estimated that there is now 30% more learning on the job, 26% more self-direction, and 100% more emphasis on problem solving. There is a growing tendency to upskill rather than retrain and, for example,

bilingual skills are increasingly in demand. The speaker called for apprenticeships to be more widely available (i.e. not just for the traditional trades).

Question (v) What incentives (financial or otherwise) would help employers overcome any perceived risks associated with hiring disadvantaged job seekers? How should these operate?

According to most surveys, the seven most desired attributes sought by employers are:

- Positive attitude
- Communication
- Teamwork
- Self-management
- Willingness to learn
- Thinking skills (problem-solving and decision-making)
- Resilience

With this in mind, some fundamental changes to the way employment service providers operate (i.e. more upfront investment in job search training incorporating the above elements) would go a long way to reinstating employer confidence in the employment services program. Although we advocate for wage subsidies to incentivise hiring of disadvantaged jobseekers, we recognise that in most cases an employer will not hire a worker strictly on this basis. They are more likely to be amenable to initiatives that support the above soft skills, such as intensive post-placement support or assistance with relocation and accommodation (if in regional or remote areas).

Chapter 6: Assessing jobseekers to tailor support to their needs

Question (i): Which of the proposed options to assess job seekers (user profile or staggered assessment) would be most effective in directing them to assistance that meets their needs?

Thorough, correct assessment of jobseekers and realistic job or pathway plans are the cornerstones of sustainable employment and retention. Although the current jobactive system includes Job Plans, they are rarely sufficiently comprehensive. We estimate that most jobactive consultants spend approximately 15 minutes drafting these, yet they generally contain scant detail, few action points, and vague timeframes leading to a lack of responsibility and commitment. A comprehensive employment plan provides a roadmap for both the client and case manager (and DJSB) to track until completion. As a comparison, Work Cover Insurers and the Transport Accident Commission (TAC) allow 4-5 hours for assessments and have milestones that must be reached before payments are made.

We believe that staggered assessment (Option 2) is the most productive way to assess jobseekers, but that elements of the JSCI could be retained in the assessment, such as rating the jobseeker's level of disadvantage (to allow for special service needs). People from diverse backgrounds, people with disabilities and young people are more likely to have additional barriers than jobseekers who are between jobs (for arguments sake, current Stream A clients). Adopting the model that we have suggested in 3(i) would ensure that clients are assessed by specialists (including cultural and linguistic) and referred to appropriate services, training, education or employment. Should that process be prolonged for any reason (i.e. multiple barriers), re-assessment at each stage would provide more accurate data for all parties.

If progress payments to providers were matched to milestones (as they are in most government contracts), there would be an incentive to ensure that all jobseekers were treated fairly. We are particularly concerned that many culturally and linguistically diverse jobseekers do not receive this level of service under current arrangements.

Recommendation 9

That the new employment services model include a staggered assessment of each jobseeker, performed by a specialist, to produce a comprehensive employment plan that includes referrals to appropriate services for disadvantaged jobseekers.

Question (ii) Are there other options for accurately assessing job seekers needs that should be considered?

Chapter 6 of the Discussion Paper mentions the Dutch WorkProfiler. This method relies almost totally on jobseekers' digital literacy and, in our view, is not suitable for new migrants and refugees. Even those migrants who have some degree of English language and digital literacy will struggle to cope with their new circumstances, and we therefore believe that this process would merely delay the inevitable by 3 months. We recommend that, at the very least, all transfers from settlement programs be afforded an intense employment assistance program.

Recommendation 10

That under a new employment services model, all new migrants seeking employment receive an intense employment assistance program upon transfer from settlement services.

Career counselling (including initial job search preparation) is an important step for new migrants and young disadvantaged people to prepare for work, but it is just as important for mature age jobseekers whose circumstances have changed, whether from technology changes, industry redundancy, workplace injury or other occurrences.

Question (iii) What is the best approach to assessing a job seeker's digital literacy?

There are many tools to assess digital literacy, both online and through educational institutions. ECDL Foundation's Digital Literacy Survey⁴ uses 37 questions to obtain a quick indication of a user's digital literacy. Its survey is easily navigable in just a few minutes, and we would assume that any similar tools would produce similar results. Such a test, supervised by an assessor, could readily be applied to all jobseekers, and as the test also requires a degree of English language comprehension, it would double as a check of competency in this area. However we still maintain that people from diverse backgrounds should be comprehensively assessed before reaching this stage.

