



Australian Government  
Department of Human Services

# New Zealand Welfare Working Group Forum

Focusing services on employment – the Australian approach

Presented by: Graham Carters  
Deputy Secretary  
Australian Department of Human Services

Date: 9 June 2010



## Outline of today's presentation

- Need for welfare reform
- Overview of Job Services Australia
- Services for People with Disability
- Innovations in Service Delivery



## The Australian economy has performed better than most developed economies in the face of the global recession



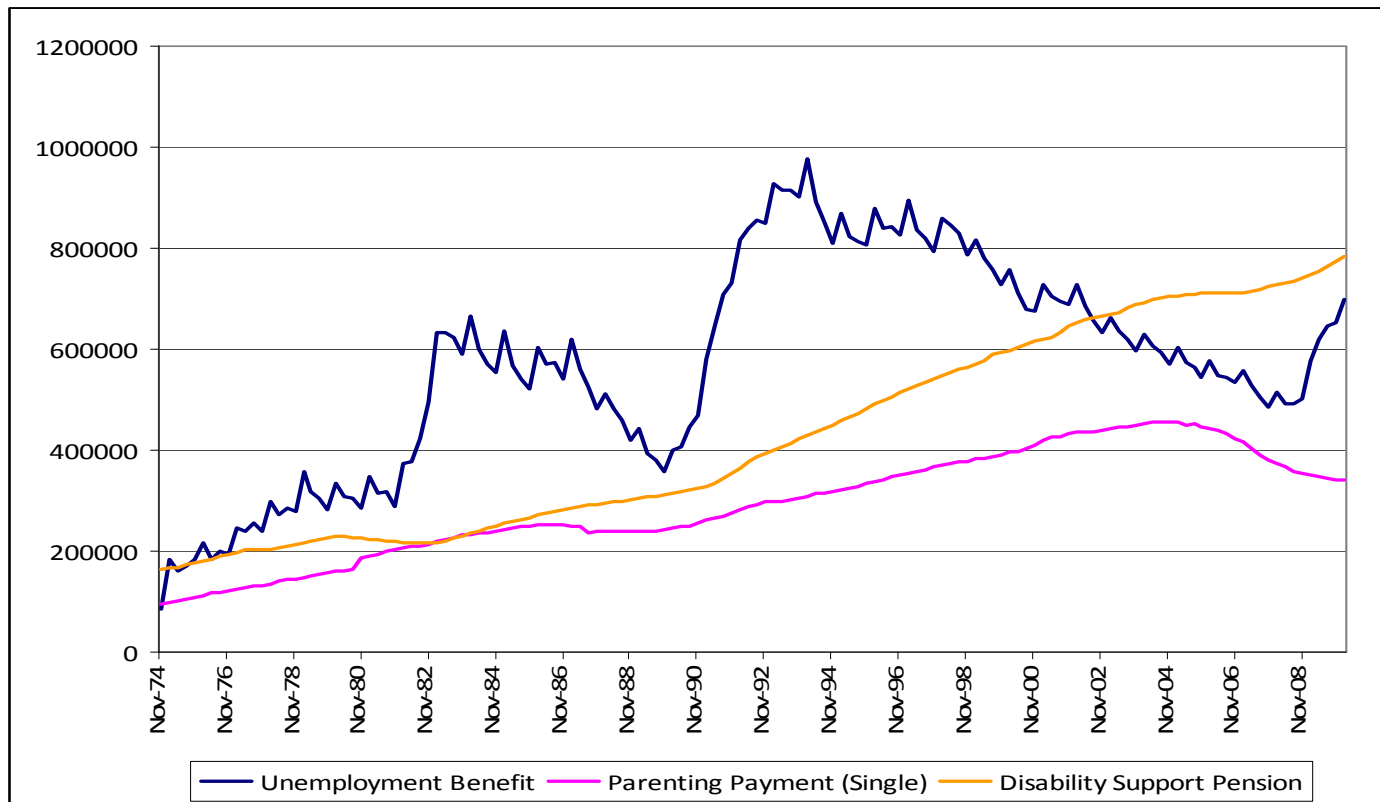
Source: ABS *Labour Force, Australia*, April 2010 (cat. no. 6202.0).

The *seasonally adjusted* unemployment rate has increased from a low of 4.0% in February 2008 to 5.8% in October 2009 and has since fallen.

The unemployment rate is forecast to have peaked and to fall to 5 per cent in the June quarter 2011.



