

## **Future Employment Services Submission**



**The Australian Unemployed Workers' Union**

## Introduction and outline

The Australian Unemployed Workers' Union (AUWU) is the only national organisation for unemployed workers, by unemployed workers. The AUWU currently has over 12,000 members across every state, has no political affiliations. The AUWU is run entirely by volunteers and is funded entirely from donations.

The AUWU has extensive experience assisting unemployed workers access employment services. In 2015, the AUWU launched its national advocacy service providing free advice to unemployed workers about their rights at employment services and Centrelink. These services included:

- 5-day per week helpline providing free on-the-spot advice to unemployed workers about their rights at employment services.
- Email advocacy service
- A regularly updated unemployed workers rights, available for free in hardcopy and online.

This submission is based on the extensive data the AUWU have collected on the experiences of unemployed workers within employment services. The submission was also informed by the focus groups the AUWU conducted in partnership with Monash University and Per Capita. Overall, seven focus groups were held in Toowoomba, Sydney, Melbourne, Geelong, Glenorchy, Adelaide and Perth, with between four and eleven participants in each group. Details of dates, locations and demographic makeup of focus groups can be found in Appendix I. Unless otherwise stated, quotes from unemployed workers included in this report are from these focus groups. The names of focus group attendees have been changed to maintain their anonymity. The bulk of the findings of these focus groups can be found in the submission the AUWU submitted alongside Warwick Smith (Per Capita), David O'Halloran (Monash University) and Dr. May Lam. Where appropriate, sections of that report reappear in this one.

Why then a separate AUWU submission? The purpose of the AUWU writing its own submission is two-fold – first, to present the Department with the unadulterated voices of unemployed Australians; and second, to present the Department the extensive data the AUWU has collected on the experiences of unemployed workers within the jobactive system.

The data the AUWU has collected is conclusive – the government's current work-first, outcome-based approach to employment services does not help unemployed workers into paid work. On the contrary, the current approach to employment services is

characterised by its punitive approach toward unemployed workers, which has the effect, unsurprisingly, of pushing them further away from paid work. The level of abuse inflicted on unemployed workers by the Department's *jobactive* system is a national disgrace and must be addressed immediately. A breakdown of the data of the AUWU's helpline and surveys is available in the appendices.

## **Preliminary Remarks**

The AUWU welcomes the opportunity to make a submission to this important consultation. However, the AUWU has some significant concerns about the nature of the consultation process and the make-up of the Employment Services Expert Advisory Panel.

The government formed this expert advisory panel to advise on policies affecting unemployed people yet no one on the panel is an unemployed person, nor is likely to have been on Newstart Allowance in the last decade, nor represents the views of unemployed workers.

By contrast, the interests of those who profit from the presence of a large and persecuted pool of underutilised workers are fully represented, such as employer groups who enjoy the bargaining power that an over-supplied labour market confers on them and the contracted employment service agencies who make their money by doing the persecuting.

In no other area of public policy are those who will be most immediately affected by a policy, or their advocates, so little consulted. This is consistent with the contempt for unemployed workers that has been ruthlessly cultivated for decades in this country, for the most base and cynical political reasons by governments and the corporate media.

The AUWU is deeply concerned about the Department's partisan use of employment data, exemplified by its claim that in 2017 400,000 jobs were created in Australia. Counting people as employed when they work an hour per week is so inadequate a measure that huge reductions in the aggregate number of hours people are working can appear as an *increase* in jobs and employment, particularly when permanent full-time work fragments into casual and part-time jobs. According to the Australian Bureau of Statistics, Australia's labour underutilisation rate is currently higher than it was at the height of the 1980s recession<sup>1</sup>.

The Department's use of employment data is not only deeply misleading, it also presents a significant barrier to the creation of an effective and humane employment services system in Australia. In other words, if the Department continues to judge the success of the *jobactive* system through cynical interpretations of employment data, developing a coherent process of reforming employment services in the interests of unemployed

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<sup>1</sup> 6202.0 - Labour Force, Australia, Jun 2018

workers will be impossible. There is an urgent need for a reformed approach to generating the research and information that can guide and inform improvements, so that opportunities to improve services are built into the system rather than occurring in the interstices of the five-year contracting cycle.

Understanding the role of an employment services system in Australia has to first engage with the reality that there are not enough jobs to go around – currently according to the ABS there are 16 job seekers competing for every job vacancy (see Appendices). This means that in spite of the best efforts of employment services, there are always going to be a large pool of people in the labour market who miss out. It is for this reason that, despite the 400,000 jobs created in 2017, the number of unemployed workers participating in the *jobactive* system has remained steady since 2015.

The reality of the Australian economy is that the level of unemployment and underemployment, which affects just under three million Australians, is intentionally preserved by this and previous governments over the past 43 years to undermine the industrial negotiating power of Australian workers. This is in stark contrast to the post-war full-employment policy in place until 1974, whereby successive governments kept the unemployment rate below two percent through a relatively simple aggregate demand management technique. It is because current and recent governments shun modernised versions of this technique that there must always be a pool of people for whom there is insufficient or no employment. Examples of full employment / price stabilisation systems such as the Job Guarantee model are now on the platform of social democratic advocates in the USA (Senator Bernie Sanders) and the UK (Labour Party) and must be on the table for discussion under this review.

When full employment was temporarily abandoned to deal with the global inflation crisis in the mid 1970s, both major parties pledged its restoration. Instead of honouring those undertakings, the people that they intentionally made unemployed have been hounded to compete more ferociously for jobs. After decades of demoralising, life-wasting, coercively compelled searching for non-existent jobs, where employers currently receive 17 applications and interview 3 applicants for every vacancy, concern is now raised about the inconvenience this poses for employers.

The marketized employment services will never be able to eliminate unemployment, for all their bullying and breeching, because it is government policy to keep just under 3 million Australians unemployed and under-employed. The preservation of a pool of unemployment, coupled with the ongoing coercive abuse of the people whose lives it wrecks, is a gross denial of the human rights of millions of Australian citizens.

Every member of this review panel should recommend the re-establishment of full employment using large-scale public sector job creation, to bring the level of unemployment down to two percent, and reduce labour underutilisation to four percent. Australia needs to jettison this toxic public policy regime of the past 43 years.

Article 23 of the Universal Declaration of Human Rights states:

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

The position of the AUWU is that this right should be fully honoured by the Australian Government, and that the present pernicious and oppressive policy regime be replaced with a fully integrated Job Guarantee employment, training, brokerage and labour market stabilisation system.

## **Summary of the problems with the current employment services system**

### **1. It punishes unemployed workers for being unable to find jobs that don't exist**

The overwhelming majority of unemployed workers want jobs. Treating all unemployed Australians as if they want to stay unemployed is insulting, demoralising and wastes substantial resources on compliance that could be spent on genuine employment services or job creation.

The current employment services system does not adequately acknowledge the impact of structural unemployment. Performance definitions and service design for employment services (both for employers and people looking for work) need to be more relevant to job markets in which there are simply not enough suitable jobs. The Discussion Paper Appendices note that according to ABS data there are 16 unemployed and underemployed people competing for each job vacancy.

### **2. Employment services staff are not adequately trained to provide the necessary support to unemployed workers.**

### **3. Compliance dominates the industry at the cost of genuine employment services.**

What is the primary purpose of employment services? Is it compliance with mutual obligations or is it getting people a job? If it's the latter, then very substantial reform is required. The current system is unreasonably skewed towards the former. According to the National Welfare Rights Network, 40-50% of employment service provider participation reports are rejected by Centrelink, usually because the unemployed worker is found to have a reasonable excuse. Appendices note that in the first year of the jobactive system, the penalties imposed by employment service providers on unemployed workers increased 35% (See Appendices).

