



**Submission to the House Select Committee on  
Workforce Australia Employment Services**

**February 2023**

## **Acknowledgement of Country**

SSI acknowledges the Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work. We pay respect to Elders past and present and recognise their continuous connection to Country.

## **About SSI**

SSI, formerly known as Settlement Services International, was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic backgrounds served as the foundation for a gradual expansion into other social services and geographical areas.

In 2018, SSI merged with Queensland-based Access Community Services, and in 2019 opened in Victoria providing an extensive footprint across the eastern coast of Australia. In the last financial year SSI supported over 49,000 clients across more than 49 programs and community-based services.

In the area of employment services SSI delivers several programs funded by the Australian Government including ParentsNext, the Disability Employment Services program, Local Jobs Program and the HomeCare Workforce Support Program. We also deliver the Refugee Employment Support program funded by the NSW Government and are a Jobs Victoria partner, delivering tailored employment assistance to people from culturally and linguistically diverse (CALD) backgrounds in Western and Southern Melbourne.

Due to the locations where SSI and Access deliver these programs, a large proportion of participants are from CALD and refugee backgrounds, and we also work with Aboriginal and Torres Strait Islander participants and others in these regions.

## Summary of Recommendations

1. The development of future models for employment services should consider the following core principles: (a) Supporting client choice and aspiration, (b) Person-centred service models, (c) A focus on employers and industry as partners, (d) Supporting specialised and localised services, (e) Strong linkage and coordination with relevant government programs including mainstream services.
2. Future models for employment services should recognise the critical role played by specialist services in delivering high quality and effective services to disadvantaged cohorts of job seekers. This should include appropriate allocation of specialist licenses taking account of the demographic characteristics and needs of local areas.
3. The Australian Government should take on a stewardship role to build an environment which supports development of integrated local responses both within Federal government agencies and across all levels of government.
4. A user-focussed review of the ESAT process should be undertaken in order to identify opportunities to improve this process.
5. Digital literacy screening should be included as part of the initial job seeker assessment in employment programs.
6. The Australian and state/territory Governments should implement digital literacy programs tailored to multicultural communities to support the increased use of online services.
7. Job seekers should be provided with choice and control within their service journey. This should include their choice of employment service provider.
8. Future models for employment services should provide targeted support for people of CALD and refugee backgrounds that addresses the unique barriers they face and support them across their employment journey spanning job-readiness, preemployment training and paid work experience, effective job-matching, post-employment support and career progression.
9. The future design of employment services should consider intersectional factors such as gender in the provision of specialist employment support.
10. The future design of employment programs should shift the focus from 'any job' to 'the right job' for individuals taking account of their skills and aspirations.
11. The Australian Government should examine the waiting period for new permanent residents to access income support with a view to waiving it or reducing it to six months. If there is any waiting period, it should commence on arrival in Australia rather than once permanent residency is attained. This will give migrants a better chance to find the right job that is commensurate with their skills and qualifications.
12. The Australian Government should review the relevance of 26-week outcomes as a measure of success in employment contracts, ensuring success measures fairly reflect the intended outcomes of the program.

13. Future models of employment services should include funding to enable providers to engage and support employers with tailored engagement for different industries including:
  - developing initiatives similar to the Australian Government's Home Care Workforce Support Program for other key industries with **skills shortages**. These initiatives should include a focus on building capability of employers to recruit, train and retain staff from different cohorts including from CALD and refugee backgrounds; and
  - fund industry led initiatives in partnership with employment service providers to support long-term unemployed people and underemployed to reskill in **emerging industries**.
14. The use of compulsion and mutual obligation should be removed from the future design of employment services.
15. Work for the Dole should be abolished and replaced with opportunities to access paid internships, traineeships and work experience without adverse impacts on welfare payments.
16. Compliance requirements and associated Centrelink payment suspensions should be removed from employment services.
17. If individuals do not engage with services, providers should be able to refer to Centrelink social workers to follow up with participants and work with them to address barriers and promote voluntary engagement.
18. The Department of Employment and Workplace Relations should establish mandatory minimum qualifications for all employment services programs. The minimum qualifications should be specified in the contract and the Service Offer Commitment and monitored by the Department.
19. Providers should be required to set out their commitment to provide initial and ongoing professional development in the tender process. This should be set out in the contract and service offer commitment and monitored by the Department of Employment and Workplace Relations.
20. The cost and impact of meeting quality and other assurances processes should be factored into program costs.
21. Providers should be incentivised to invest in research and evaluation relevant to employment services and to share this publicly to complement research and evaluation commissioned by funding bodies.
22. Aggregated employment service data should be made publicly available and provide details on areas such as size of the market, key demographic groups, locations and service performance information. This will enable better planning and allow researchers and evaluators to generate insights to inform improvements in program design and delivery.