# Trends in Working Age Payments





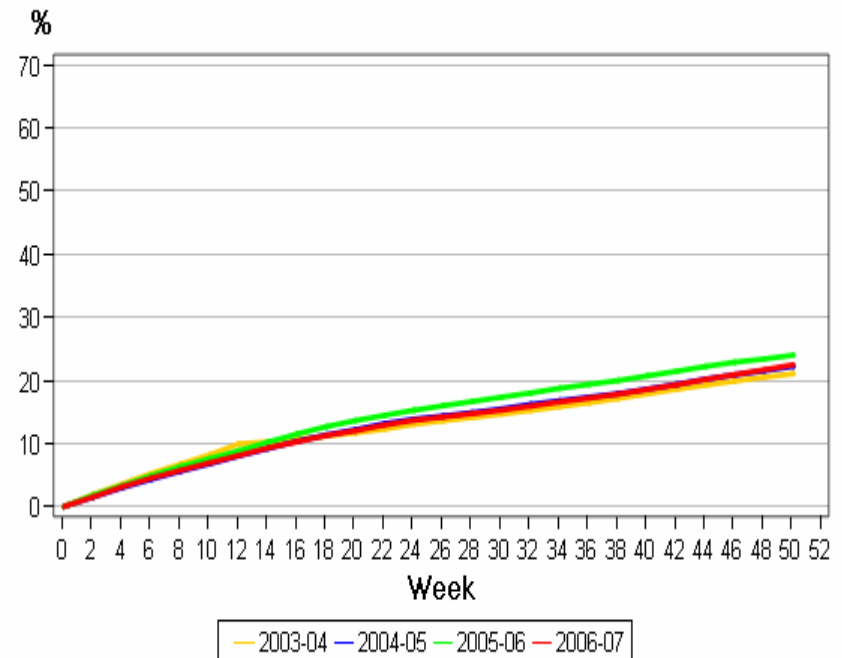
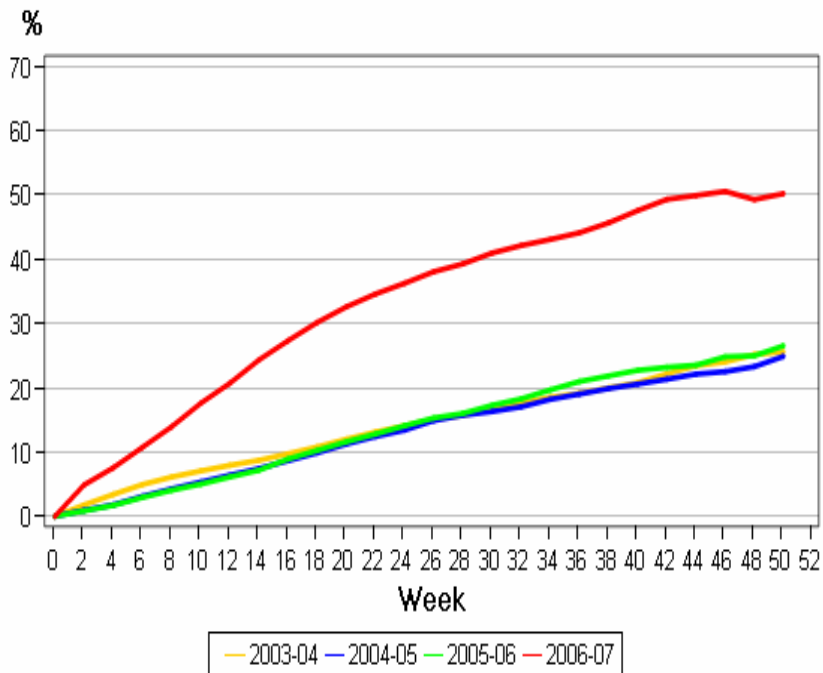
## Principles of Reform

- Best form of income comes from working
- People on income support payments should seek work to the level of their capacity and ability
- Services provided to people on welfare should be focused on increasing workforce participation and social inclusion.