### **4. Privatisation and competition of providers is not functioning as envisaged.**

Competition between providers was meant to ensure diversity of service offers and innovation, which has not happened. Instead, services have become standardised and increasingly prescribed by the government.

5. **There is no evidence of a 'user-centred' approach** to the design and delivery of the system, or of a system of research and development that can innovate, learn and apply new learning as it evolves.
6. **Streaming of unemployed workers into appropriate levels of service via the JSCI** is not working as expected. Unemployed workers are not seen as active stakeholders in the JSCI and therefore have no rationale for providing information. Instead, they are unclear about or highly suspicious of the process.
7. **Australians with significant disabilities are being unfairly forced onto Newstart**

At least one third of people receiving Newstart have a significant disability. They are currently unable to access DSP due to unfair application process.

8. **Under servicing of unemployed workers is routine.** Employment service providers commonly do not provide the services they are contracted to and fail to inform unemployed workers of their rights.

**This consultation is therefore very welcome. In summary, we recommend:**

For a more effective employment services system that achieve its declared goals of work preparation, employment access, equity and fairness, these additional goals are important to include:

- **A Job Guarantee.** The effective elimination of unemployment by establishing a commitment to using public sector job creation to provide a full-time job, paid at the minimum wage, performing work of benefit to the community or the environment, to anyone who wishes to work. For more details on the Job Guarantee see Centre of Full Employment and Equity (CofFEE) and Jobs Australia joint report, 'Creating effective local labour markets: a new framework for regional employment policy'.
- **Remove all compliance enforcement responsibilities from the roles of employment service staff.** Under *jobactive* employment services staff have become compliance officers. This has led to a complete breakdown of the trust between employment services with both unemployed workers and employers. To rebuild the trust, employment services must become genuine providers of employment services and have all compliance enforcement responsibilities removed immediately.

- **Income support adequacy** so that nutrition, transport, health, housing and communication/connectivity needs are met, supporting the ability to find work and to work.

The unemployed workers in our focus groups described numerous ways that poverty made it more difficult to find work.

*“Eighty percent of my payments go straight to the landlord. I live on the poverty line. I have to use the food bank.” Brian, unemployed worker, Melbourne, Vic. July 2018.*

*“I only have \$5 per month that I use for my phone and I try really hard to hang on to my credit to call Centrelink.” Susan, unemployed worker, Toowoomba, Qld. July 2018.*

- **Renationalisation of employment services.** Unemployed workers consistently report that they feel their employment service provider is taking advantage of them to increase their profits. The introduction of private not for-profit and for-profit organisations has significantly undermined the capacity of employment services to provide genuine employment services to unemployed workers. We support the renationalising of employment services.

*“I remember the old days of the CES where you would sit down and talk to them for half an hour and they would get an idea of what you could do, what you’re about, where you would be suited and if you got a job, you probably be still in it two years later. Now you have to look for work and you have to attend your job network provider and they are two different things.” Jerry, Adelaide, S.A. July 2018*

- **The views and interests of unemployed workers should be central in the planning and review of employment services.** Recognising that the overwhelming majority of people claiming benefits would rather be in paid work, the AUWU should, as the only member-based body representing unemployed workers, be invited to participate on the Expert Advisory Panel and brought inside the policy tent. Even at this late state, the AUWU has a significant amount to offer.
- **Standardised accredited training of employment services staff.** Unemployed workers report that they are routinely not being provided the adequate service or levels of support. This is in large part due to the inadequate training offered to employment services staff. We support the introduction of adequate and accredited standardisation of training for all employment services staff.

- **A broader and more independent research and evaluation agenda** for employment program, informed by an Employment Services Ombudsman/Evaluation body (see final chapter, Conclusions and Recommendations).
- **Transparency and accountability** for employment services, informed by an Employment Services ombudsman.
- **Replacement of outcome driven system with service-driven system.** Employment services must give unemployed workers a meaningful choice about what services they would like to access. The vast majority of unemployed workers report that they are being denied access to services and are not being informed of their rights under social security law.
- **Prioritising the wellbeing of unemployed workers.** Being unemployed is difficult; financially, socially and emotionally. The wellbeing of unemployed workers should be central to an employment services system for both practical and moral reasons. Individuals with low self-esteem, depression and anxiety are much less likely to find employment.
- **Genuine co-design of employment services with unemployed workers.** Unemployed workers become meaningfully engaged in the design and implementation of employment services.
- **Removal of punitive eligibility requirements for DSP**
- **A Senate Inquiry into Employment Services**
- **Greater trust in the capacity for unemployed workers to have a role in determining the employment services support that they need.**

The current model of streaming unemployed workers (the JCSI), should be reformed to ensure the full, informed participation of the unemployed worker. Once access to service levels has been determined, unemployed workers must be given a meaningful choice of what services they wish to access.



## Chapter 2 - The goals for future employment services

*"It's not hard to work out. Make the system about helping people get work instead of about punishing people." Sarah, unemployed worker, Melbourne, Vic. July 2018.*

### Chapter 2: Guiding question 1

#### What other economic, social or labour market trends are likely to affect employment services in the future?

**Structural unemployment.** An employment services system needs to be capable of acknowledging and dealing appropriately with local and national labour market conditions where there simply aren't enough jobs for all who want them and where the jobs that are available require advanced skills in short supply. The current system has no provision for these circumstances.

*"She [my agency case worker] even said to me... "there are no jobs out there...I'm looking for another job and I can't get one", and she's looking at the same jobs as what I was, probably the same level" Claire, unemployed worker, Geelong, Vic. July 2018.*

**Trend towards non-standard jobs.** Recent data show that, for the first time in Australia, less than 50% of jobs are full-time with paid leave. This trend is greater for young workers. Such full-time salaried jobs were once the overwhelming majority. With a shift away from mining and manufacturing jobs towards services, particularly health and retail, there has also been a shift in the tenure and nature of employment.

The Discussion Paper notes that many job seekers in jobactive currently work part-time or casual jobs, but not enough to remove them from income support, and that around 30 percent of job seekers in jobactive declare income in any fortnight (likely working). Departmental interviews with job seekers also suggest many job seekers opt to supplement their income support by working one (or more) part-time jobs, and many job seekers expressed concern at the difficulty of securing full-time work.

The new employment services system needs to recognise these labour market realities and trends. Taking them into account in the design and implementation of employment services would mean, for example: a shift from 'activation' based on job search towards more recognition that cycling through shorter term jobs and 'job stacking' is likely to be a long term reality for many; or different measures and definitions of outcomes.

Some unemployed workers we spoke to expressed reluctance to take jobs that might not last long because of the financial and other costs associated with re-engaging with Centrelink and employment services. Waiting for Newstart payments to start were of particular concern, with the risk of enduring a waiting period without income outweighing the potential benefits of short-term work.