# Approach to this Submission

In making this submission SSI acknowledges that the Committee is seeking to undertake a 'first-principles review' of the Workforce Australia employment services system, ensuring Commonwealth funded employment services are fit for purpose. Therefore, this submission provides comments on the principles and frameworks which should be considered in shaping the future design of employment services in Australia. It is not the intent of this submission to provide a detailed model or approach.

Employment services and the design of future solutions is a complex task which will require significant and ongoing dialogue and engagement across the sector to design and implement effective and sustainable models into the future. It is not reasonable to consider that a single inquiry will be able to generate a comprehensive model for implementation. Instead, this committee's report should aspire to provide framing guidance for the extensive future work which will be required to evolve and mature the sector into the future.

SSI has a track record of interest and openness to working with, and alongside, government in ensuring a successful and sustainable employment services sector. In presenting a submission based on principles and frameworks, SSI is willing to contribute to these discussions, and stands ready to engage in more detailed exploration and co-design of possible models and solutions going forward. SSI looks forward to the opportunity to advance this important conversation in partnership with the Australian Government.

## 1. First Principles

A client-centred focus is at the core of any successful employment services model. Understanding what it means to be 'client-centred' is often underdeveloped in employment services practice, and this inquiry presents an opportunity to develop this construct and ensure long term, successful transition to meaningful employment for all clients. There is evidence across the employment services sector, and from other sectors, of good client-centred practice, programs and approaches. These should be supported to evolve rather than being subjected to continual cycles of reviews without real reform. Building on past gains and maturing our approaches should provide a more future-oriented, fit-for-purpose employment services model.

Underpinning this maturation should be the following core principles:

### **Supporting client choice and aspiration**

Any future model of employment services should be developed around the idea of service providers being partners with clients, supporting them on their unique journey of career and employability development, seeking a fit for the right job, not just any job. As commented by Julian Hill MP, in reflecting on current arrangements, "*One thing that is absent entirely is any objective of supporting people into good, secure, appropriately paid jobs. Sustainable work. It's pretty strange that we don't seem to measure any outcomes beyond 6 months. No longitudinal analysis.*"<sup>1</sup> This was also identified in the development of the New Employment Services Model (NESM)/Workforce Australia, with the aim to ensure as far as possible, personal responsibility, choice and independence among job seekers accessing employment services.<sup>2</sup> However, SSI's experience is that a focus on securing any job as quickly as possible, regardless of whether it is a good match for the client's skills and aspirations, remains entrenched in the current system. Employment services need to evolve from a

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<sup>1</sup> [https://www.julianhillmp.com/NESA-CEO-Forum\\_04102022.html](https://www.julianhillmp.com/NESA-CEO-Forum_04102022.html)

<sup>2</sup> Department of Small Business and Employment. Employment Services. (2020). *I Want to Work*. 2018. p.29

“tick-a-box” unemployment payment compliance and quick placement in the first available job to patient investment in people disadvantaged in the labour market. A movement from competition around short-term outcome targets toward enduring local partnerships with employers, public and community colleges, and community services. We must support the aspirations of clients to enter long-term, sustainable and meaningful employment.