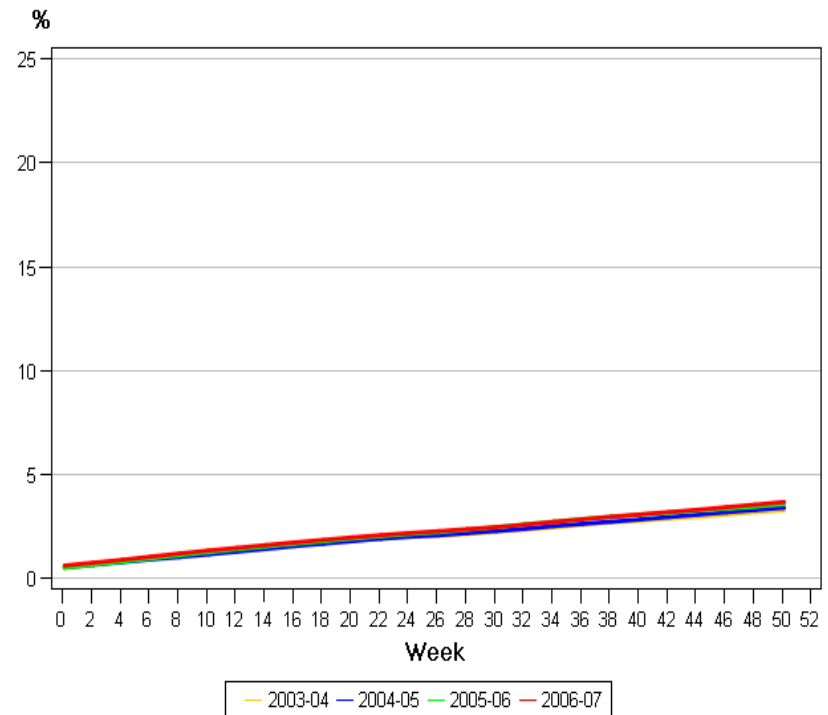
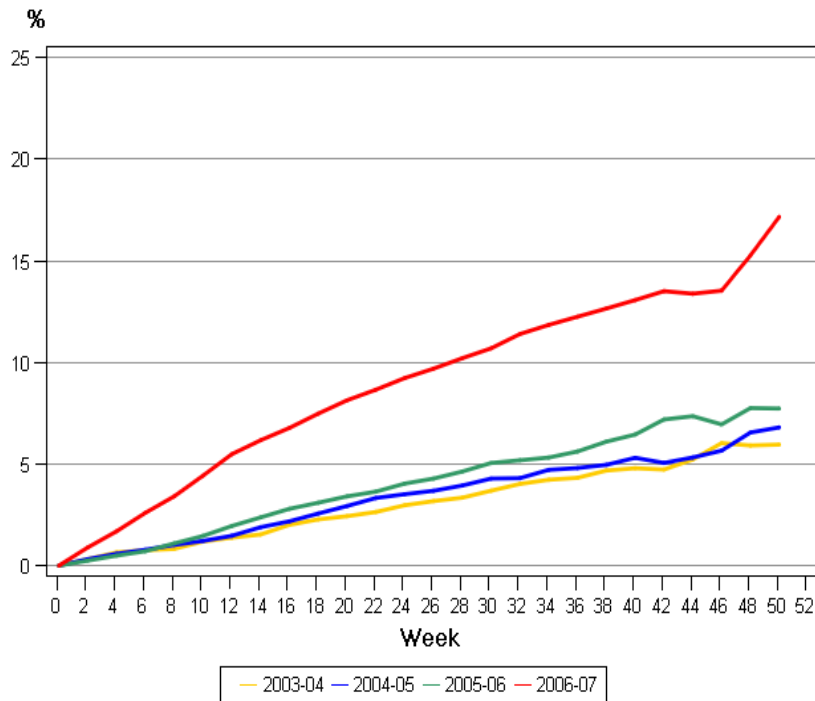
## Welfare To Work

Percent who have left income support - single principal carers with youngest child aged 8 to 15 years affected by Welfare to Work vs Grandfathered group