*“I’m not prepared to take the risk of taking a precarious job because of fear of the waiting period to get back on payments.” Unemployed worker, Sydney, NSW. July 2018.*

*“Every job I’ve been referred to has been casual, on call.” Unemployed worker, Melbourne, Vic. July 2018.*

## **Chapter 2: Guiding question 2**

### **Are there other goals that should be included?**

*Question: What could be better about the employment services system?*

*“It’s not that I don’t understand the question but it’s just that I think it’s impossible to think of a positive outlook for this system. What I need from them is when I am in not a good place, they should be there to support me – if I am in a good place, I can job search myself, but you go in and they just want to send you to jobs that you are not ready for.*

*It would be not having to fight for every single little thing. It would be actual genuine support in looking for a job. I avoid going there because I get so anxious beforehand, knowing that I have to kind of corner them into doing something for me. You have to brace yourself because you will be made to feel that being unemployed is your fault.”*

*Suzie, Unemployed worker, Perth, WA. July 2018*

*“These are jobs that people should be paid for because if it’s worth doing it’s worth being paid properly for.” Charlie, unemployed worker, Toowoomba, Qld. July 2018.*

The creation of readily and voluntarily accessible unemployed worker support centres with highly trained staff and good facilities for unemployed workers to access vacancies, get assistance with making effective applications, skilled counselling, assessment and service referral support, free of coercion or any welfare policing function. These centres would not be responsible for imposing compliance measures. Such centres would be the point of referral to:

- Good quality accredited vocational training courses and programs relevant to the vocational goals of the unemployed worker and demand in the labour market, rehabilitation and other remedial services.
- A (Job Guarantee system) pool of minimum wage jobs, involving work of benefit to the community and / or the environment, designed to inculcate skills in

demand in the local labour market. The employment service can actively promote these employed people to employers, given the ability they will have to assess, develop and demonstrate jobseeker skills and capacities, and actively facilitate their poaching by employers.

*“The job agencies seem like they’re a fake version of a recruitment agency. They don’t actually have jobs on their books.” James, unemployed worker, Melbourne, Vic. July 2018.*

- A dedicated regional industrial analysis and JG job design service to ensure the pool of jobs reflect the needs of industry in terms of preparing people to (i) meet existing skills needs and (ii) prepare to meet the skill requirements of planned or anticipated new industries, informed by regional economic development processes.

This model will deliver:

1. A healthier, more motivated and productive spare labour force
2. A more sophisticated, flexible and responsive employment services system, more capable of identifying and responding to the developmental and brokerage requirements of its unemployed worker and employer clients.
3. A reduction in social misery, alienation and dysfunction.
4. Greater security for people attempting to start new enterprises, given they will have a minimum wage job to fall back on should their enterprise fail, and therefore less to lose for ‘having a go’.

To ensure the integrity of this system we strongly recommend **the establishment of an employment services ombudsman**. The Ombudsman would have two main roles:

- dispute and complaint resolution; and
- monitoring, evaluation and research aimed at learning from, and improving on current employment services.

## Chapter 3: Helping disadvantaged Australians into work

*"They're a compliance agency for Centrelink, not an employment service." Paul, Sydney, NSW. July 2018.*

### Chapter 3: Guiding question 1.

#### **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?**

Apart from being provided the opportunity of decent work at the minimum wage, unemployed workers should have access to unemployed worker support centres that provide extensive jobsearch facilities, skilled employment consultants, training and development referrals, totally free of any welfare policing connection. It should be a place of comradery, comfort, encouragement and learning. Participation must be 100% voluntary and free.

### Chapter 3: Guiding question 2.

#### **What incentives might be useful to assist job seekers who are disadvantaged in the labour market to find work?**

Supply a range of public sector jobs to the unemployed to undertake at any time, and facilitate other employers poaching them with suitable offers of work, as and when there is demand for their services. No greater disincentive exists than the perpetual maintenance of a pool of under-utilised labour maintained to strengthen the industrial relations position of employers.

*"They [job agency] show you a list of jobs to apply for and they're all totally unsuitable." James, unemployed worker, Toowoomba, Qld. July 2018.*

### Chapter 3: Guiding question 3.

#### **Are enhanced services best delivered through a single unified service, or a model that includes specialist service provision directed at particular cohorts of job seekers, as well as a core service?**

All unemployed workers should have access to specialist employment service support when they decide they need or want it. All unemployed should be able to seek support from well trained, knowledgeable, competent people that they can freely confide in without the fear that if they say or do the wrong thing they will be rendered utterly destitute, as opposed to remaining chronically poor which is the standard condition.

### Chapter 3: Guiding question 4.

#### **How could the quality of services job seekers receive from their employment services consultant be improved?**

Remove the welfare policing functions from the employment services staff, train them in interviewing, counselling, assessment, industrial and occupational knowledge, give them the training and resources to assess and refer people for specialised support.

This will mean clients will confide in staff who will have the skills to work out real solutions. By avoiding compulsion, staff will deal with clients they know wish to be there.

*“Because nobody knows what the funding situation is, they can tell you anything. They’ve got the power of God over you.” Unemployed worker discussing training recommended by job agencies, Toowoomba, Qld. July 2018.*

All people who are unemployed and need to turn to Centrelink for income support are vulnerable. The circumstances of their becoming unemployed can coincide with episodes of workplace bullying, family crisis, or health issues. For most people, the fear of not being able to find work and meet financial obligations creates stress and anxiety, and can potentially lead to depression and other disabling conditions. Even mild degrees of mental ill-health can influence the soundness of judgement that people apply to finding work and interpreting the labour market.

Generalised propositions that 70% of people will be adequately assisted by an online compliance system, based on assumptions about some ‘key’ attributes they may possess, reflect deep ignorance and insensitivity to the experiences of unemployed people.

A modern, socially just, well-organised society would ensure that if it is necessary to preserve a spare / standby labour supply to accommodate the expanding / contracting nature of market-based systems of production and distribution, those forced to be in this pool should:

1. not be demonised, denigrated and stigmatised.
2. have their productive capacity preserved and extended while they await re-engagement.
3. not be forced to live in conditions of hardship and poverty, that cause family breakdown, mental health issues, poverty-related crime, social isolation and other forms of social dysfunction.
4. not be forced by threat of destitution to comply with directives imposed by poorly trained, unknowledgeable staff with little empathy or insight, in order to maximise their employment agency’s profitability. This particularly applies to all compliance activities that are not directly related to placing a unemployed worker in a decent, safe, dignified job.

When the BHP operations manager, and later Chairman of the ABC, J.D. Norgard, reported to Malcolm Fraser on how the CES should be reformed in the mid 1970s, along with the adoption of new technology and upgraded facilities, he strongly recommended

that (1) staff be extensively trained and that (2) they should not be involved in any welfare policing / compliance functions.<sup>2</sup>

In relation to the latter issue, he made two relevant points:

- a) The administration of compliance processing consumed staffing resources, while actions more relevant to helping people find work such as soliciting employers for vacancies and staff training and development were neglected. Reflecting on the state of current employment service operations, the 2016 Melbourne University study cited in the review's discussion paper indicates:

*"employment services staff spend a combined 34.6 per cent of their time each week on either contract compliance activities or other forms of administration. Nearly a fifth (17.8%) of their time each week is spent on contract compliance activities alone.*

*The remainder of employment services professionals' time is divided between working with employers (10.3%), working on other tasks (6.7%), and working with other service providers (4.7%)."*<sup>3</sup>

- b) The communications between employment services staff and their unemployed clients are harmfully distorted by the coercive and threatening nature of compliance policing.

The failure to adequately train staff in understanding the issues unemployed people need assistance with to overcome disadvantages they have in accessing work, is a consequence of agencies not wishing their staff to become too empathetic in case it weakened their resolve to enforce compliance measures.

*"People helping us need to have a bit more insight into the employment market. I've had to do a lot of my own research, just to work out where I fit in the job market." Jamie, unemployed worker, Sydney, NSW. July 2018*

The ability to understand a client's circumstances is crucial to formulating a strategy with them to improve their labour market situation. Vulnerable unemployed people act as all people do in the presence of authorities who can inflict punishments and direct them to undertake ill-conceived, inappropriate activities (determined by how that profits the agency not the unemployed worker): they avoid them and share as little information about their circumstances as possible.

