



JOBS AVAILABILITY SNAPSHOT 2017

Anglicare Australia's Jobs Availability Snapshot was first published October 2017.

Anglicare Australia's Jobs Availability Snapshot attempts to show what the job market is really like for those facing the greatest barriers to work – those who may not have qualifications or experience to draw on, those trying to re-enter the workforce after a long break, or those living in regional or remote areas.

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Anglicare Australia is a network of 36 independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered to one in 26 Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, over 13,000 staff and 9,000 volunteers work with over 940,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

Anglicare Australia has as its Mission “to engage with all Australians to create communities of resilience, hope and justice.” Our first strategic goal charges us with reaching this by “influencing social and economic policy across Australia... informed by research and the practical experience of the Anglicare Australia network.”

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EXECUTIVE SUMMARY

Anglicare Australia's Jobs Availability Snapshot (JAS) shines a spotlight on what the job market is really like for those facing the greatest barriers to work – for example people who may not have qualifications or experience to draw on, those trying to re-enter the workforce after a long break, or those living in regional or remote areas.

The Snapshot tells a story that will surprise many. They show a grave situation for people with barriers to work, despite one of the strongest periods of growth in full-time employment in Australia for some time. In our sample month of May 2017, there were 711,900 people who were unemployed, including 124,385 jobseekers who may not have qualifications or experience. But entry-level jobs (or ANZCO Level 5 jobs) comprised just 25,979 (15%) of the jobs advertised. In other words, up to five of these jobseekers are competing for each entry-level role across Australia.

The Snapshot includes a breakdown of State and Territory figures, and finds that there is no jurisdiction in the country where there is sufficient suitable jobs for the number of people looking for them. The situation is particularly dire in Tasmania, South Australia and West Australia.

In exploring these results, and the context of labour market conditions in which they sit, the JAS offers several clear findings:

- » There are not enough entry-level positions for the people who need them.
- » People with significant barriers to work are not benefiting from the recent boom in full-time employment.
- » The growing casualisation of the workforce works against the ability of people with barriers to work to gain suitable and secure work.
- » The market cannot be relied upon to fix these problems without intervention.

The JAS shows why government intervention must move away from failed policies that force people onto an endless hamster wheel of job searching and training unlinked to real job prospects. If we persist with an approach that's failing, we are not simply denying people jobs. We are denying them stability, activity, dignity, and a connection to society.

The good news is that there are opportunities, in the form of successful employment pathways and job creation programs that can help improve the prospects for people with significant barriers to work. This report highlights some examples of both, with a focus on the opportunities offered by the significant expansion required in the aged care and disability workforce.

Recommendations

- » Raise government income payments, particularly Newstart and Youth Allowance to a rate that adequately reflects the actual cost of living and job seeking, and apply a tax exemption to welfare payments.
- » Dismantle the rigid system of mutual obligation and punishment, and refocus government unemployment assistance to provide tailored individual support and training, including to help people stay in work.

- » Evaluate and expand on successful examples of inclusive employment strategies and pathways into work in human services; and ensure that inclusive employment pathways are explicitly built into the development of the NDIS and aged care workforce strategies.
- » Provide analysis of other industries and sectors expected to expand and capable of providing entry level job opportunities, and ensure the Jobactive Network is tasked with targeting and realising such opportunities.
- » Provide funding to support communities to develop inclusive employment strategies, including funding for job creation tailored to meet specific local opportunities and circumstances.
- » Reconfigure and expand government data collection so that we can better track the status of unemployed people with significant barriers to work. This would allow a better understanding of how well programs are assisting people into jobs, and enable targeted job creation and training programs.

**We need to move
away from mutual
obligation and
punishment**

INTRODUCTION

In 2016 Anglicare Australia undertook our inaugural Jobs Availability Snapshot (JAS), as a simple test of the labour market as it affects people with the most barriers to securing work in Australia. In 2017 we have replicated the original 2016 Jobs Availability Snapshot, again using the sample month of May. We use publicly available government data in the sample month to test:

- » How accessible the job market is to people seeking work who have low levels of skills, qualifications and experience;
- » Whether there are enough jobs requiring low levels of skills, qualifications and experience for the number of people seeking them; and therefore
- » Whether government policy settings, particularly the current focus on individual responsibility is effective or appropriate for helping Australians facing the most barriers to securing work overcome them.

The barriers that impede some people from getting a job vary from person to person depending on their circumstances, but many are well-known and documented. They include simply being young and finishing school without year 12; re-entering the workforce after a period of caring for someone; living in an area with few jobs including regional and remote Australia and having no ability to move; having a mental illness or disability; and having low literacy or numeracy.

Similarly, many Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, and older workers where the industry utilising their skills has declined face ongoing barriers to entering or re-entering the workforce. We also know that the longer people are unemployed, the longer they are likely to remain so.¹

Accordingly people with these types of barriers to employment are typically seeking jobs that require minimal qualifications, skills and experience, in order to get a foot in the door of the labour market. A simplistic understanding of the jobs market assumes a simple mathematical relationship between the number of jobs available and the number of people seeking employment. Current policy settings embody this, focusing heavily on individual responsibility for finding work on the assumption that there are sufficient suitable positions available for people who look hard enough, and in the locations where they are needed.