Question (iv) How can information be collected in a way that minimises burden on job seekers, providers and employers?

As long as privacy laws are respected, we do not see any problem with the methodology of data collection. We would however like to see resources put into the recognition of qualifications and experience for new migrants and refugees, so that they are not further disadvantaged in the job market.

⁴ <http://digitalliteracy.eu/>

Chapter 7: Incentives for jobseekers to find work

Question (i) Which of the activation options (points-based or time-based) would best support job seekers who largely self-service?

A European Commission report on the Dutch WorkProfiler trial found that the system had been successfully implemented and allowed employment advisors to focus on the individual integration process by acting as job coaches.⁵ Among the findings detailed in the report were:

- Around 80% of all registered jobseekers received only electronic service in their first three months following registration.
- Significantly, nearly 60% of all registered jobseekers who received only electronic service found a job within three months of registration.
- The timeframe for successful integration into the labour market for the remaining 40% was much longer.
- Digital services are monitored and revised constantly. For the 40% of registered jobseekers making use of digital services who are not successful in their search activities, it is planned to (re-)introduce face-to-face contacts sooner than three months after registration in order to give more targeted and effective support for their labour market integration.

These statistics are very much in line with those produced by jobactive and previous employment services systems, so the activation points for (most) jobseekers should not vary much from the present system. This report showed that a points-based system is most beneficial because it provides a tipping point for jobseekers who have put in a high level of effort yet been unsuccessful in securing employment. We believe that it is important to have an inbuilt trigger point at which it is recognised that a jobseeker requires further assistance. The other advantage of a points-based system is that it leads to a compilation of job search data that can be analysed and used to assist in the construction of more intensive support plans.

A comprehensive assessment (including digital literacy) would confirm the status of jobseekers, and believe that it is appropriate that they self-service for the first 3 months after registration OR until their points accumulate to the tipping point. If the assessment is undertaken properly, we would expect the above statistics to improve dramatically. We also believe that the introduction of comprehensive assessments for the most disadvantaged jobseekers (including those from culturally diverse backgrounds) will confirm the benefits of intensive early intervention.

Recommendation 11

That the new employment services model include a points-based activation system for jobseekers who self-service, and that this system includes a trigger point to indicate when a jobseeker requires more intensive support.

⁵ European Commission, 2015, [Identification of latest trends and current developments in methods to profile jobseekers in European Public Employment Services: Final report](#), pp38-45.

Question (ii) Which of the activation options (points-based or time-based) would best support enhanced services participants?

We believe that the introduction of comprehensive assessments for the most disadvantaged jobseekers (including those from culturally diverse backgrounds) will confirm the benefits of intensive early intervention. Therefore we support the introduction of a points-based assessment.

Question (iii) In addition to compliance actions for job seekers who do not meet requirements, could the activation framework also recognise job seekers who regularly exceed requirements? If so, how could this operate in practice?

Based on the model suggested in 3(i), we believe that an Assessment Hub and rolling assessments will be sufficient to support jobseekers into employment (on a graduated basis if needed), and to motivate providers to deliver assistance to them (provided that the payment model supports that). Providers should be paid on measurable outcomes or services and, in addition to the regular compliance system, we recommend that DJSB create a panel to adjudicate disputes between providers. If we are to have a true “Job Network”, providers must be encouraged to support each other.

Question (iv) What appropriate additional initiatives might be useful to support job seekers participating in social enterprises and other non-traditional forms of work?

Whilst the New Enterprise Incentive Scheme (NEIS) has been a very useful initiative over many years, especially for people of culturally diverse backgrounds who often thrive as business owners and entrepreneurs, there is room for improvement.