The ideology of the present system is that keeping a pool of unemployed people as bullied and miserable as possible drives them to desperately compete for jobs to generally undermine the bargaining position of the sellers in the labour market, thus benefiting employers. What the advocates of this model fail to grasp, is that it undermines the productive capacity of the labour force, impairs the quality and

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<sup>2</sup> Norgard, J.D. (1977) Report for the Minister for Employment and Industrial Relations, Canberra, Australian Government Publishing Service, Canberra, p17-18.

<sup>3</sup> J. Lewis, M. Considine, S. O'Sullivan, P. Nguyen and M. McGann, From Entitlement to Experiment: The New Governance of Welfare to Work – Australian Report back to Industry Partners, University of Melbourne, 2016.

sophistication of the employment services, and produces an increasingly unfair, inequitable and divided society.

## **Chapter 4: Empowering job seekers and employers through improved online services**

### **Chapter 4: Guiding question 1.**

**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?**

Home page to the job guarantee program from where they can select a full-time job to do.

Otherwise: access to skilled, non-coercive and well-resourced staff, who provide meaningful support, in response to how their clients define their own needs. This requires removing the barrier to communication created by the implicit and explicit threats that accompany every communication.

### **Chapter 4: Guiding question 2.**

**Is there a group of users that the online service should target?**

The people who wish to use it. People who are not comfortable with online service all the time should have a readily available means to engage with a properly trained human being with the authority to listen to them and address the issues they may have.

### **Chapter 4: Guiding question 3.**

**How can data be used to provide more personalised, effective services?**

Provide performance data on job agencies including their propensity to sanction their clients, employment placements and metrics of average durations of placements and average pay scales.

Provide unemployed workers with information on the amount of money that the employment service provider will receive, should the unemployed worker adopt their recommendation to do something, so that the client can judge if the advice is given with their best interests in mind, or those of a greed-driven agency.

By ensuring a human being is available to interpret the data and explain its implications to the client, when and if necessary.

### **Chapter 4: Guiding question 4**

**How should the online service interact with existing online job aggregators and recruitment firms?**

It should only be done in a way that totally preserves the privacy and dignity of unemployed people, and does not undermine their efforts to find decent work. This



means being able to target different industries and occupations while emphasising and de-emphasising various aspects of their background to make the best impression. If they can have only one representation in the system, or if employers can access their multiple self-depictions, many unemployed workers will be severely disadvantaged by such a system.

## Chapter 5: Better meeting the needs of employers

### Chapter 5: Guiding question 1.

#### How can the Government raise awareness of employment services available to employers?

There are good reasons to believe that for rational reasons, employers choose not to use government employment services. Unemployed workers believe the reputation of employment services is so low among employers that they are reluctant to involve or refer to employment services in their job search activity and also post-placement. They perceive this kind of association may actually jeopardise their chances of getting and keeping a job.

*“I told them (the provider) that they better not speak to any of these employers. If anyone found out I was associated with this mob, I’d never get a job” Harry, Glenorchy, July, 2017*

The focus of *jobactive* on compliance and activation has so overtaken the agenda of employment services that it now serves little use as an employment service for its two major stakeholders - employers and unemployed workers.

*“Yeah I got sent to a junior kitchen hand job [is clearly not junior] and they said just cross the junior bit out! I didn’t have a car, they said say you’ve got a car. I got referred to a job as a payroll officer, I don’t have any payroll experience. I went to see them, and they said we have had ten people sent here who don’t have any experience at all.” Jerry, Adelaide, July 2018.*

*“But if you don’t apply for all these inappropriate jobs then you won’t get your 10 jobs a fortnight. I have been unemployed for 3 months – I have applied for 150 jobs and I have had two interviews” Paul, unemployed worker, Perth, W.A. July 2018.*

The Australian Chamber of Commerce and Industry and the Business Council of Australia also believes that this focus is [not helping business](#).

- “It would be better to allow jobseekers to concentrate their efforts towards applying for the jobs they have the best chance of acquiring,” BCA chief executive, Jennifer Westacott.

These activation requirements have alienated employers. Unemployed people are required to submit job applications even if there is little prospect of getting an interview, and employment advisors are required to uphold this. While the approach might support the activation agenda, it happens at the cost of employers’ trust that the

system can field suitable candidates for their roles and at the cost of unemployed worker morale.

### **Chapter 5: Guiding question 2.**

#### **How can future employment services add value to an employer's recruitment process?**

Train the employment service staff and remove the welfare policing function to encourage their clients to fully explain their circumstances so that referrals to employers are appropriate, and ensure that employers have human beings to engage with.

### **Chapter 5: Guiding question 4.**

#### **How should employment services providers work with employers to meet their needs?**

By understanding the nature of the employer's labour needs by having brokerage staff (not marketers) visit workplaces, train in industrial and occupational awareness, and establish a clear non-judgemental picture of the capability and circumstances of their unemployed worker clients. This requires removing the welfare policing function, training staff in how to engage skilfully with their clients, and in counselling, interviewing and assessment skills.

*"I'm on the autism spectrum and I can work but I'd like my job agency to explain to employers how that can be managed. I'm not asking much, mostly just for the employer to understand the specifics of my condition.*

*[Did anyone do that?]*

*"No. The agencies aren't good at things like that. They want you to lie to the employer about your disability." Will, Toowoomba, July, 2018.*

*"Well they are not very skilled about the industries that they work with now so it couldn't be any worse. Like I had one of them send me to a job for an electrical apprentice – I am a tradesperson. They were like – well you guys do the same thing, so you go there. I said to them "they are asking for an apprentice, they are not going to want to pay me twice as much. You're going to be wasting my time and their time and they are not going to be happy with you about that", but they didn't get it. They sort of think, if we force something, then it will happen – shove it in this box whether it fits or not." Barry, Adelaide July 2017*

### **Chapter 5: Guiding question 3.**

#### **What functionality would employers expect or desire in an online employment service?**

They could not reasonably expect any quality control if unemployed workers are screened and referred this way.

### **Chapter 5: Guiding question 5.**

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

Provide a job to everyone that needs one, and on that basis allow employers to employ who they wish. If you are going to maintain an unemployed pool, inevitably employers will, on rational or irrational grounds, perceive some people to have less productive potential than others and will consequently reject them. Offering wage subsidies and similar incentives to encourage the employment of people they otherwise wouldn't employ displaces someone else, and merely changes the distribution of who is disadvantaged. It then introduces the potential for the sort of sorting regularly reported, and systematically ignored, by workers employed under such schemes.

The other option is not to have an unemployed pool, but an employed one, by giving unemployed people the choice of a minimum wage public sector job.

*"They get you off their books and they've met their target. That's all that matters."  
Terry, Melbourne, July 2018.*

## **Chapter 6: Assessing job seekers to tailor support to their needs**

### **Chapter 6: Guiding question 1.**

**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?**

Making available at all times, skilled, non threatening, well resourced employment service personnel, in whom clients feel they can confide, safe in the knowledge that they are 'on their side', and have the means to provide meaningful effective support.

### **Chapter 6: Guiding question 2.**

**Are there other options for accurately assessing job seekers needs that should be considered?**

Yes, re-establish full employment using a large scale public sector job creation program such as the Job Guarantee.

### **Chapter 6: Guiding question 3.**

**What is the best approach to assessing a job seeker's digital literacy?**

'Digital literacy' is not all that is required for people to engage with employment services providers on line in a meaningful way. While many will welcome the opportunity to not have to face inadequately trained and compliance-oriented employment services staff, what they would prefer is supportive, non-threatening skilled, knowledgeable human contact. Chapter 6: Guiding question 4.