The logical question to ask then is, are there are enough low skill and entry level jobs for Australians needing them to have a chance to gain employment? This is the question the Jobs Availability Snapshot addresses. In doing so it shows that the reality of finding work particularly for those requiring entry-level positions is more complex than that, and therefore so too are the responses and solutions required.



**The Jobs Availability
Snapshot compares entry-
level vacancies with
people who have barriers
finding work**

METHODOLOGY

The Jobs Availability Snapshot (JAS) establishes an evidence base to analyse how well the labour market is geared to accommodate people with significant barriers to gaining work, but who want to work. It focuses on unemployed people who currently have limited skills, experience and qualifications because this group has the most difficulty finding a job; is likely to experience some of the longest periods of unemployment; and is often subject to the fiercest scrutiny in relation to demonstrating they are seeking employment in order to maintain access to government income support. First completed in 2016, we have repeated the same JAS analysis for 2017. We use May as our sample month as it falls outside known large cycles that temporarily alter jobs availability such as seasonal work, and is a typical reporting month for various publicly available government statistics on the labour market.

The full detail of the JAS methodology can be found in the original report.ⁱⁱ In summary, the JAS utilises three specific federal government data sets:

- » The Australia and New Zealand Standard Classification of Occupations (ANZSCO) which is a typology of all potential positions in the labour market by the qualifications and skill levels required, and experience;ⁱⁱⁱ
- » The Internet Vacancy Index (IVI) which examines the distribution of currently advertised positions, by ANZSCO skill level;^{iv} and

- » The Job Seeker Classification Index (JSCI) and which classifies people using government funded employment services according to the barriers they face to entering the workforce, and linked Jobactive data.^v

The ANZSCO is used to identify jobs with minimal qualification, skills and experience requirements. ANZSCO classifies jobs from skill levels 1-5. The two ratings pertinent to the JAS are:

- » Level 5 – requiring Certificate I, or the completion of compulsory secondary education.
- » Level 4 – requiring Certificate II or III, or at least one year of relevant experience.

Of all the recognised occupations classified within ANZSCO, Level 5 positions comprise 21%, and Level 4 comprise 19%. These percentages don't reflect the variation in what types of jobs are advertised in Australia on any given day, but they do give us a guide to their overall share of occupations in the employment market. Therefore the month of the Snapshot shows the variation of jobs advertised and changes in market demand. Further, JAS compares the number of level 5 jobs, and level 4 and 5 jobs combined, to the number of jobseekers with barriers to work who are actively looking for work. We do this to ensure that our estimate of the ratio of suitable jobs to people looking for them is sufficiently conservative and flexible to acknowledge variation in both the skills and qualifications of people and the jobs on offer.

The Internet Vacancy Index (IVI) quantifies the number of job vacancies advertised across Australia by ANZSCO job category, which can then be used to identify the number of vacancies by skill level. Advertised vacancies don't capture all available jobs, are sometimes duplicative a single vacancy can appear on multiple job sites, and sometimes mask the number of vacancies – for example when a single advertisement is placed for a bulk recruitment round.

However, analysis by the ABS has established that these variations do not affect the efficacy of the IVI in measuring shifts in employment.^{vi} It is therefore a credible indicator of the number of all actual job opportunities, including Level 5 and 4 positions available for people with barriers to employment. We use the IVI to identify the number of such positions nationally, and at a state level. While the IVI provides data on vacancies at regional level, these do not correspond to the ABS regions used to break down jobseeker data.

The Job Seekers Classification Instrument (JSCI) is based on a number of variables that are known factors likely to reduce a person's chance of getting a job such as those listed in our introduction – for example level of education, long-term absence from the workforce, or a disability. These are measured within the JSCI using a weighted scale to determine their collective impact. The higher a person's score in the JSCI, the more support they are determined to need to overcome barriers to gaining employment. People assessed

using the JSCI are then grouped into different streams for receiving appropriate levels of support through the Jobactive Network,¹ and the dynamic numbers of jobseekers classified by each stream is presented through the Jobactive caseload.

The JAS uses Jobactive data on Stream C participants: job seekers with limited skills and qualifications, and recognised barriers to gaining employment, but who by law are obliged to move off benefits by getting a job as soon as practical. We access the Jobactive data for our sample month, and use it to calculate jobseeker to jobs ratios at national and state levels. It must also be noted that not every job seeker experiencing disadvantage will qualify for Stream C. This means that the Snapshot is conservative in estimating the number of jobseekers with significant barriers to employment. However the use of Stream C provides federal government numbers that we can then compare with official data on the skill level of job vacancies; and thus know that the JAS reflects government information on this section of the labour market. The use of these three data sets allows us to complete a snapshot that shows the ratio of Stream C jobseekers to the number of suitable positions advertised. We can further separate the data to show the ratio for Level 5 jobs only, and Level 4 and 5 combined, at national and state levels.

¹ Jobactive is the network of employment service providers found at locations across Australia, paid by the federal government to assist unemployed people to find work through a combination of training and skills building, job matching and other forms of support.

JOBS AVAILABILITY

SNAPSHOT FINDINGS 2017

How many were looking for work?