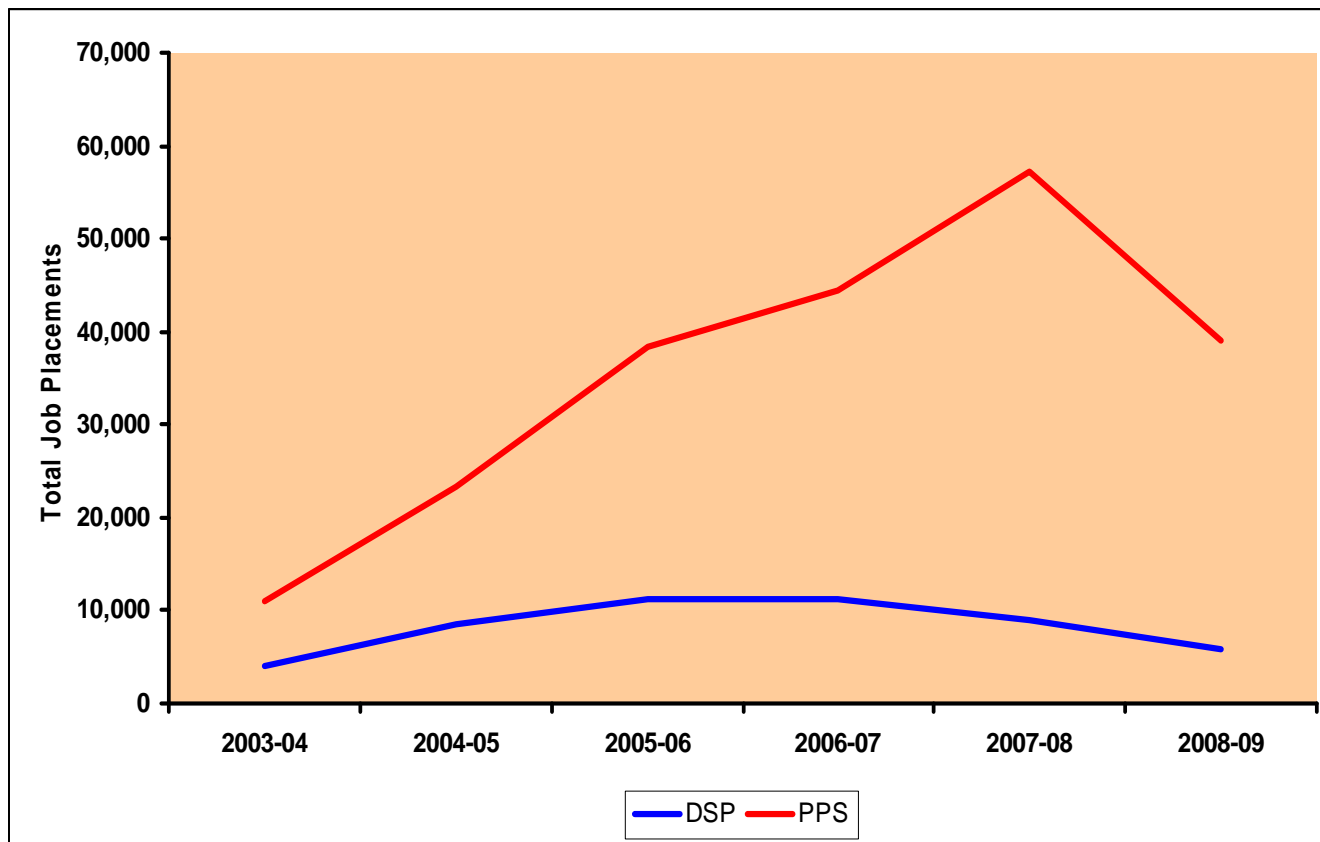


# Percent who have left income support – Partial capacity to work vs Grandfathered Disability Support Pension





# Total Job Placements for Disability Support Pensioner and Parenting Payment Single Job Seekers





## The Australian Government's Social Inclusion agenda helped inform the review of employment services

- More needed to be done to assist the most disadvantaged job seekers find sustainable employment.
- The review of employment services was guided by principles such as:
  - Early intervention tailored to job seeker needs;
  - Job seekers who are struggling the most get the most intensive assistance;
  - An increased emphasis on skills training; and
  - Minimising administrative “**red tape**”

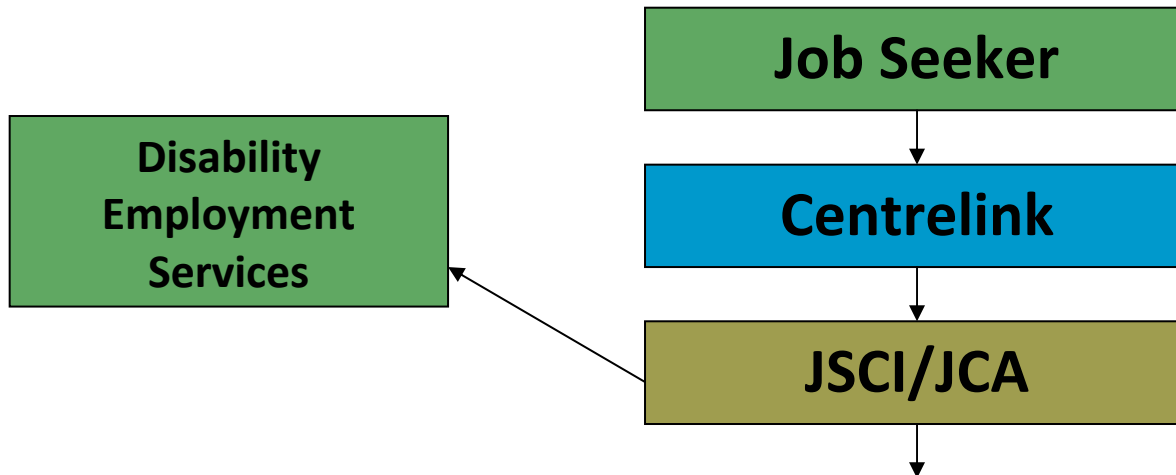


**Providers have the flexibility to develop individually tailored assistance based on the job seeker's level of disadvantage**

- \$4.9 billion over 3 years from 1 July 2009
- Integrated services
- “Free” accredited training places
- No waiting for services – demand driven
- Four employment assistance streams based on job seeker needs



## Overview of the Model



### JOB SERVICES AUSTRALIA

Work Ready	Disadvantaged Job Seekers		
<b>STREAM 1</b> JSCI Score: 0-19 29% job seekers	<b>STREAM 2</b> JSCI Score: 20-28 32% job seekers	<b>STREAM 3</b> JSCI Score: 29 + 23% job seekers	<b>STREAM 4</b> Referral from JCA 16% job seekers

WORK EXPERIENCE



## Job Seeker Classification Instrument (JSCI)

- The JSCI is a sophisticated profiling tool to classify job seekers according to their level of disadvantage in the labour market. It determines which stream job seekers enter. There are 18 JSCI factors:
  - Age and Gender
  - Recency of Work Experience
  - Job Seeker History
  - Educational Attainment
  - Vocational Qualifications
  - English Proficiency
  - Country of Birth
  - Indigenous Status
  - Indigenous Location
  - Geographic
  - Proximity to a Labour Market
  - Access to Transport
  - Phone Contactability
  - Disability/Medical Conditions
  - Stability of Residence
  - Living Arrangements
  - Ex-offender Status
  - Personal Characteristics



## Job Capacity Assessment (JCA)

- JCA identifies appropriate services for people with disabilities, special needs or other personal factors.
- Depending on the results of the JCA, job seekers may be referred to Stream 4 services, or other forms of assistance such as Disability Employment Services.