**How can information be collected in a way that minimises burden on job seekers, providers and employers?**

The main burden these groups, and particularly unemployed people, will bear is the invasion of their privacy. There should be a non-disadvantaging opt out option.

## Chapter 7: Incentives for job seekers to find work

*I was told “You can do work for the dole or do one of these two courses”. It was sold to me as a better option than doing work for the dole.*

*Q: “It wasn’t sold to you as a way of getting work?”*

*“No, I’d done the same course in 1998 and it hadn’t changed”. Terry, Perth, July 2018.*

*“They seem to have these Mickey Mouse internal courses. In my case. I’m a former lawyer, I was working in a senior admin role in finance. They want to put me on some shitty admin course. They put you into courses in order to meet their own goals, not our goals. Another shit course on how to use computers – “this is a keyboard”. Then they shunt you into a temporary nonsense job for a few months, a subsidised job, that doesn’t last.” Kevin, unemployed worker, Sydney, NSW. July 2018.*

### Chapter 7: Guiding Question 1

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

The Discussion Paper notes that *jobactive* providers have not always exercised their discretion to reduce job searches, a point resoundingly confirmed by people in our focus groups. We also agree with the statement in the Discussion paper that “The majority of job seekers want to work and the system should reflect this”. However the premise of the activation options (points-based or time-based) still do not alter the reality that, in many labour markets in Australia, there simply aren’t enough jobs. The continued emphasis on compliance and activation in the form of job search locates the problem of unemployment in the behaviour of unemployed people, rather than in the lack of demand for labour: according to the latest ABS data, there are 16 unemployed workers competing for each listed job vacancy.

This means that both the time-based and point-based approaches to activation will miss the mark. Continuing to focus people on searching for jobs (or even enough work hours) that don’t exist will be counterproductive. Being required to put in time and effort on activities that cannot result in success, and to report that failure on a regular basis has significant unacknowledged consequences for mental health and wellbeing.

*“My mental health issues were caused by my job agency.” Paul, unemployed worker, Melbourne, Vic. July 2018.*

The core logic of the future activation options proposed is the same as that for the current system: to create disincentives for unemployed workers to remain

on income support. As the Discussion paper notes, this is “the referral effect”, but it means, as focus group participants tell us, that while they continue to rely on income support, repeated job search failure, and hours of activity with no result pushes up their stress levels, risk of poor mental health, while diminishing their trust in the system.

In poor labour market conditions, the important role of employment services to address needs to maintain employability and skills for the limited jobs available, should also be complemented by the offer of activities and services *other than job search* that maintain a sense of purpose and value.

We support an approach to setting agreed activities that give unemployed workers a clear overview of what the employment services system their employment service provider offers, informing and negotiating more meaningful choices and options. This will avoid deadweight loss, while targeting services and support where they are best going to be utilised and can help to place people into the jobs that *are* available.

We wish to point out in the strongest possible terms that the employment services should play no role in policing welfare compliance. They should not have a master servant relationship over their unemployed clientele.

## **Chapter 7: Guiding Question 2**

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

For reasons explained in the response to Chapter 7, Guiding Question 1, neither option will assist the Department achieve its goal of supporting enhanced services participants.

Unemployed workers in the *jobactive* system overwhelmingly report that the work-first approach makes them feel as if they are to blame for their continued unemployment.

*“There’s an attitude in the job networks and in the community that unemployed people are the problem – what have you done to get yourself into this situation. While there are some people in the system who are problematic – most, at least 70%, have ended up in that situation because of the economy.” - Di, Adelaide 2018*

They also overwhelmingly report that the work-first approach is not appropriate for them:

*My last experience ... I went there after having had a medical exemption from looking for work. They didn’t even ask how I was ... it was just “fill in this resume thing”, “go into this interview room” where one of the people start interviewing me about what sort of work am I going to do? I had my medical exemption because of PTSD and the questions they asked were*

*highly inappropriate and didn't take into account any personal issues. Then I started having a panic attack in the room, so the manager of the place came into the room and started asking me "Well, do you think you can do this work?" "Oh my God – Dude! I'm having a panic attack! Pause! Look at what's happening here!" Anne, Adelaide 2018*

The work-first approach in the context where case managers are over-worked leads to a one-size fits all approach to unemployed workers. Frontline staff caseloads are typically around 150, according to research by Considine et al, with an average 19 appointments per day. This leads to many unemployed people being referred to inappropriate jobs.

*"I got sent to a job where you needed to drive – I told them I don't drive. I met the employer and he said but you don't have a licence. I had to say "I am sorry for wasting your time." - Andrew, Adelaide 2018*

Not only does this waste the time of employers and unemployed workers, it also discourages unemployed people and pushes them away from employment.

*[jobactive has] destroyed my motivation. I've basically resigned myself to the fact that I'll probably never work again for that reason. Five years ago I was motivated, I saw the writing on the wall, I was 45, I recognised the fact that if I didn't get a job soon that this would happen, and it has happened. Gerry, unemployed worker, Geelong, Vic. July 2018*

*"You mention low self-esteem. You have to apply for these jobs that you know you're never going to get – you're never even going to hear back. It's depressing. Doing that time after time after time and never hearing a thing. There's no support for that and there's no out. You just have to do that forever. You're trapped in this endless loop. It's enough to bring you to tears." Will, Toowoomba 2018*

Unemployed people want services that help them to gain control over their lives and help them become more employable. As noted by many people in the focus groups, this can only be achieved by providing relevant services.

*"If I could do my own plan, it would be to look for jobs myself and come in if you need our assistance with something or want to use our computers or phones or meet other unemployed people but apply for the jobs that you could genuinely do so you could focus on putting in good applications for good quality jobs" Cassie, Adelaide, S.A. July 2018.*

Under the *jobactive* outcome-based work-first model, providers are placed under immense financial pressures to place people into outcomes. Most of the unemployed people we spoke to said that *jobactive* providers do not help them and are only



interested in ‘ticking boxes’ to achieve the outcomes necessary to receive government funds.

*“I actually had a past case manager, she said to me, Claire I’ll be honest, they won’t want you because you’re no money to them. That came straight out of her mouth to me.” Claire, Geelong, Vic. July 2018*

*“If you’re over sixty, they don’t want to know who you are.” Jill, Toowoomba, Qld. July 2018.*

As a result, unemployed workers report being forced into unsuitable activities that do not help them find work.

Despite the array of services available in the toolbox of case managers within the *jobactive* system, unemployed workers report that *jobactive* providers are failing to provide these services even when specifically requested.

*“Can I ask you what you mean by “service”? I’m not joking. They call you in for an appointment, they ask you what you’re up to, see if you’ve been meeting your obligations, and that’s it, you go away. Do you call that service?” - Sydney 2018*

We believe that an effective employment services system should involve unemployed workers in deciding what services they will receive. .

However, it also means that unemployed workers should be offered services that are appropriate for them. It is from this perspective we support the introduction of a voluntary peer-support group activity that allows unemployed workers to discuss their situation with other unemployed workers.

We also support the introduction of an industry-based employment services model in which case managers are trained to offer industry-based expertise to unemployed workers. To assist employment service providers in providing tailored services to unemployed workers, we support capping the ratio of unemployed workers to case managers at 30 to one.

### **Chapter 7: Guiding Question 3**

**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?**

We believe that an effective employment services system should not have to ‘recognise job seekers who regularly exceed requirements’. The results associated with exceeding requirements should be recognition enough. Indeed, it is a reflection on the failure of the work-first approach to requirements that this is a concern for the Department.