Table 1 summarises the key national figures for the sample month in 2017, which are critical context for understanding the JAS figures for this year.

Table 1 – National totals for people seeking work

People seeking work	National total
Number of people unemployed	711,900
Number of people underemployed	1,120,000
Jobactive caseload	739,153
Stream C Jobactive caseload	124,385

Sources: ABS Labour Market Figures Seasonally Adjusted May 2017 and the Labour Market Information Portal May 2017

From this we can see that Stream C jobseekers in May comprised 17% of the total number of people who are unemployed and looking for work. It is important to remember that competition for jobs at levels 4 and 5 are not confined to those who are qualified only to do them. Unemployed people with greater skills also compete for positions with lower qualifications and experience than

they have because they are motivated like everyone else to find work. Similarly, the estimated number of people who are underemployed is another important context, as many people in this position will also be applying for the jobs that Stream C jobseekers are looking to secure. Therefore the competition for available vacancies is likely much fiercer than the Snapshot shows.

What jobs were available?

The number of job vacancies advertised in the sample month was typical given that there are approximately 169,000 jobs advertised on average in any given month in Australia.^{vii} Level 4 and Level 5 vacancies comprised 27% and 15% of the jobs advertised respectively.

Table 2 – The Number of jobs advertised by skill level

Vacancy skill level	National total	National percent
Level 1	64,507	37%
Level 2	15,006	9%
Level 3	19,947	12%
Level 4	46,105	27%
Level 5	25,979	15%
All vacancies total	171,544	100%

Source: Internet Job Vacancy Index, data for May 2017

Jobs to people ratios

Using the above figures, the 2017 JAS shows that the following ratios of jobseekers to available jobs looking at the two lowest job skill levels.

Table 3 – Ratios of Stream C jobseekers to vacancies 2017, national and state results

Jurisdiction	People per job level 4 and 5	People per job level 5
ACT	0.8	2.3
NSW	1.4	4.1
NT	1.1	3
QLD	2.1	5.5
SA	3.6	7.5
TAS	5	10.7
VIC	1.4	3.8
WA	2.3	6.9
AUSTRALIA	1.8	4.8

This data shows that for a person with significant barriers to work and only able to apply for level 5 jobs, there is no jurisdiction in the country where there is sufficient suitable jobs for the number of people looking for them. The situation is particularly dire in Tasmania, South Australia and West Australia.

**Across
Australia** 

**Five people are
competing for every
entry-level vacancy**

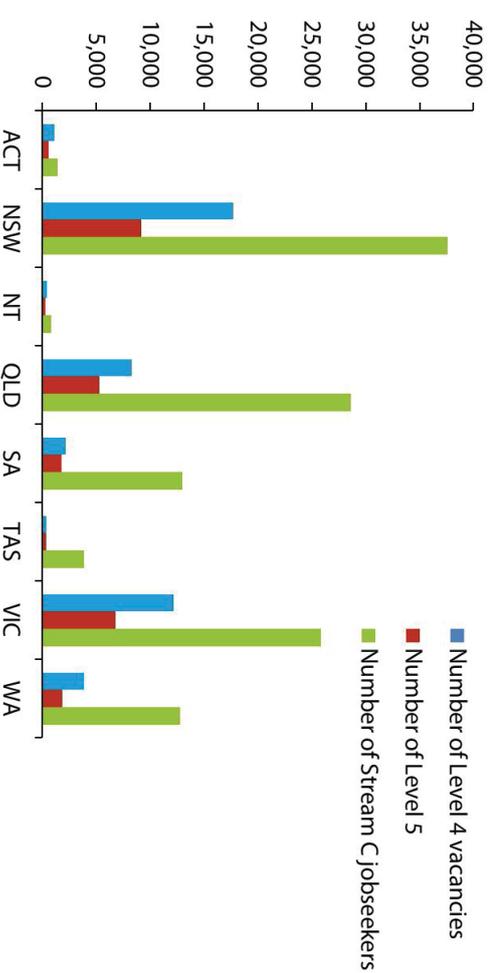
However whether the ratio of people to suitable jobs is a large a gap as 1 to 1, or 2 to 1 is ultimately not making any material difference to people's lived reality. What it is important for understanding is the magnitude of policy intervention that may be required in different regions of Australia. These are discussed in detail in the next section.

While the ratio of jobseekers to jobs looks much better, and in fact the gap seems to disappear in some jurisdictions when looking at totals for level 4 and 5 combined, it is worth recalling here that we calculate a this ratio to be as conservative as possible in the JAS.

That is, we want to consider the scenario where some people with significant barriers to work are nevertheless able to viably compete for some level 4 jobs. However the reality is that most probably can't; and there are other people with greater skills competing for the level 4 and 5 jobs as well – that is competition for these vacancies is not confined to the Stream C jobseeker caseload.

Plotting the number of jobseekers compared to the number of level 5 jobs, and level 4 and 5 jobs combined, helps to show the raw gap between suitable jobs and the number of people who need them.