# Job Services Australia

## **Stream 1:**

- Work ready
- Initial interview – develop a resume and provision of local labour market advice.
- Assisted by Centrelink during first 3 months
- After 3 months – undergo a skills assessment then an intensive activity
- \$11 in the Employment Pathway Fund
- Up to \$781 in service fees up to 12 months
- \$385-\$440 in Job Placement fees after Skills Assessment (no outcome fees paid in Stream 1 for first 12 months)



# Job Services Australia

## Stream 2:

- Moderate barriers to employment
- Providers work more intensively with job seekers to provide assistance tailored to their needs
- \$550 in the Employment Pathway Fund
- Up to \$885 in service fees for 12 months, including at least monthly contacts
- \$385-\$2800 in Job Placement and Outcome fees



# Job Services Australia

## Stream 3:

- Moderate-high barriers to employment
- Providers work intensively with job seekers to provide assistance tailored to their needs.
- \$1100 in the Employment Pathway Fund
- Up to \$1120 in service fees for 12 months, including at least monthly contacts
- \$385-\$6600 in Job Placement and Outcome fees



# Job Services Australia

## Stream 4:

- Complex and/or multiple non-vocational barriers to employment
- Integrated assistance which combines pre-employment and employment activities tailored to individual needs
- Up to \$1650 in the Employment Pathway Fund
- Up to \$2736 in service fees (up to 18 months)
- \$385-\$6600 in Job Placement and Outcome fees



## Work Experience Activities

- Greater flexibility in the range of activities available to be tailored to meet the job seeker's needs and the way in which these activities can be combined.
- Activities include: Work for the Dole, Green Corps, Voluntary Work, part-time study or part-time work, unpaid work experience placements, Defence Force Reserves, other government programs and participation in non-vocational programs and services (where appropriate)



## Features of Job Services Australia include:

- Employment Pathway Plan
- Employment Pathway Fund
- 319 000 “free” training places for job seekers through the Productivity Places Program
- Providers rewarded for working closely with employers – Provider Brokered Outcome Fees
- \$41 million Innovation Fund



## Job Services Australia can respond to changing labour market conditions

- Demand driven, all guaranteed a service
- Balance between service fees and outcomes fees
- Potential for contract variations – eg, Stream 2 for redundant workers and early school leavers
- Price incentives change
- Technology that facilitates responsiveness – change the system to match policy



## Performance Management Framework Star Ratings

- 5 star ratings bands
- Provider ratings account for differences in job seeker characteristics and labour market conditions
- Almost 60 factors are included in the regression model – this is the minimum necessary to enable valid comparisons to be made
- Distribution of ratings not fixed



## Performance Management Framework Publication of Star Ratings

- First star ratings will be published in July 2010
- Site and Employment Service Area (ESA) level ratings
- Overall and individual Stream ratings
- Provider site ratings released publicly every 6 months
- Ratings calculated every 3 months and all provider site and ESA ratings released on the Secure website for information of providers



## Compliance Regime to encourage participation

- Differentiates between a job seeker intentionally not meeting their obligations and a job seeker who is experiencing exceptional circumstances.
- Providers report non compliance to Centrelink
- Automatic triggers for Comprehensive Compliance Assessment
  - 3 No Show No Pay failures or 3 failures for missed appointments within six months
- If wilful non-compliance then 8 weeks non-payment period unless job seeker re-engages