## **Person-centred service models**

Causes underlying unemployment are varied and highly dependent on the circumstances of the individual. Broad categories of the population, for example, CALD communities and women, face particular challenges. However, even within these broad categories the individual challenges of clients vary considerably. An individual’s health and wellbeing needs often impact their readiness for employment. Successful transition to meaningful and long-term employment requires a holistic response to the needs, backgrounds, aspirations and experiences of the individual client. A person-centred model of employment services (drawing on models used in health and social care<sup>3</sup>) would have funding structures that enable service providers to support individuals to lead their own employment journey and provide holistic case management which responds to the totality of the client’s needs and aspirations<sup>4</sup>. A person-centred service model would be: personalised, coordinated, enabling, and would treat the person with dignity, compassion, and respect<sup>5</sup> moving away from compliance to mentoring, guidance and care.

## **A focus on employers and industry as partners**

Partnership models between employment service providers, business and industry, and government are required to ensure a pipeline of workers with appropriate skills and must be able to respond to changing labour market conditions. Service design should see employers as a key part of that discussion and address their needs, rather than allow supply side strategies to dominate.

Any future model should ensure support for industry-led initiatives, in partnership with employment service providers, to support long-term unemployed, and underemployed, people to reskill in emerging industries. Employment service providers need to be supported to be partners with industry in future workforce planning and ensuring development of the skills required for the future workforce.

## **Supporting specialised and localised services**

Success measures across different cohorts vary depending on levels and complexity of client needs, range of suitable opportunities, and gaps between client experience and qualifications and employer expectations. Any future employment services model needs to evolve approaches which validate and value the complexity of responding to a range of job seekers experiencing vulnerability and disadvantage. Over the past two decades the sector has seen a convergence of service delivery due to funding models and contract requirements.<sup>6</sup>

Despite the intent of the design principles which underpinned the development of the NESM to move toward supporting providers with capacity to specialise in assisting a particular cohort<sup>7</sup> there remains

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<sup>3</sup> <https://www.health.nsw.gov.au/mentalhealth/psychosocial/principles/Pages/person-centred.aspx>

<sup>4</sup> Dreaver, J., Thompson, C., Girdler, S. et al. Success Factors Enabling Employment for Adults on the Autism Spectrum from Employers’ Perspective. *Journal of Autism and Developmental Disorders*, 50, 1657–1667 (2020). <https://doi.org/10.1007/s10803-019-03923-3>

<sup>5</sup> <https://ajcasemanagement.com/person-centred-care-principles-definitions-examples/>

<sup>6</sup> [https://www.julianhillmp.com/NESA-CEO-Forum\\_04102022.html](https://www.julianhillmp.com/NESA-CEO-Forum_04102022.html)

<sup>7</sup> Department of Small Business and Employment. Employment Services. (2020). *I Want to Work*. 2018. p.29

a gap in adequately resourcing and supporting diversity and specialisation, as discussed in more detail in Section 5.

Culturally responsive services delivered by providers experienced in delivering programs to Indigenous communities, people from CALD backgrounds, refugees, people with disability and ex-offenders are a key pillar to providing improved outcomes for these cohorts. Similarly, and complementary, are the benefits of these specialised services being delivered within localised contexts with direct, and enabling, connections between service providers, local communities, and local employers.

Supporting specialised services also requires a focus on developing the skills and professionalisation of staff working with diverse cohorts. Recognising the capacities required to respond to particular cohorts, for example, cultural competency in working with CALD cohorts or specialised knowledge of disability, requires funding which supports the training and retention of increasing professionalised, and specialised, staff across the employment services sector.

### **Strong linkage and coordination with relevant government programs including mainstream services**

Increased value and impact across the sector can be achieved through improved inter- and intra-governmental relationships and strategic planning. Within Government, the connection points between programs and services offer a range of examples of where policy and program design do not align in the interest of job seekers. For example, the intersection between programs such as the Adult Migrant English Program (AMEP) and employment services has historically presented challenges in terms of clients' experience. While both programs play a key role in contributing to supporting clients in their pathway to employment, there is a lack of information sharing, integration of support and transition processes between AMEP and Workforce Australia. This presents an unnecessary barrier to effective support which should be considered in the design, implementation and monitoring of these programs. For example, further reforms to AMEP (which is on the periphery of this inquiry) should include provision for on-site language learning in the workplace to enable targeted training that occurs during work hours.