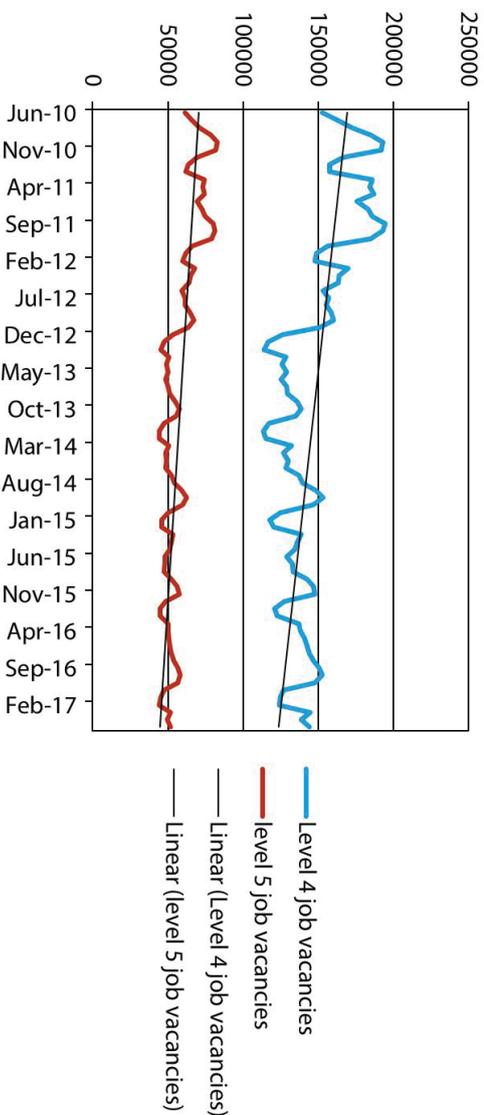
Figure 1 – Job vacancies by skill level compared to number of jobseekers by jurisdiction



What we can learn from looking at trends

Examining the change in the number of level 5 jobs over time gives some clues as to why jobseekers needing entry-level jobs outnumber the available positions. There has been a significant drop in the number of level 5 job vacancies over the last seven years. Also of concern is that the number of level 4 jobs is declining, although from a higher level than level 5 jobs. Figure 2 shows the trends for both job vacancy skill levels.

Figure 2 – Changes in the number of level 5 and level 4 jobs advertised nationally over time



Unfortunately it is not easy to obtain trend data on the number of unemployed people with significant barriers to work over time. This is in part due to changes in the classification system used by unemployment services to typify a person's skills qualifications and barriers to work for people who are unemployed. However what data Anglicare Australia has been able to access for June each year since 2012 shows that the number of people classified as having the most barriers to work has varied between 120,000 – 160,000 people. The smaller figures are for the last two years, but it is unclear whether this is because of more people gaining work, or because of the changes to the classification system that took effect in 2016.^{viii}

Situating the JAS within the recent news on employment

The 2017 Jobs Availability Snapshot probably tells a story that may surprise many. The results, showing a barely improved situation for people with significant barriers to work, are sitting in the context of one of the strongest periods of growth in full-time employment in Australia for some time.^{ix} The number of people participating in the workforce has also increased, and while still worryingly high, underemployment is also showing signs of easing.^x

What the JAS shows is that this good news overall is not being shared by people with significant barriers to work, and there is a strong need for the right kinds of government intervention to ensure they are not left behind. Moving beyond the Snapshot and examining trends in both the number of Stream C jobseekers and the number of suitable job vacancies for them, shows why.

For the last seven years there has been a steady decline in the number of Level 5 job vacancies in particular, and a softening in the number of Level 4 skill vacancies as well. It has proven difficult, as noted above, to obtain time series data for people who face barriers to work but are seeking jobs in the same level of detail. What we can say is that the central finding is borne out - that there is consistently many more jobseekers needing entry-level jobs than there are suitable jobs available.

POLICY IMPLICATIONS

The findings of the JAS give policy makers a number of clear messages. They can be summarised as:

- » There are not enough entry level positions for the people who need them.
- » People with significant barriers to work are not benefiting from the recent boom in full-time employment.
- » The growing casualisation of the workforce works against the ability of people with barriers to work to gain suitable and secure work.
- » The market cannot be relied upon to fix these problems without intervention.

However, there is hope and opportunity. There are areas of the economy expected to grow significantly over the next few years, and these are likely to offer entry-level positions leading to career pathways. One of these areas is human services, particularly aged care and disability care. As a sector that Anglicare Australia knows well, we explore these opportunities further through case studies and policy analysis.

They show that this is an area of immediate intervention that could make a difference to a large number of jobseekers. What is needed is strategy and intention from government to ensure that people with barriers to securing employment are included in those opportunities. Fortunately there is a considerable body of evidence to draw upon in terms of what works.

**People with
barriers to work
are not benefiting
from the boom
in full-time
employment**

The right kind of government intervention

There is a considerable body of evidence on successful policy interventions that help people overcome barriers to gain, and critically, retain, work.^x At the heart of these programs is the principle of putting the person first: listening to their aspirations and experiences, assessing their particular challenges, and designing a pathway that addresses those challenges and then places and keeps them in employment.