## Most JSA providers are not for profit organisations

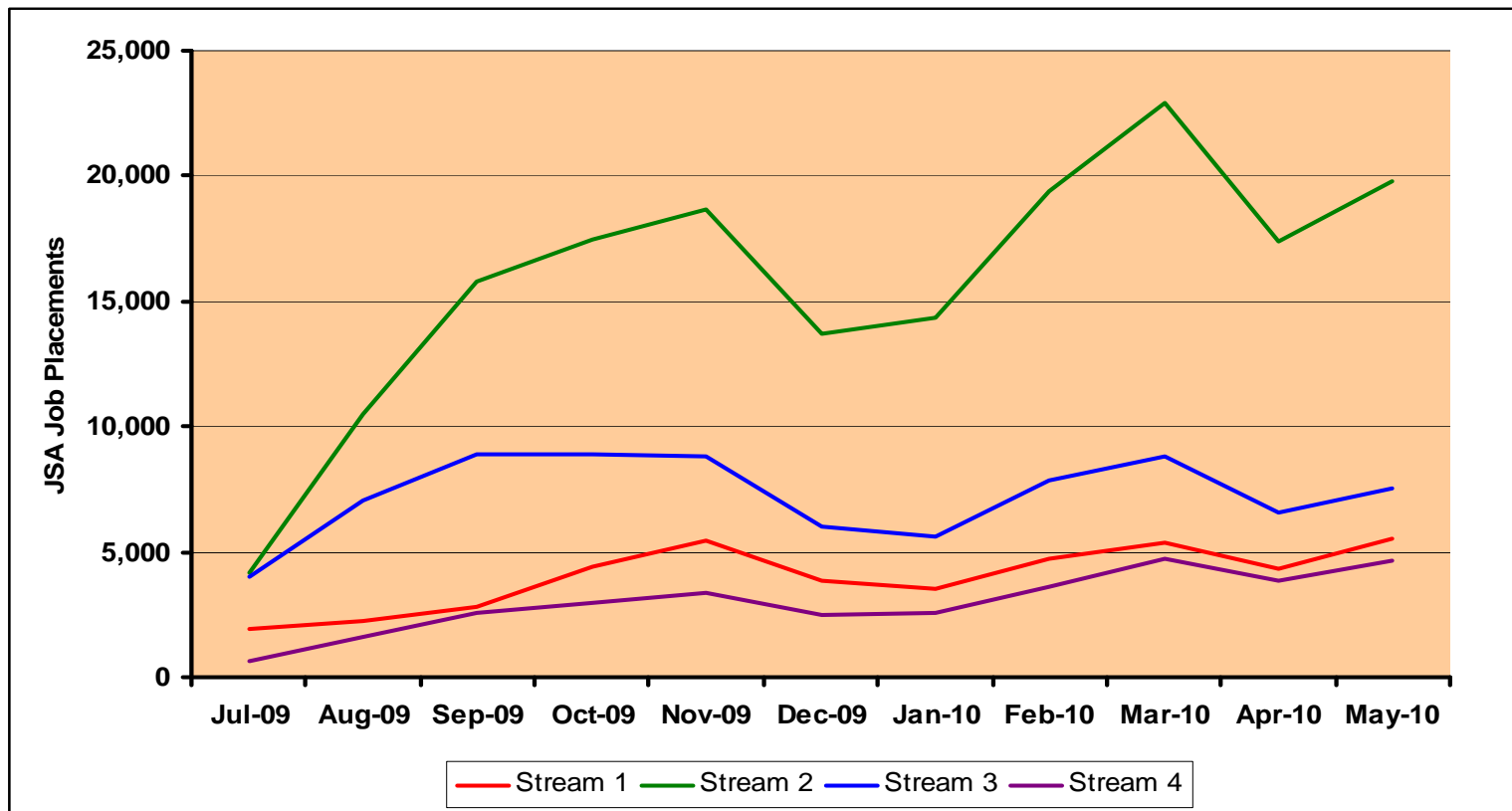
Type of Provider	Job Services Australia
Not for profit	84
For profit	26
Total	111

# Job Placements



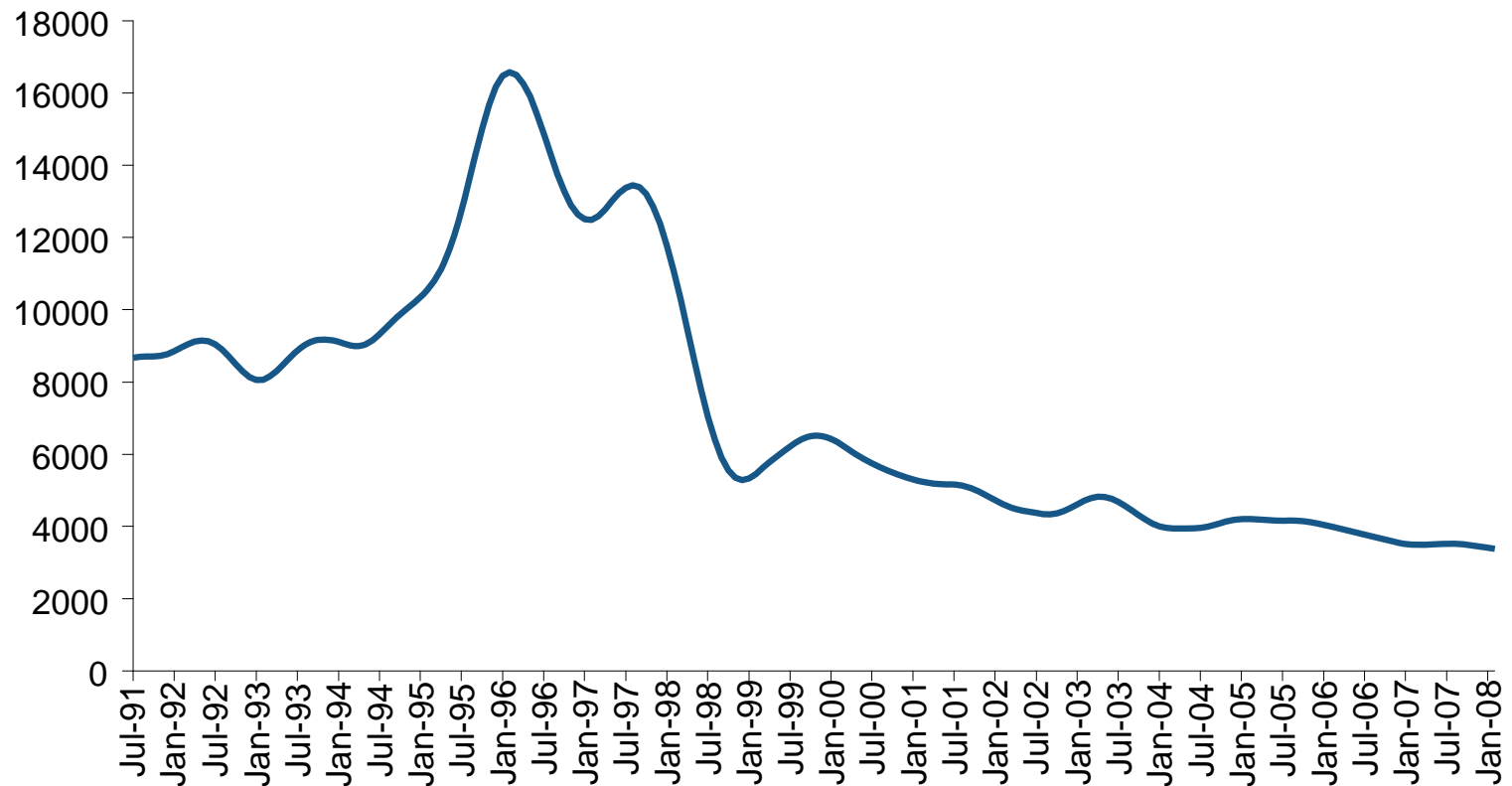
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Over 330 000 job placements between July 2009 and May 2010