There are a number of government initiatives supporting existing businesses to obtain grants, expert assistance, co-design and subsidies, but these are not applied to NEIS candidates. The Discussion Paper proposes additional online resources and we support this, but also recommend that this form part of the original comprehensive assessment (i.e. suitability for self-employment). In our view, jobseekers with ideas for going into business should be encouraged and assisted to do so with the support of an enhanced NEIS that includes:

- Notifications of suitable grants to apply for
- Information sessions about grants and other government small business assistance
- Assistance with grants and tenders
- Co-design of ideas
- Mentoring (post-establishment)

With reference to new arrivals from culturally diverse backgrounds or transfers from settlement services, we recommend that those who were self-employed in their countries of origin be prioritised (during the initial assessment) for NEIS consideration.

Recommendation 12

That as part of the initial assessment, jobseekers are assessed for suitability to receive NEIS support, and that new migrants who were self-employed in their countries of origin are prioritised for this.

iEmpower and ECCV wholeheartedly support the concept of social enterprises and encourage government or departmental support for their establishment. We emphasise that there is considerable evidence suggesting that people from culturally and linguistically diverse backgrounds are more likely to succeed in establishing businesses than the general population.⁶

There is also evidence from the ABS indicating that humanitarian migrants are significantly more likely to succeed in running their own businesses than in finding a job. According to a report from Smart Company in 2015:

“As a group, migrants to Australia earned \$38 billion in total income in 2009-10, with the largest segment of those taxpayers, skilled migrants making up 63% of the migrant population and earning \$26 billion in income from paid employment. However, the ABS data shows humanitarian migrants or refugees, while only making up 4% of the migrant population at 31,728 people, reported a higher proportion of income from their own unincorporated businesses compared to skilled and family migrants. Overall, humanitarian migrants earned a total of \$888.8 million in income during 2009-10. Of this amount, almost 5000 humanitarian migrants reported \$83 million from their own unincorporated businesses, which equates to 9.3% of income earned by humanitarian migrants that year and almost double the average contribution of business owners among skilled and family migrants.”⁷

Later, Kochie’s Business Builders reported that:

“An evaluation report of the Ignite small business start-up initiative found that 68% of refugee graduates of the program have moved off Centrelink payments, with some paying company tax and producing jobs for others. The entrepreneurs were contributing to innovation in Australia. SSI CEO Violet Roumeliotis says that it wasn’t due to a lack of passion, a business idea or commitment and ability that other students hadn’t set up a business. But ‘constraint was that the time of the enterprise facilitators. With more resources for the program to hire additional enterprise facilitators the success rate would have been much higher’.”⁸

We believe that there needs to be an alternative to the NEIS that encourages more immediate startups by people who have a business aptitude, including those from diverse backgrounds who have demonstrated in another environment that they can be successful in business, even in a different field. There are many potential entrepreneurs who do not need to sit in a classroom (or can do that later). This is of particular importance as the service, digital and share-economy is growing rapidly in Australia. It is also important as family business and skills transfer is intergenerational and can secure employment across families and across generations.

Social enterprises can be effective in such a process because they provide an environment where people can not only be gainfully employed but also learn on the job, gaining new business skills and benefiting from the social interaction.

We also believe that successful social enterprises should be encouraged to form cooperatives, so that the people who contributed to their success can share in the wealth that they create. We think that social enterprises are a far more useful, practical alternative to Work for the Dole schemes,

⁶ See for example CGU, 2017, [Migrant Small Business Report](#)

⁷ Keating, E, Smart Company, 7 September 2015, [Humanitarian migrants more likely to start their own business: ABS](#)

⁸ Kochie’s Business Builders, 4 April 2017, [This small business initiative is supporting refugees](#)

many of which have provided no real skills or training to the participants. They are also likely to be much more cost-effective (probably cost-neutral or better) if they are based on sound business principles and therefore likely to generate positive income and reduce welfare dependency.

Recommendation 13

That the Government create an alternative scheme to the NEIS that encourages the creation of social enterprises and other startups, including by migrants from an entrepreneurial background, and that successful social enterprises be encouraged to form cooperatives.

Chapter 8: Targeted regional and local approaches

Question (i) What strategies would help job seekers adapt to regional economic and labour market variations?