The last point is particularly critical and has been largely lost from the current employment support system. The challenges facing people with significant barriers to work stretch beyond the raw deficit in suitable jobs available to them. Particularly in terms of jobs requiring lower levels of skills and qualifications, the trend is towards such positions to be part-time or casual;^{xii} and despite the recent trend showing creation of more full-time jobs, less than half of the Australian labour force now has full-time paid work with leave entitlements.^{xiii}

Of course not everyone wants a full-time job; however the increase in casualisation overall demonstrates greater volatility and often, ongoing stress for people already struggling. It creates greater competition for secure lower-skilled jobs; and also means that achieving employment doesn't always lead to a long-term outcome, but rather 'churn' as people find themselves in cycles of obtaining insecure work, rather than achieving ongoing stable employment. This is particularly detrimental to people lacking in skills, qualifications and experience. Casual and short-term positions are less likely to offer meaningful training and skills

building to new employees unless they are linked to a career pathway; nor are the foregone leave entitlements for casual work compensated for adequately in terms of pay rates.^{xiv} It is therefore critical that ongoing government support both in terms of ensuring income stability and sufficiency; and support to stay in employment is offered to people with significant barriers to work. Anglicare Australia's research *Beyond Supply and Demand*^{xv} gives a comprehensive overview of both the evidence in support of this approach, and practical successful examples. Similarly the series of essays we released to accompany the inaugural Jobs Availability Snapshot in 2016 detailed more examples of successful programs to help people with the most barriers to becoming employed, succeed.^{xvi} Connecting such approaches to known areas of jobs demand would be a significant step forward to assisting people who have been struggling to participate in the workforce.

LINKING GOVERNMENT INTERVENTIONS TO WORKFORCE DEMAND

The example of human services

The implementation of the National Disability Insurance Scheme (NDIS) and our ageing population has sparked very strong demand for new workers in human services, including for entry level positions. The NDIS alone is expected to require an additional 70,000 full-time equivalent positions over the next three years.^{xvii} Importantly, the need for a significant number of new workers is not just confined to metropolitan areas, and includes demand in rural, regional and remote areas.

The concern that employee demand won't be filled is so acute the National Disability Insurance Agency (NDIA) produces detailed geospatial market projections that include the number of jobs required. The Department of Employment and Jobactive Network similarly know the location and numbers of Stream C jobseekers.

There is a critical opportunity therefore to harness this information and develop and implement an inclusive employment strategy that directly targets people with significant barriers to work and offer them pathways into employment within the disability sector.

Anglicare agencies and others delivering aged care and disability services are already grappling with the challenge of meeting workforce demand, and utilizing the opportunity to implement inclusive employment strategies. These lived experiences are instructional both in terms of what is possible, and to identify the current policy barriers to expanding such approaches to provide meaningful opportunities for many more people. There are two case studies from Anglicare agencies and another from outside our network to demonstrate that these opportunities and policy barriers are relevant to the whole human services sector.

The Anglicare Tasmania experience

Anglicare Tasmania is a major provider of domestic cleaning and home support services to the elderly and people with a disability, with over a thousand clients across the state. It acts on its mission to create a more just and equitable society, and its need to recruit home support staff to meet demand in small communities through an explicit program of inclusive employment. It therefore seeks to employ people locally who have no prior qualifications or experience but are willing to learn, to help people with a disability and the elderly with home support services in their community.



**Anglicare agencies have
created imaginative
programs for entry-level
jobseekers in aged care and
home support services**

Recognising that people face a range of barriers to securing work, Anglicare Tasmania has tailored its interview and training processes to support people with little or no experience in applying for jobs, and to suit a wide range of applicants. Induction materials are available in a variety of formats to support different levels of literacy and styles of learning; and new employees are 'buddied' with experienced workers for on the job training. New staff are also supported to complete a Certificate II in domestic cleaning, which helps people without one to secure a post-high school qualification, and they can choose to advance to a Certificate III. Achieving new qualifications is accompanied by a pay rise.

The work shifts are also designed to support people with significant barriers to remaining employed or unable to undertake full-time employment. Thus shifts are from 9am to 3pm, which suits single parents picking children up after school and other people for whom long work days are not appropriate.

Anglicare Tasmania also fosters local community support for their staff. Clients are encouraged to positively engage and assist with new staff training and form a relationship; and the importance of supporting employment for local people who have previously struggled to gain work. This helps create a more inclusive, happy and prosperous community.

To date Anglicare Tasmania has employed approximately 25 people through its inclusive employment program.

While at times it has been offered funding for training through the Jobactive network for some participants, overall it has found the mutual obligation requirements for potential employees are impediments to utilising this funding; and having a good relationship for the referral of potential employees from Jobactive providers and self-funding the training has been more effective.

The Given the Chance employment program

Anglicare Network member Benetas is a major aged care services provider, and recognised for its practice of hiring a diverse and inclusive work force. In looking to broaden the cultural diversity of its workforce, Benetas became aware that there were entry-level qualified and motivated aged care workers from refugee backgrounds who were experiencing continued rejections for jobs due to structural discrimination, and lack of support to transition culturally into the Australian aged care workforce. Benetas approached the Brotherhood of St Laurence (BSL) to create a specific employment program to support marginalised people into working in aged care, focused on six month employment placements to transition people into their workforce.