## Cost per Employment Outcome (\$) has decreased since the introduction of Job Network in 1998



Source: DEEWR administrative systems and post-Program Monitoring Survey



## Disability Employment Services

Commenced on 1 March 2010

- \$1.2 billion investment over 3 years
- Disability Employment Services are demand-driven and uncapped, so that all eligible people with disability have immediate access to the service they need.
- There are no waiting lists.
- There are 224 DES providers located in almost 2000 sites around Australia.



## New Disability Employment Services

**Centrelink Registration**

**JSCI/JCA**

**Disability Management Service**

**Employment Support Service**

**Employment Pathway Plan**

For job seekers with disability, injury or ill health

For job seekers with permanent disability plus long term ongoing support

**Single funding level**

**Funding level 1**

**Funding level 2**  
For people requiring more intensive support

Flexible ongoing support or exit independent worker

Flexible ongoing support or exit independent worker

Moderate Ongoing Support

High Ongoing Support

**Employer Incentives Scheme**



## Disability Management Services and Employment Support Services

- Access via referral from specialist assessment
- Employment Pathway Plan - sets out the services and training that assists the job seeker to find and stay in a job
- Ongoing support in the workplace for as long as the individual needs it – including...
  - a new option of flexible ongoing support that provides a lifeline for individuals who need to access some support on an ad hoc or irregular basis.



## Other support for People with Disabilities include...

- National Panel of Assessors
- Job Access
- National Disability Recruitment Coordinator
- Employment Assistance Fund



## Disability Support Pension Pilot

- \$6.8 million trial to encourage employers to offer employment opportunities to 1000 people on the Disability Support Pension.
- Opportunity to demonstrate:
  - skills and willingness to work, and
  - raise awareness of the support available to employers to encourage them to provide sustainable work.
- Pilot started 1 March 2010 includes:
  - wage subsidy of \$1500 for at least 8 hours for at least 13 weeks and be a NEW job for the participant
  - any workplace modifications
  - post placement support to help retention