Further, there is disconnect across different levels of government, and subsequently with local industry and workforces, which limits capacity for employment services to respond to, and prepare for, future workforce needs. The development of future models for employment services should create a more strategic and integrated approach across multiple levels of government (Commonwealth, state/territory and local government). For example, federal government funding of employment services must also connect with state government provision of vocational education and training to ensure alignment of skill priorities and responsive to community need.

**Recommendation 1 -** The development of future models for employment services should consider the following core principles: (a) Supporting client choice and aspiration, (b) Person-centred service models, (c) A focus on employers and industry as partners, (d) Supporting specialised and localised services, (e) Strong linkage and coordination with relevant government programs including mainstream services.

## **2. The Best Operating Structure**

The submission guide for the Inquiry seeks feedback on who is best placed to provide specialist services for disadvantaged groups of job seekers and whether the mix of services makes a difference to services delivered.

Government has a role in providing and supporting generalised employment services particularly in underserved areas. However, the not-for-profit sector, in which SSI is a provider, is best placed in delivering specialised services for disadvantaged groups. Specialist providers are able to develop important targeted skills and capabilities which are responsive to the particular needs of disadvantaged groups. For example, SSI has first-hand experience in delivering employment support to cohorts of disadvantaged job seekers in flexible and specialised ways including through the Refugee Employment Support Program (RESP). RESP is funded by the NSW Government and supports refugees and people seeking asylum into sustainable employment as an integrated part of their settlement journey. Further, SSI is also a provider of ParentsNext to parents at risk of long-term welfare dependency who often have multiple and complex needs. Responding to these groups requires specialised skills and knowledges. For example, in their consideration of success factors for employment of adults on the autism spectrum, Dreaver, et al, commented that:

Support from employment services ... may underpin the successful employment of individuals with ASD. However, relatively few employment services have an in-depth understanding of the specific services and supports associated with developing successful employment outcomes for individuals with ASD.<sup>8</sup>

Highlighted in this context is the need for employment services to have in-depth understanding of specific services and supports to ensure success in employment. This understanding can be acquired but requires additional investment in staff training and development. Specialised knowledge is best developed by specialised providers; however, this additional investment in workforce development requires appropriate funding/resourcing in employment services.

A key consideration to achieve this outcome is appropriate allocation of specialist licenses taking account of the demographic characteristics and needs of local areas. The design principles which underpinned the development of the NESM explicitly moved from generalist providers to recognise the need for specialist providers for specific cohorts of job seekers including people from CALD backgrounds and refugees. Although NESM included specialist streams for CALD and Refugee job seekers, limited specialist licenses were issued in areas of high demand for these cohorts. For example, in the employment region of Sydney South-West, no CALD or Refugee specialist licenses were allocated in one of the most culturally and linguistically diverse areas of Australia and a hub of newcomer settlement. This runs counter to the original policy intent to deliver personalised and specialised support to job seekers. Future models must ensure licenses are responsive to the needs of local communities and reflect particular demands and requirements of demographics in across employment regions.

**Recommendation 2 -** Future models for employment services should recognise the critical role played by specialist services in delivering high quality and effective services to disadvantaged cohorts of job seekers. This should include appropriate allocation of specialist licenses taking account of the demographic characteristics and needs of local areas.

### 3. Integration and support for local responses

Effective integration of support and delivery of local responses requires focus at a strategic and local/operational level. The Commonwealth Government has a clear role and opportunity to provide stewardship in this area, creating the necessary conditions to enable integration where required, while creating the space for local solutions, including leveraging State and Local Government

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<sup>8</sup> Dreaver, et al (2020)



programs and supports. This includes, for example, ensuring that commissioning arrangements deliver local service providers, and contracts encourage collaboration and innovation. Where this environment can be established, service providers are then able to work to develop the necessary localised solutions.