The Brotherhood of St Laurence , a fellow Anglicare network member adapted their Given the Chance employment program to provide support for people with significant barriers to work who wanted a career in aged care. They offer pre-placement training that focuses on bridging the gap between existing experience and the Australian workplace setting for employees, and cross-cultural awareness training for Benetas staff. During the placement BSL also provides ongoing mentoring to newly placed employees; and post-placement troubleshooting and support to Benetas staff and the people in placement.

The pilot of the program had a 100% success rate with all graduates gaining ongoing employment with Benetas, and the program is now ongoing. The BSL Given the Chance program is funded by the Victorian Government, and is notable in how it differs from the support offered to people with barriers to work through the Jobactive Network. Of particular importance is how it funds the pre- and post-employment mentoring to ensure people both obtain work and retain it.



**Given the Chance
supports marginalised
people to get work
placements in aged care**



With the disability and aged care sectors set to grow across Australia, these are models we can expand to provide secure work for those who need it

The UnitingCare Women and Employment program

Recognising that older women lacking qualifications are a significant cohort amongst people with barriers to finding work, and a matching need to meet demand for workers in human services, UnitingCare Australia set out to build a model for assisting women into care work and secured a small amount of federal government funding to do so. Leveraging the Uniting Church's national network of disability and aged care providers to test and build the model, the aim is to see it adopted widely in the human services sector and beyond, to assist people with barriers to be trained, mentored and supported into employment where there is high demand and opportunity.

UnitingCare Australia and Uniting Church service providers have therefore have been facilitated by the Department of Employment to broker relationships with Jobactive providers in three different locations. Entry to the program is voluntary, and the emphasis is on attitude and values suitable for delivering quality care work, rather than qualifications. No prior skills or experience are necessary. Service provider organisations must be able to guarantee a job for every participant with a minimum number of hours per week; and the program intake at each location is restricted to a number that each provider can practically employ and train in a single intake. Provision of mentoring and other supports are mandatory components of the model that must be resourced and delivered.

The key role of the Jobactive provider is to connect prospective participants to the program and fund the necessary individualised training and support needs. This can include uniforms, transport and childcare, so that each participant can attend training and work experience in the pre-employment phase, and then be ready for paid employment. UnitingCare Australia has at times needed the assistance of the Department of Employment to ensure that women could participate in the program, as otherwise the rigid Jobactive requirements to look for work risked some women being penalised, despite being committed to a pathway into work that met their overall obligations over a longer period of time.

So far Women and Employment has delivered positive outcomes that include 36 people signed on with Uniting Care employers as disability support workers, home care workers or aged care personal carers at the completion of training. Twelve additional candidates were offered alternative training and work experience as other pathways to work, and another four were invited to apply through direct employment services. Plans to expand the program are in train.

THE CASE FOR REFOCUSING GOVERNMENT POLICY

One of the most notable features of the experience of Anglicare agencies is how much the existing system that is meant to support people to find and retain work can actually function as a barrier to achieving this goal; and it is not just Anglicare experiencing these issues, as the case studies show. Combined with the JAS results, they demonstrate a strong need to refocus Australia's policies for people who are unemployed on supporting them into work and job creation, and away from preoccupations with enforcing inflexible conditions and penalties for non-compliance.

We must refocus government policy to:

- ✓ Strengthen our safety net
- ✓ Rethink mutual obligation
- ✓ Focus on job creation

Re-weaving our safety net

While not the main focus of the JAS, it is critical to note that government income payments for people seeking work are dangerously low. They now trap people into poverty, and are an acknowledged significant barrier in themselves to people finding work. This is because the payments for Newstart and Youth Allowance are so low people struggle to meet the basic costs of looking for work such as transport, childcare, and other essentials. This was highlighted by some of the agencies involved in our case studies, where providers told us how they had to give people in their employment programs additional financial assistance to cover essential costs such as these just so they could participate.

The fragility of the safety net and its orientation towards penalising rather than supporting people to find and stay in work is particularly problematic when considering that many if not most suitable jobs for people with barriers to work, are casual or do not offer consistent hours. This is increasingly the case with human services following the introduction of individualised service delivery, and as the competitive market in disability and aged care services undermines the ability of providers to offer stable hours and job security. The increase in casualised work and the 'gig' economy highlights the urgent need to review the settings of our welfare system to ensure that payments are a proper safety net; a need recently raised by the International Monetary Fund.^{xviii}

Not only are the payments far too low, the rapid tapering of a person's government income support such as for people on Newstart and Youth Allowance is another major barrier to assisting people to stay in work, particularly for people whose first entry into the workforce is through casual or part-time positions. This tapering ignores the fact that it creates in effect an extraordinarily high marginal tax rate for people on very low incomes and stops them reaching minimum wage level through a combination of government income support and variable casual or part time work.

For example, Newstart is just \$538.80 per fortnight for a single person, compared to the minimum wage of \$1389.80 (before tax) per fortnight. Yet a single person on Newstart has their income support cut by \$75 per fortnight for earning an extra \$254 a fortnight - which equates to just 14 hours of paid work at the adult minimum wage rate. As a result rather than being rewarded for obtaining work and supported with income stability to reach minimum wage levels, people are in effect financially penalised for working. This was a key reason for the Henry Tax Review and many experts recommending that all welfare payments should be non-taxable.^{xix} Addressing these well-known holes in our safety net for people seeking work would have a significant positive impact on both their overall well-being and chances of getting into work.