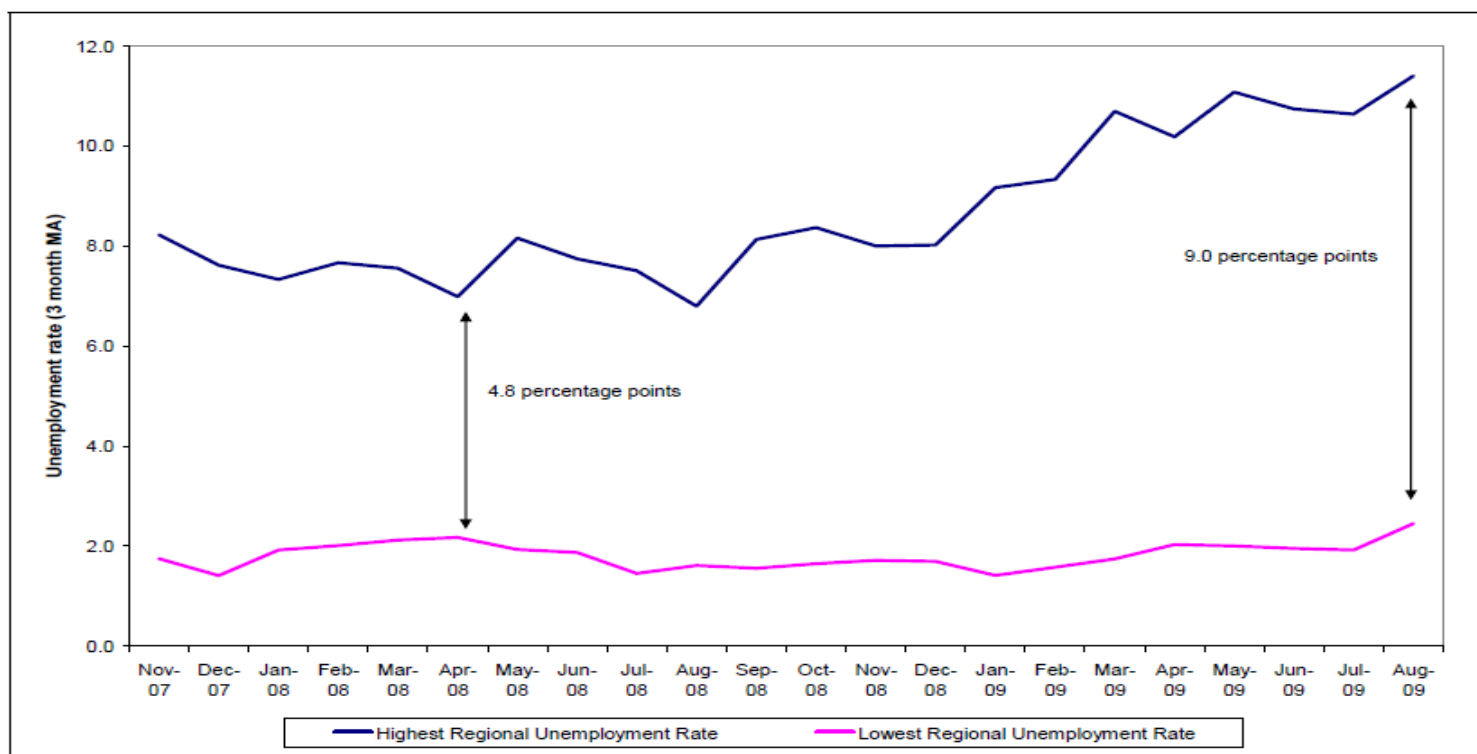


## Additional Assistance and Training: Youth

- Lift Year 12 or equivalent attainment rate to 90 per cent by 2015
- Every young Australian under 25 guaranteed a school, apprenticeship, training or higher education place.
- 'Learn or earn' requirements for young people
- Education and training most important precondition for income support for under 21 year olds
  - Those without Year 12 or equivalent must undertake full time education/training or at least 25 hrs/week of work and other activities including training.



## Regional unemployment rate disparity



Source: ABS Labour Force Historical Time series, Australia (Cat no. 6204.0.55.001). Data are three-month averages of original estimates.



## Additional Assistance and Training: Local Communities

- \$650 million Jobs Fund
- 20 Priority Employment Areas
- Local Employment Coordinators
  - Maximise the impact of the Government's economic stimulus in priority employment areas
  - Establish and work with advisory committees to develop regional employment plans
  - Find new job opportunities and provide support for workers who have lost their jobs



## Continuing innovation in service delivery Wrap around services

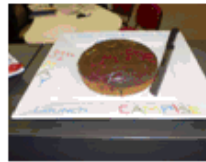
- Place based solutions for most disadvantaged
- Based on New Zealand's "Community Link"
- Government and non-government organisations co-locate in 4 Centrelink Offices
- Priority Groups for joint interviews with Employment Services Providers and Centrelink



# Wrap around services



Dani - Benevolent Social & Chriss LCV CSA



## Local Connections to Work - Campsie



Shaabaan JobFind (JSA) and  
Leanne LCV CSA



Skye Sheehan LCV Team Leader  
and Joanne Medicare



Roger Kunjathilak Project Lead & Paul Mcneil National



Janie Davey Taskforce and  
Joanne Medicare



Mike LCV CSA and Gina MTC  
Work Solutions (JSA)

This week was really busy with the launch of LCV at Campsie. The service offer has seen participation from four JSA providers including JobAccess, Mission, MTC and Max Employment. The addition of LCV to the site five days a week has been very positively received by our staff and customers. MTC Ut Numeracy programs, CRS and The Benevolent Society also participated as part of our first week. The week has seen the building of new relationships between Centrelink staff and providers as well as between our partners. Feedback from customers has been very positive.



## DSP workplace re-engagement strategies

- The Government will pilot a new workforce re-engagement contact strategy through Centrelink for new entrants onto the DSP.
- Centrelink will contact those newly granted the DSP to:
  - determine the best time and method for successfully encouraging re-engagement in the workforce, including:
    - face-to-face interviews,
    - telephone canvassing and
    - group information sessions;
  - make clearer the assistance and incentives available, the tapered withdrawal of income support, and the workforce re-entry suspension provisions.
- This additional support will be provided to around 16,000 new DSP entrants over three years, providing them with the assistance and confidence to successfully re-engage with the workforce and to participate more fully in community life.



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# Thank you

# Any Questions?