Firstly (as an aside to the Discussion Paper), we recommend that the government continuously look at decentralisation programs for a number of reasons that would greatly assist resettlement and integration of new arrivals from culturally diverse backgrounds. These reasons include:

- Easier access to housing markets
- Less likelihood of migrant enclaves
- Faster integration to local communities because of sporting activities, smaller distances and lower populations
- Greater likelihood of sustained employment in the event of an identified labour shortage in a particular area

There are numerous examples of successful regional employment strategies, especially for new arrivals from diverse CALD backgrounds, where various government support agencies have worked together to create solutions. We hope that these programs will be expanded into the future.

Adopting the strategy suggested in section 3(ii) (legislating for disadvantaged jobseekers to be included in government tenders) would also see many jobseekers employed in public projects with training that would ensure their future employability as well.

Question (ii) How could local stakeholders be encouraged to identify priorities, engage with providers and implement local employment solutions?

Long-term planning is the key to providing local employment solutions, along with improved communication and cooperation between government, service providers and employers. Once labour shortages are identified, these bodies should be working on innovative solutions. The Discussion Paper mentions the difficulty of filling positions for seasonal work (mostly in the agriculture sector), adding that they are testing financial incentives but that these are generally too small to provide a genuine incentive. The Paper also discusses initiatives to promote social enterprises and other non-traditional forms of work in Chapter 7. We believe that the government should consider schemes that combine these issues to provide support for all parties. Some ideas to achieve a solution may include:

- Farmers could set aside tracts of land to be subdivided for housing or accommodation (i.e. for workers) at a vastly discounted rates, or low cost long-term leases, or even for free.
- Farmers and workers could set up cooperatives or shareholdings to share profits-amongst participating workers.
- Government could provide grants to cover setup costs, relocation incentives, waiving of stamp duties, NEIS-style assistance, or extension of welfare payments.

It is our view that radical solutions must be considered or Australia may face unprecedented generational unemployment, especially of new migrants from culturally diverse backgrounds. Many of the newest migrant groups, such as those from Afghanistan and Iran, have agricultural

backgrounds and would be ideally suited to these types of schemes. These would be true place-based solutions.

Recommendation 14

That the Government consider innovative solutions to meet the employment needs of regional Australia, including the promotion of social enterprises and other non-traditional forms of work.

Question (iii) What strategies would improve labour market mobility from regions that have poor employment prospects?

Adoption of the ideas presented in 3(ii) - in relation to long-term planning, legislated placements for disadvantaged jobseekers in Government projects and the restructure of ES - would assist to promote relocation to areas offering employment. If projects such as regional rail links and the expansion of corrections facilities in regional areas adopted plans to include training and employment of disadvantaged jobseekers in the initial phase, there would also be time to promote and plan relocation of future workers. There are many successful multicultural regional communities, but many jobseekers are probably unaware of the benefits of moving to these places. Recent government discussions suggest that there will be further decentralisation and increased regional development, given the populous state of capital cities.

These benefits can easily be relayed to jobseekers using modern media, but we emphasise that long-term project planning and quotas are needed to solve skills shortages and further deterioration of career prospects for disadvantaged jobseekers.

Chapter 9: A service culture built on competition and quality

Question (i) What level of contestability, competition and Government intervention in the market is desirable?

Whilst we generally agree with the Competition Policy Review recommendation that service providers be replaced for poor performance⁹, we also believe that there must be a degree of certainty in the market for jobseekers so that they are not constantly changing providers. In an open market, however, it is in the interests of providers (certainly those already in this market with substantial investment) to ensure that they protect their performance (and investment) by adapting to different services systems. Business models are designed around the system supplied by the tender, so business will always perform well in the tasks that provide them the best returns. In the past, this has worked against the most disadvantage jobseekers, including people from culturally diverse backgrounds.

We also believe, as we outlined in 3(i), that separating the elements of employment services makes the providers more accountable. So in one region there may be:

- Specialist services outside of the employment services (mental health, accommodation etc.). These are existing agencies to which Assessment Centres can refer clients, but would be outside this deed.
- Assessment Centres (effectively case management, ensuring that jobseekers are referred to the appropriate services to ready them for employment). This service should be awarded under tender to ensure that its personnel are highly-qualified experts in their field, and also to ensure that there is provision for culturally-aware and sensitive treatment of people from different backgrounds.
- Any number of providers to supply job-readiness training. This could be done under licence in a manner similar to the NDIS. This provides for a competitive element because only the best providers will survive and be rewarded. However, because it is a transitory element of the employment services system, it cannot disrupt the jobseeker's pathway or create inconsistency. An added benefit is that there are likely to be new innovative programs arising.
- There should be a restricted number of Employment Coordinators in a region to maintain consistency of information and post-placement support, limited points of contact for employers, and limited points of contact between government agencies (should there be consideration given to our recommendation for legislation in 3(i)). We believe that there should be tendering for this service, and also recommend that consideration be given to making this service an extension of the government service (i.e. DJSB).