**Government
payments have
become a poverty
trap instead of a
safety net**

Accepting the failure of mutual obligation and punishment

The most notable feature of recent government policy targeting people struggling to get into work has been that it is based on the assumption that failure to find work is the fault of the individual. As a result, the Australian Government has increased the number of hours a person must look for work, and has compelled people to participate in work for the dole schemes. At the same time, despite very low rates of people not complying with their obligations, there has been a significant increased focus on punishing people for perceived failure to comply with mandatory requirements by cutting their income payments.

These policies are not evidence-based, or at all effective in helping people find a job, particularly those with significant barriers to overcome to be able to compete in the jobs market. There is no evidence to show that work for the dole schemes are effective in helping people obtain employment, and in fact they too often prevent people from securing and retaining work, particularly if a job is casual.^{xx} Equally, no amount of forcing people to search for work changes the fact that there simply aren't enough jobs with low skills and qualification requirements available compared to the number of people needing them. As this Snapshot shows, in some parts of the country such as Tasmania, the jobs deficit is as high as more than 10 people seeking work for every position available.

The experience of Anglicare agencies and UnitingCare Australia exemplifies how mutual obligation can impede a

person's transition into work. Inflexible mutual obligation requirements can result in some people's participation in training or work placement being jeopardised if it does not neatly 'fit' within narrow definitions of what is acceptable, even when their program was supported by relevant government departments, as was the case for UnitingCare Australia.

Further, if the government deems that their participation is insufficient to meet all obligations, the success of training, work experience and placement can be threatened by the requirement to look for other jobs, or attend other mandatory meetings in order not to be cut off from Newstart or Youth Allowance. For these reasons Anglicare Tasmania and Uniting Church service providers have at times forgone funding for a training offered through the Jobactive network because it was too rigid to allow them to deliver tailored training that met a person's needs. This experience is echoed by findings regarding the negative impact of increased conditionality of social security payments in the United Kingdom. Research recently released shows that the escalation of conditional requirements to receive unemployment support is creating a barrier to employment rather than enabling it.^{xxi}

There is therefore a strong need to revisit Australia's approach to mutual obligation and associated penalties if we are serious about support for the unemployed functioning to not only ensure they can live a decent life while looking for a job, but be supported to obtain and retain ongoing work.

Re-attaching training to tangible job prospects

More positively, in the last two federal budgets there has been a greater emphasis on funding training programs for particular cohorts likely to be struggling to find work – young people and single parents, Aboriginal and Torres Strait Islander people, and recently a new trial for training older workers has been announced. However from the detail we have on them to date, these programs are not without significant flaws that need addressing if they are to have the hoped-for impacts on unemployment.

Many of the new training programs are compulsory for some people on Newstart, Youth Allowance and Parenting Payment, with financial penalties attached to non-attendance. This undermines people's sense of agency and dignity, and their right to have aspirations respected; and it is despite a lack of evidence that people seeking work are resistant to participating voluntarily in training and employment pathways of their choice. It also ignores the evidence that increased conditionality undermines people's prospects of finding work. In Australia the most extreme example of this is the Community Development Program, now under intense scrutiny for the level of penalties its participants have suffered without any meaningful evidence of successful employment outcomes.^{xxii} Increasing compulsory training and compliance penalties risks people dropping out of the system altogether rather than providing meaningful assistance.^{xxiii}

We also know that training alone does not secure people work or ensure there are jobs available for them. Tellingly, The Brotherhood of St Laurence found that for example young people struggling to get into the workforce are not being well-served by training unlinked to viable job opportunities.^{xxiv} Linking training and work experience to a real job placement is therefore critical, but government policies overall have not been supporting this.¹ Instead overall there is a reluctance to challenge the belief that the market without intervention will provide the jobs needed for people, as long as they are trained. The data from the JAS and studies such as Anglicare's *Beyond Supply and Demand* show this is patently not the case. Another concern is that programs aren't providing support beyond initial training. Evidence shows people with barriers to work need not only tailored assistance to obtain a job, there needs to be ongoing support for both the employee and employer until a level of job security is reached to ensure the placement will be secure. All three case studies have highlighted this as an essential component of their success. Therefore money spent on training programs risks being wasted if it's not linked to actual work placements, and post-placement support to help ensure it becomes a secure job.

¹ Youth PaTH is the only one of the new federally funded training programs that claims to do this. Aside from other concerns raised about Youth PaTH's design including the low pay, a primary concern is that this program does not create new positions, but instead simply 'churns' the jobseeker queue by utilising the government incentive to give particular people priority for gaining already limited positions. Anglicare Australia is keen to see a thorough, independent evaluation of Youth PaTH for these reasons.

We need to return to investment in direct job creation through public funds

It is therefore unclear whether the new training programs will address these known major impediments in the existing system. The experience outlined in the case studies in this Snapshot show that where employers reach out with an explicit aim of helping people with barriers to work obtain a job with them via a training pathway, the conditions of the Jobactive network all too frequently hamper rather than help. The incentives and pressures placed on Jobactive Network providers to count a person placed in a position as a success, regardless of whether that position continues, work directly against the kind of ongoing support we know is necessary to ensure that people keep their jobs. Redirecting funding available in the Jobactive network to programs such as The Botherhood of St Laurence's Given the Chance program, that offers diverse employment opportunities to people with barriers to work and delivers the wrap-around support they need, would yield higher success rates.