SSI has first-hand experience in delivering employment support to cohorts of disadvantaged job seekers while responding to local need. For example, the Refugee Employment Support Program (RESP) funded by the NSW Government, supports refugees and people seeking asylum into sustainable employment as an integrated part of their settlement journey. RESP provides a strong example of a localised program of what works in the current environment.

The program works with local employers, training bodies and other NGOs to connect eligible refugees and people seeking asylum with training, support and jobs. RESP is flexible and responsive to the needs of participants at all stages of the employment journey, whether they are seeking entry into the workforce for the first time or pursuing skilled career options. The program employs multicultural employment specialists who can provide tailored support based on the participant's skills, experience and goals.

In five years, SSI has supported 8,000 refugees and 2,000 asylum seekers into sustainable employment in the two geographic regions of the RESP in Western Sydney and the Illawarra. RESP data indicates that from 2017 to 2022, 32 per cent of participants have been placed in employment within the first six months of arrival in Australia, compared to the national figure of 17 per cent of refugees<sup>9</sup> in paid employment after 18 months in Australia<sup>10</sup>.

### **Local Solutions in Action – The RESP Program**

#### Background

Saira (name changed to protect privacy) crossed the globe alone, travelling from her home in Sierra Leone to Australia, to escape her traditional marriage and build the foundations of a new life for herself, and, one day, for her children.

Arriving in a foreign country with few contacts and no family is an extremely daunting task. In the first year of settlement, Saira found it difficult to find a job partly due to lack of local work experience. Saira's goal was to work in the disability sector, and she completed a Certificate IV in Disability shortly after moving to Australia. However, she faced barriers to gaining employment in this field.

Saira contacted SSI and had an initial meeting with the RESP caseworker. She said that her immediate goal was to gain employment so that she can save to purchase a car, which she would use as transport when working as a disability support worker.

#### Outcome

Saira was supported by the RESP to map out a career plan that would provide her with the steps she needed to take to become job ready, find employment and start saving. She met regularly with RESP staff and received guidance on different topics such as Australian work rights and work culture, practising interview skills, and applying for jobs through online job websites.

As a result of the support Saira received from the RESP, she went on to complete studies in Process Manufacturing and found employment in a pick packing role. Saira is extremely grateful to have found employment and is continuing to work toward her dream of working in the disability sector with the support of the RESP team.

<sup>9</sup> Building a New Life in Australia (BNLA): The Longitudinal Study of Humanitarian Migrants.

<sup>10</sup> <https://www.ssi.org.au/news/media-releases/2928-nsw-government-extends-employment-support-program-for-refugees>

**Recommendation 3 -** The Australian Government should take on a stewardship role to build an environment which supports development of integrated local responses both within Federal government agencies and across all levels of government.

## 4. Identifying and responding to the needs of job seekers

Any model for employment services needs to be built in a manner which identifies and then responds to the needs of job seekers. Ensuring Services Australia staff are skilled in assessment processes is the first step in this. It is also vital to ensure that service providers are given adequate time within a servicing period to build trust and rapport with job seekers, and the authority to update assessment information.

A fundamental review of the process for obtaining Employment Service Assessments (ESATs) is required. A job seeker's experience of an ESAT is highly dependent on the Centrelink staff member with whom they engage. Evidence requirements can be complex, and education, income and language barriers can all present challenges in undertaking this assessment.

In principle, SSI endorses the shift to digital and online modes of service delivery, including in employment services to provide greater flexibility to job seekers. However, there is a risk that the move to digital and online job seeker services in programs such as Workforce Australia could exacerbate issues for cohorts who may already face digital barriers and exclusion. There is emerging evidence that access barriers that were prevalent in face-to-face service delivery for people from CALD backgrounds and refugees are persisting in the transition to online and digital service models. The three phases of SSI's *Foundations for Belonging* research with newly arrived refugees conducted annually in 2019, 2020 and 2021 provide timely insights into the use of technology to access essential services prior to and during the pandemic.<sup>11</sup> The research found, that despite refugees having smart devices, there was a consistent pattern of difficulties in using technology; this was identified as one of the most common barriers, alongside language difficulties, to accessing government and essential services<sup>12</sup>. In addition, the research found gaps in digital skills particularly among women and older people pointing to the need for more investment in digital literacy programs tailored to multicultural communities at scale to support the increased use of online services.