We believe that the Department must re-evaluate its approach to the compliance system as a matter of urgency. Indeed, there is considerable evidence suggesting that *jobactive's* compliance system is broken. As noted by the National Welfare Rights Network, Centrelink rejects 40-50% of the participation reports submitted by employment service providers. As a result of this high-error rate, the first year of *jobactive* was marked by a 35% increase in penalties during *jobactive's* first year of operation. Unemployed workers overwhelmingly report distrust in the system due to its increasingly punitive nature:

*"It feels like you are visiting a parole officer. They are like police whereas they should be like a professional recruitment company. They are being paid like a professional recruitment agency."* - Jerry, Adelaide 2018

*"They treat us like a money-making number, not as human beings."* - Melbourne 2018

*"It's not supposed to work, it's designed to punish us."* Sarah, Sydney 2018.

We support the creation of an independent regulatory authority that is responsible for investigating complaints and penalising employment service providers that fail to uphold the relevant deeds and guidelines. This authority will be a crucial component of ensuring that the voices of unemployed workers are taken into account throughout the implementation of the contact.

We also support the introduction of an independent online platform where unemployed workers can rate their employment service provider. As part of the roll out of this platform, employment service providers will be required to explain and demonstrate to unemployed workers how the online platform works.

#### **Chapter 7: Guiding Question 4**

##### **What appropriate additional initiatives might be useful to support self-employment?**

Providing people with the certainty of a permanent full-time job, paid at the minimum wage, should their business venture fail to take off, will give people the security to take the chance of self-employment. Provide training and organisational support for groups of unemployed people to start their own cooperatives, to utilise a little used option available under NEIS.

#### **Chapter 7: Guiding Question 5**

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

Again, access to reliable paying work when they need it, through a flexible Job Guarantee program, so they can readily supplement shortfalls in income, and gain skills through experience of JG work.

## Chapter 8: Targeted regional and local approaches

### Chapter 8: Guiding question 1.

**What strategies would help job seekers adapt to regional economic and labour market variations?**

Availability of a large scale public sector job creation program to provide off season employment in harvest occupations, and lay the foundations for new industries in the region, eg., starting tree plantations, building solar farms, etc.

### Chapter 8: Guiding question 2.

**How could local stakeholders be encouraged to identify priorities, engage with providers and implement local employment solutions?**

By the Commonwealth, which has the fiscal capacity to do so, underwriting initiatives designed and controlled by local people.

### Chapter 8: Guiding question 3.

**What strategies would improve labour market mobility from regions that have poor employment prospects?**

This question needs to be asked alongside “what strategies would create jobs in areas that currently have poor employment prospects?”. There has been some success in government programs that work with businesses to assist with the creation or expansion of job creating activities in areas of high unemployment. Such programs, as well as direct government job creation and decentralisation, should be considered before implementing measures that increase labour market mobility.

## **Chapter 9: A service culture built on competition and quality**

### **Chapter 9: Guiding question 1.**

**What level of contestability, competition and Government intervention in the market is desirable?**

Cooperation between labour market agencies, not competition is preferable. There should be a significant degree of government intervention in the labour market, using policy instruments like the Job Guarantee, to bring the rate of unemployment down to two percent.

### **Chapter 9: Guiding question 2.**

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

Performance evaluation should be primarily determined by the support the agency attracts in survey findings from their employer and unemployed worker clients. Employment outcomes need to be calibrated with the local labour underutilisation rates in mind.

### **Chapter 9: Guiding question 3.**

**Should the Government allocate market share among service providers? If so, how?**

By the extent of demand there is for their services among unemployed people and employers based on meaningful performance data, like breaching rates, so that users of the services can determine the extent they wish to use them.

### **Chapter 9: Guiding question 4.**

**Should the Government transition to commissioning enhanced services providers through a licensing arrangement? If so, how?**

## **Chapter 10: Transitioning to a future employment services model**

### **Chapter 10: Guiding question 1.**

#### **How would an iterative approach to implementation help transition to a future employment services model?**

Remove compliance requirements while developing the Job Guarantee policy mechanism, .establishing pilot projects around the country to test implementation issues. Establish a centralised employment services training authority to deliver advanced skills training to employment services staff, make participation mandatory under future contracts.

### **Chapter 10: Guiding question 2.**

#### **If we undertake an iterative approach, which aspects should be prioritised and sequenced first?**

Drop all compliance enforcement responsibilities from the roles of employment service staff.

## Conclusion and recommendations

### Conclusion

When we asked unemployed workers what sort of employment services system they would implement if they could do whatever they wanted, their answers were far from utopian or radical; all they want is an employment services system that is focussed on helping them find work, understands and acknowledges their individual circumstances, and that treats them with respect as human beings. Such responses tell us volumes about the current state of *jobactive* that such basic features of any employment services system are missing.

The Australian employment services system has not lived up to its promise or its potential. Its contracting terms and related policy settings make it more like a privatised network of mutual obligations enforcement agencies than a network focused on skills and work readiness.

For decades the stereotype of the dole bludger has permeated into the Australian consciousness. For the overwhelming majority of unemployed workers this stereotype couldn't be further from the truth. When there is a vibrant labour market, people who are physically and mentally healthy and appropriately educated use social safety nets just to prop them up temporarily in difficult times. People with any vestige of self-respect don't want to sit around doing nothing. It's only those who have been marginalised and stigmatised by their society who opt out.

What this means in practice is that we, as a society, are wasting very substantial resources enforcing mutual obligations on people who don't need enforcement, they need help getting a job – or the skills to get a job. We're also wasting resources on those few who do not want to work because the reasons that they have become marginalised and discouraged are complex and require specialist intervention. Many of the unemployed workers we spoke to told us that their interactions with the employment services system contributed to their sense of helplessness and low self-esteem when what they actually need is support and encouragement.

*“You mention low self-esteem. You have to apply for these jobs that you know you're never going to get – you're never even going to hear back. It's depressing. Doing that time after time after time and never hearing a thing. There's no support for that and there's no out. You just have to do that forever. You're trapped in this endless loop. It's enough to bring you to tears.” Charlie, unemployed worker, Toowoomba, Qld. July 2018*

### Key Recommendations

## **Removal of Compliance Enforcement Responsibilities From Employment Service Providers**

Under *jobactive* employment services staff have become compliance officers. This has led to a complete breakdown of the trust between employment services with both unemployed workers and employers. To rebuild the trust, employment services must become genuine providers of employment services and have all compliance enforcement responsibilities removed immediately.

## **Standardised Training of Employment Service Provider Staff**

Unemployed workers report that they are routinely not being provided the adequate service or levels of support. This is in large part due to the inadequate training offered to employment services staff. We support the introduction of adequate standardisation of training for all employment services staff.

## **The views and interests of unemployed workers should be central in the planning and review of employment services.**

Recognising that the overwhelming majority of people claiming benefits would rather be in paid work, the AUWU should, as the only member-based body representing unemployed workers, be invited to participate on the Expert Advisory Panel and brought inside the policy tent. Even at this late state, the AUWU has a significant amount to offer.

## **Renationalisation of employment services.**

Unemployed workers consistently report that they feel their employment service provider is taking advantage of them to increase their profits. The introduction of private not for-profit and for-profit organisations has significantly undermined the capacity of employment services to provide genuine employment services to unemployed workers. We support the renationalising of employment services.

## **Introduction of an Employment services ombudsman**

The Commonwealth Ombudsman reported that complaints nearly doubled over the three year period to 2015-2016, with 499 formal rising sharply when *jobactive* started.