Recofusing on job creation

The focus on training highlights a general government aversion to being seen intervene in the market. This is a major impediment to helping people into work. In the Jobactive Network policy settings, it has been revealed in concerns that helping providers recruit people with significant barriers to work could translate to a 'market advantage' in gaining new

employees, and this is being privileged as a concern over the central priority of helping people into a job.

In the broader context it is manifesting in the reluctance to spend funds on direct job creation. This is confusing considering that the training packages announced in recent federal budgets amount to hundreds of millions, but unless linked directly to real jobs, may not see many people gain employment as a result. If a similar quantum of funds was spent on job creation it would have a far greater impact.

The case studies in this report focus on the opportunity of linking people with barriers to work to the human services sector, as it is known to be expanding rapidly and generating new jobs at appropriate skill levels, and it is an area Anglicare agencies can speak to with authority. Achieving much better linkages between employment support and real entry level job opportunities being created around the country in human services would be a significant achievement and may assist many people interested in care work into employment.

It cannot however be assumed that care work is suitable for everyone who is unemployed and needing entry level work. There is a strong need for governments to not only identify sectors of the economy like human services where jobs demand can be linked to opportunities for people most struggling to gain employment, but to also work to actively create jobs at the local community level.

This means challenging assumptions that publicly funded jobs are 'worth less' or 'cost' the economy overall. It is a false assumption, as a person employed to deliver a public service not only helps build society, their employment returns funds to both their community through increased spending, and taxes to government as well as reduced spending on welfare. Indeed, the Australian Government already funds one highly successful program that demonstrates how counterfactual arguments against publicly funded jobs are: the Working on Country program, which employs Aboriginal and Torres Strait Islander people as rangers for Indigenous Protected Areas, including entry level training and career progression. This program directly employs more than 2,000 Aboriginal and Torres Strait Islander people and generates allied employment through commercial activities such as feral pest and fire management, tourism and wild food harvesting.^{xxv}

Another example is the case for employing more mental health peer support workers. Peer workers, as people who have experienced mental illness themselves or assisted those who have, are now recognized globally as contributing many positive improvements to the delivery and outcomes of mental health services. This can provide meaningful and flexible employment for people living with or recovering from mental illness. There are numerous recommendations to expand the number of these workers in Australia^{xxvi} and business cases,^{xxvii} providing a pathway for government.

CONCLUSION: WE CAN'T LEAVE THINGS TO THE MARKET

Anglicare Australia's Jobs Availability Snapshot shows that the ongoing fundamental challenge for people with barriers to entering the workforce is a significant shortfall in suitable jobs. It highlights that government intervention urgently needs to move away from forcing people onto an endless hamster wheel of job searching and training unlinked to real job prospects, and hoping the market will magically solve the vacancies deficit.

Instead in the first instance it should focus on creating voluntary pathways between employers who can offer entry level training and positions in known sectors or demand, and jobseekers who are interested in and suitable for the work on offer. Critically, it must also recognise and resource ongoing support to help people with barriers to work to retain employment. The human services sector, particularly aged care and disability care support work, is one live example. It is inexplicable that on the one hand there is serious concern about not being able to employ sufficient people to meet demand in the NDIS for example, particularly in regional areas,^{xxviii} yet there is no strategic government response to ensure that people known to seriously struggle for entry level work aren't given the opportunity to help supply that demand with targeted support.

There is also an urgent need to both raise the base rates of government support for people who are unemployed and remove or radically reduce tapering rates of such support when a person obtains casual work, such that they can at least achieve the minimum wage. Without these basic reforms, people looking for work are trapped in poverty because government incomes are well below the poverty line, not only damaging people's wellbeing, but also impeding their ability to find work.^{xxix} To then have income diminish rapidly rather than act as a stable support when taking casual work is a disincentive to helping people achieve income and employment stability.

Finally there is a need to shift away from providing training without clear pathways and ongoing support to obtain and retain a tangible job, and a return to investment in direct job creation through public funds.

Recommendations

- » Raise government income payments, particularly Newstart and Youth Allowance to a rate that adequately reflects the actual cost of living and job seeking, and apply a tax exemption to welfare payments.
- » Dismantle the rigid system of mutual obligation and punishment, and refocus government unemployment assistance to provide tailored individual support and training, including to help people stay in work.
- » Evaluate and expand on successful examples of inclusive employment strategies and pathways into work in human services; and ensure that inclusive employment pathways are explicitly built into the development of the NDIS and aged care workforce strategies.
- » Provide analysis of other industries and sectors expected to expand and capable of providing entry level job opportunities, and ensure the Jobactive Network is tasked with targeting and realising such opportunities.
- » Provide funding to support communities to develop inclusive employment strategies, including funding for job creation tailored to meet specific local opportunities and circumstances.
- » Reconfigure and expand government data collection so that we can better track the status of unemployed people with significant barriers to work. This would allow a better understanding of how well programs are assisting people into jobs, and enable targeted job creation and training programs.

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