Recommendation 15

That the new employment services model separates the different elements of employment services in order to make providers more accountable.

⁹ Harper I, Anderson P, McCluskey S and O'Bryan M, [Competition Policy Review - Final Report March 2015](#), p.37.

Question (ii) Should provider performance be evaluated against set benchmarks, or compared with that of other providers? What factors should inform performance evaluation?

Whilst the current system primarily provides payments for outcomes, it is doubtful that this model is the fairest or best approach. It does not appear to make much difference to the employment placement rate, and has certainly not assisted the plight of the long-term unemployed or other disadvantage jobseekers facing generational unemployment. Payment for outcomes appears to discourage collaboration and cooperation between jobactive providers and past experience has shown that a payment-for-services model can encourage providers to provide the bare minimum of support in order to save time and costs.

Under our proposed restructure of services, we recommend that both the Assessment Centres and Employment Coordinators be paid for measurable services and outcomes (e.g. a jobseeker has measurably improved their capability or been employed). The only additional payment should be set fee for each assessment, similar to the TAC or Work Cover insurance systems. This should allow more funds to be allocated to specialist intensive services, training and education, which would in turn lead to the creation of many more sustainable jobs, rather than transitory 13 or 26 week placements that wage incentives are likely to create.

In summary, we believe that performance frameworks should be benchmarked against set criteria, because if those criteria are met, employment outcomes will take care of themselves.

Recommendation 16

That service providers in the new employment services system be paid only for measurable services and outcomes, with an additional fee for each assessment conducted.

Question (iii) Should the Government allocate market share among service providers? If so, how?

We refer to our recommendations in Section 9(i) and acknowledge that the final employment model (including the numbers of providers deemed appropriate to regions) will dictate, to a certain degree, how market shares should be allocated. If the model we recommend was adopted, we would prefer that, for the sake of convenience, only initial (i.e. transition) shares were allocated to Assessment Centres (or case management element), and that this happened only after jobseeker choice had been sought. History shows that a majority of jobseekers may not exercise that choice anyway.

Question (iv) Should the Government transition to commissioning enhanced services providers through a licensing arrangement? If so, how?

Please see our response to Chapter 9, Question (i).

Chapter 10: Transitioning to a future employment services model

Question (i) How would an iterative approach to implementation help transition to a future employment services model?

We fully agree that an iterative roll out is the best approach to designing and implementing the new employment services model. During the iteration, all essential elements of the new (or proposed) model can be tested fully in a logical order. We also firmly recommend that elements be assessed to examine how well they are supporting jobseekers from culturally diverse backgrounds.

Recommendation 17

That an iterative roll out of the new employment services system should include an assessment of each element to examine how well it is supporting jobseekers from culturally diverse backgrounds.

Question (ii) If we undertake an iterative approach, which aspects should be prioritised and sequenced first?

In our view, the elements of the new or proposed model should be prioritised in the following order:

1. Assessment Centres, or a new approach to comprehensive assessment of jobseekers. We believe that this is a clear priority for people from diverse backgrounds in order to reduce the current level of disadvantage and threat of long-term welfare dependence. This requires the inclusion of specialist providers.
2. Intensive job search and job readiness training. This element is particularly easy to test and could be implemented quickly without any disruption to current jobseekers or providers. We think it is also an essential part of any new model. This element is also clearly measurable.
3. NEIS enhancements can also be easily tested and measured. Our recommendations were provided in section 7(iv).

Overall, we recommend that the highest consideration be given to new legislation that gives the opportunity of employment in future government projects/tenders/investments to the most disadvantaged jobseekers. We consider the recommendations provided in section 3(ii) to be essential to tackling and limiting long-term and generational unemployment.

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