These complaints are the tip of the iceberg, given that the complaints process for employment services requires the unemployed person to register their complaint first with the provider, then with the complaints hotline. The Department website says: *If you don't think you are receiving the right help and would like to make a complaint, please talk to your jobactive provider first. Your jobactive provider will offer a feedback process which is fair and will try to resolve your concerns. ....If you feel you can't talk to your jobactive provider, or you are still not happy, you can contact the Department of Jobs and Small Business' National Customer Service Line*



People who are on income support and aware that their employment advisor can report them to Centrelink, resulting in financial penalties, are unlikely to trust that the feedback process will necessarily be fair, especially given that the rules and guidelines for participation and activation, their choices within the system, and the intricacies of Social Security and administrative law are very complex.

An independent Employment Services Ombudsman would not only manage complaints and work more extensively and consistently with the Department of Jobs. Rather than react to complaints, it could use this vital information to take a more proactive approach to monitor the quality, relevance, and effectiveness of employment and related services, meshing with the research, development and service innovation and reform agenda for employment services proposed in various ways through this submission. Its activities and program would be governed by a group representing the Department of Jobs, the Welfare Rights Network, the Australian Unemployed Workers Union, employment services peak bodies and also employer groups, to represent those experiences and perspectives too and build understanding about services and solutions to unemployment from the labour supply-side perspective.

- This Ombudsman would be an important pillar of our proposed approach to build more research and development capacity in the employment services system. Information about complaints usefully inform the kinds of administrative data collected and ways to analyse it, along with analysis of outcomes related to service user satisfaction, and more opportunities for co-design and user-centred approaches to designing, commissioning and negotiating services in partnership with service users.
- These approaches – an Ombudsman function combined with a new R&D agenda, would build the institutional capacity to constructively use and work with the different frames of reference and goals for different stakeholders in the system, all of whom have to understand, trust and work with each better if it is to work optimally: government, providers, and service users, and employers. Those stakeholders need to understand where and how their goals align and where they do not, which has led, as we see, to perceptions of poor services, complaints, and perverse incentives leading to mistrust in the system by unemployed people and employers alike. With a better and more open R&D system, those key stakeholders could be valued informants for a better designed and more successful system.

### **Introduction of a Job Guarantee**

We support the introduction of a Jobs Guarantee as defined by Jobs Australia and CofFEE in their joint submission:

Under a Job Guarantee, unemployed workers who are not in full time education and have less than 35 hours per week of paid employment, would be entitled to the balance of 35 hours paid employment, undertaking work of public benefit at

the minimum wage. The aim is to replace unemployment and under-employment with paid employment (up to the hours desired by workers), so that those who are at any point in time surplus to the requirements of the private sector (and mainstream public sector) can earn a reasonable living rather than suffer the indignity and insecurity of underemployment, poverty and social exclusion.

We believe that the principal government action regarding unemployment should be to return to an explicit policy goal of full employment. We should rekindle the attitude to unemployment that dominated the post-war boom years where unemployment was viewed as a collective problem instead of an individual failure. For more than twenty-five years after the Second World War unemployment in Australia averaged two percent. While structural changes in the economy may mean returning to two percent unemployment is beyond reach, below four percent is certainly possible but only through concerted and dedicated government policy.

History, and international data, shows us that when demand for labour picks up, unemployment falls, regardless of whether unemployed workers are under enforceable mutual obligations or not. Jobs with appropriate pay and conditions very rarely sit unfilled when there are appropriately skilled workers unemployed who could do them.

We know that full employment can be achieved through government policy because we've done it before. The Curtin government's 1945 White Paper on full employment remains instructive:

*5. The policy outlined in this paper is that governments should accept the responsibility for stimulating spending on goods and services to the extent necessary to sustain full employment. To prevent the waste of resources which results from unemployment is the first and greatest step to higher living standards. But if our living standards are to increase to the greatest extent possible, we must produce as efficiently as possible goods that are wanted.*

*6. There will be no place in this full employment policy for schemes designed to make work for work's sake...*

*22. A tendency of spending to decline, thus causing unemployment, can be offset by a relatively small increase in public expenditure and by banking policy and other measures to encourage private spending. Just as unemployment breeds more unemployment because unemployed workers and depressed businesses are bad customers for other industries, so employment breeds more employment because extra demand for some goods enables the producers of those goods to increase their purchases and so on. If governments maintain a continual close review of current and prospective trends in spending and the level of activity in the economy, they will be ready to act as soon as a decline threatens. The earlier they do so, the*

*smaller will be the increase of public and private expenditure required. When expenditure is increased it will give additional employment and incomes to some producers; their extra spending will still further increase employment and incomes, and this process will go on for some time multiplying on itself.*

23. *The essential condition of full employment is that public expenditure should be high enough to stimulate private spending to the point where the two together will provide a demand for the total production of which the economy is capable when it is fully employed. The effectiveness of public expenditure in stimulating employment generally is vividly brought home by our experience at the beginning of this war. There were then more than a quarter of a million unemployed. The Commonwealth Government directly absorbed some of these people into the armed forces, into clothing and munition factories, and into building new factories, aerodromes, and similar establishments for war purposes. The balance of the unemployed was quickly absorbed by private enterprise to produce goods and services to meet the demands of these newly employed workers, and to meet the demands of the government for war goods. During the war, the high level of government expenditure required to achieve our war effort has not only resulted in full employment, but has caused a continual strain on available resources, and has invoked a contraction and diversion of private enterprise because of the scarcity of resources.*

*The 1945 White Paper - Full Employment in Australia*

**Replacement of outcome driven system with service-driven system.** Employment services must give unemployed workers a meaningful choice about what services they would like to access. The vast majority of unemployed workers report that they are being denied access to services and are not being informed of their rights under social security law.

### **Restructuring JCSI**

The current model of streaming unemployed workers (the JCSI), should be reformed to ensure the full, informed participation of the unemployed worker. Once access to service levels has been determined, unemployed workers must be given a meaningful choice of what services they wish to access.

### **Adequate Payments**

Lift Newstart payment to the level of the Henderson Poverty Line.

### **Remove Punitive Eligibility Requirements for DSP**

At least one third of people receiving Newstart have a significant disability. They are currently unable to access DSP due to unfair application process.

**Senate Inquiry into Employment Services**

## Appendix I. Focus groups

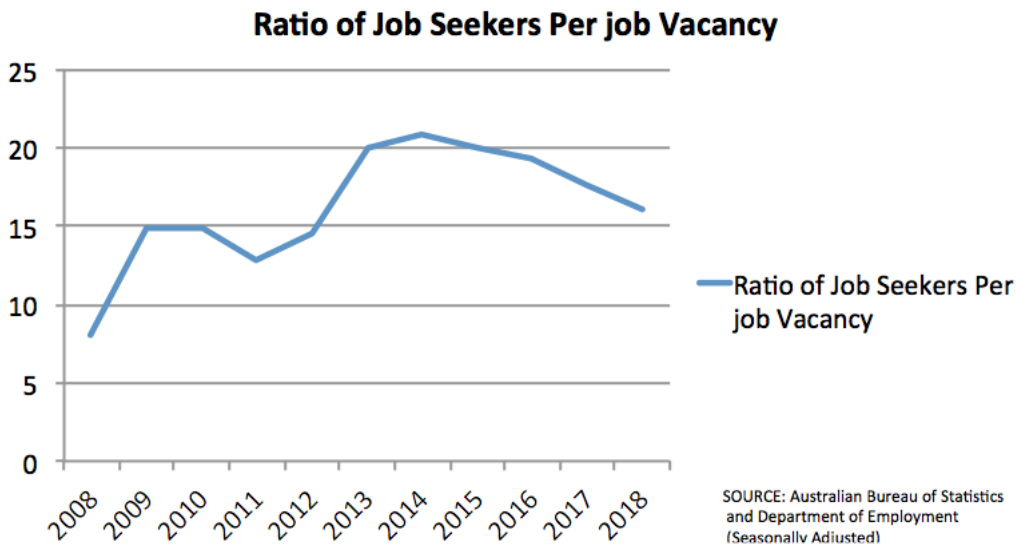
Unemployed people responded to an invitation to attend focus groups which was advertised via social media. They were then sent information about the project to confirm their interest.

Seven focus groups were run around Australia during July 2018 (Toowoomba, Qld; Sydney, NSW; Melbourne, Vic; Geelong, Vic; Glenorchy, Tas; Adelaide, SA and Perth WA). 46 people in total attended these groups. Focus groups ranged in size from 4 people to 11 people. Groups were facilitated by David O'Halloran from Monash University and followed a semi-structured framework. The semi-structured approach allowed for the facilitator to have flexibility to respond to group dynamics and to develop further questions as new insights were gained from each group.

The inclusion criteria were that participants were unemployed, over 18 years of age and with sufficient English to participate in a discussion about jobactive. The last criterion, contained the assumption that participants would have direct experience with jobactive, which proved to be the case. Although 9 people were currently in DES, all of these had previously been in jobactive, which perhaps gave them some additional insight into comparative performance. As this was essentially a self-selected group, the research team had no control on the relative demographic make-up of the groups other than ensuring that they met the inclusion criteria. All participants were unemployed, with the majority receiving Newstart (40 out of 46). Age ranges were spread from 18 to 60+, although nearly half of the participants were over 51. Length of unemployment ranged from a few weeks to more than 10 years, with the most common range being between 2 and 5 years' unemployment (18 people). Three quarters of the participants were male. This last aspect obliged the facilitator to do his best to ensure that female participants were "well heard" in order to overcome any potential bias in the discussion.

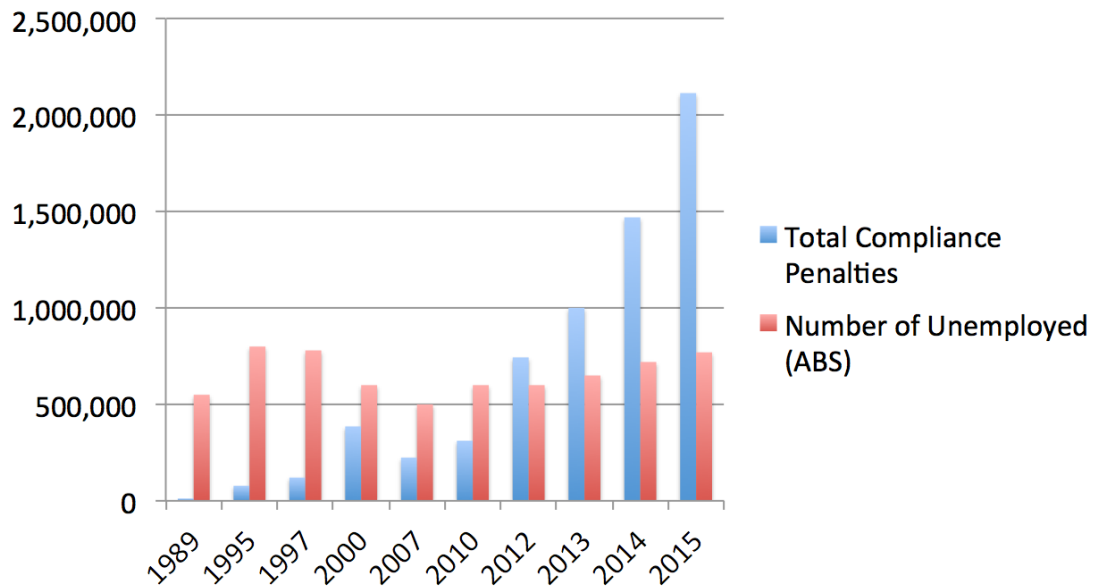
Participants were also asked to complete a data sheet, which asked if they had experienced a range of negative events with their jobactive provider as well as asking them to rate their agency on a 5 point Likert scale (Very Good – Good – OK – Poor – Very Poor). Of particular concern was that more than half of the participants indicated that they had been forced to sign a job plan, more than half indicated that their agency had failed to provide basic services and nearly half had experienced bullying by their agency. These issues were explored in some depth in the focus groups. Most participants rated their agency as poor or very poor. Of the four people who rated their agency as good or very good (1 person), three of these were currently in DES.

## Appendix II. Unemployment Data



Data obtained by adding together seasonally adjusted ABS data on people looking for work (ABS Labour Force 6202.0 underemployed data, ABS Labour Force 6202.0 Unemployed data, ABS 6220.0 / 6226.0 hidden unemployed data) and matching it against Department of Employment vacancy report data.

### Appendix III. Compliance Data



Sources: ABS Labour Force, Department of Employment Compliance Reports, Auditor General’s Review of Commonwealth Employment Services 1989

## Appendix IV. AUWU Jobactive Survey Data

Survey Question	Respondents	Yes	No	Other
Has Your Job Agency Satisfactorily Explained Your Rights to You?	434	18.4%	69.6%	12%
Has Your Job Agency Assisted You in Your Search for Employment?	429	14.2%	60.1%	25.7%
Have You Experienced Job Agency Bullying?	375	60.3%	39.7%	
Have You Had a Medical Certificate Rejected?	375	50.9%	49.1%	
Have You Been Unfairly Forced into a Job Plan?	375	47.5%	52.5%	
Has Your Job Agency Forced You Into a Dangerous Situation?	375	24%	76%	
Have You Had a Very Poor Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	59.2%		40.8%
Have You Had a Poor Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	17.5%		82.5%
Have You Had a OK Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	7.5%		92.5%
Have You Had a Good Experience Lodging a Complaint with the Department's Customer Service Hotline?	120	13.3%		86.7%
Have You Had a Very Good Experience Lodging a Complaint with the	120	2.5%		97.5%



Department's Customer Service Hotline				
Was your jobactive experience very poor?	436	56.9%		43.1%
Was your jobactive experience poor?	436	22.9%		77.1%
Was your jobactive experience OK?	436	12.2%		87.8%
Was your jobactive experience good?	436	5%		95%
Was your jobactive experience very good?	436	3%		97%
Did your jobactive activity help you in your search for work?	353	15.3%	84.7%	
Are you being forced to attend more activities than legally required?	425	28.9%	37.9%	33.2%
After Being Penalised By Your Job Agency, Did Your Job Agency Contact You on the Day of Your Penalty to See if You Had a Reasonable Excuse?	314	16.9%	83.1%	
After Being Penalised, Did Centrelink Contact Me To See if I Had a Reasonable Excuse?	101	25.7%	74.3%	

## Appendix V. AUWU Helpline Data

Description of Issue	Percentage of Calls Raising Issue
Unemployed Workers Rights Not Explained	68%
Local Labour Market Not Canvassed	61%
Bullying	42%
Very Poor Experience with Job Agency	40%
Basic Services Not Provided	34%
Forced to Attend Unfair Amount of Appointments	33%
Very Poor Experience with Job Agency	40%
Unfairly Forced into Work for the Dole	24%
Forced to Sign Job Plan	22%
Forced to Submit Too Many Job Searches	18%
Medical Condition Not Recognised	17%
Forced into Unsuitable Work	14%
Forced to Produce Payslips	14%

Denied Reasonable Notice for Appointments and Activities	13%
Denied Right to do Voluntary Activity	12%
Poor Experience with Job Agency	12%
Privacy Not Being Respected	11%
Doctor Certificate Rejected	10%
Denied Right to Transfer Agencies	9%
Forced to Attend Unfair Amount of Activities	9%
Forced into Dangerous Situation	6%