### ***Navigating the Australian labour market***

Abdul\* came to Australia as a refugee with a priority of initially supporting his family before going onto university to study information technology (IT). Upon arrival, Abdul was encouraged to study English first, then go on to TAFE to study administration and was also encouraged to take work as a driver. He received incorrect advice about the time required to complete an IT qualification and progress into the type of work which he desired, and he had little understanding of how he could access IT roles and future IT work.

Through SSI, Abdul was connected with RESP specialist staff who assessed his goals and provided coaching on the Australian labour market and tertiary education to empower his agency in navigating and developing a career pathway. Working in partnership with and guided by Abdul, his priorities were an improved understanding of the Australian IT market and connecting with courses which would allow him to gain the

<sup>11</sup> Culos, I., McMahon, T., Khorana, S., Robertson, S., Baganz, E., Magee, L., Agha, Y. (2022). *Foundations for Belonging 2022 Insights on Newly Arrived Refugees: Family separation and reunion during the pandemic*. SSI/Institute for Culture and Society, Western Sydney University.

<sup>12</sup> *Ibid.*

necessary industry foundational skills. Abdul had developed his English proficiency but needed to better understand the Australian labour market and also to further understand, and articulate, how his skills acquired overseas could be used in the Australian context.

Beyond just placing Abdul into a job, he received mentoring to build his confidence and develop a clearer understanding of future career opportunities and pathways. Ongoing, 'light-touch' support was provided to Abdul to reassess and adapt his needs toward full independence in his career development and planning.

\* pseudonym used to protect person's identity

**Recommendation 4 -** A user-focussed review of the ESAT process should be undertaken in order to identify opportunities to improve this process.

**Recommendation 5 -** Digital literacy screening should be included as part of the initial job seeker assessment in employment programs.

**Recommendation 6 -** The Australian and state/territory Governments should implement digital literacy programs tailored to multicultural communities to support the increased use of online services.

## 5. Enabling choice in the types of assistance

As noted in the discussion of First Principles, SSI firmly supports job seekers having choice and control in their service journey. This should include the ability to select their service provider. It also means ensuring that there is a suitable range and diversity of services in a region. SSI believes strongly in the need for specialist services to be part of this offering.

An improved Workforce Australia model, or a new employment service, should provide targeted employment support for people of CALD and refugee backgrounds that address the unique barriers they face. These job seekers for example, face unique challenges and barriers in gaining employment in Australia including limited English language proficiency, inadequate Australian work experience, limited social networks, racism and discrimination, and issues in having their skills and qualifications recognised<sup>13 14</sup>. Programs therefore must support them across their employment journey spanning job-readiness, pre-employment training and paid work experience, effective job-matching, post-employment support and career progression. Consequently, SSI supports the expansion of specialist services by providers with expertise in delivering programs to CALD and refugee communities in the provision of Workforce Australia and complementary employment programs.

Within this, the Government should also consider intersectional approaches to service offerings and delivery, including developing a more tailored and targeted employment policy response for CALD and refugee women which sees them as new entrants to the workforce. Recent research conducted by NATSEM for SSI indicates that refugee women and migrant women from low- and middle-income countries (i.e. non-OECD countries) are lagging behind other women in the Australian labour market, despite their relatively high level of skills, qualifications and motivation to work. Census data shows that the proportion of overseas-born women in employment is lower, and unemployment higher, than for Australian-born women. Similarly, there is critical untapped potential in the labour market with refugee women and women from low- and middle-income countries who are working

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<sup>13</sup> Senate Education and Employment References Committee, 2018

<sup>14</sup> ACOSS, 2018; Tahiri, 2017.

part time more likely to want to work full time compared to all other women. For refugee women the results are very striking, with almost all part-time workers (95%) wanting to work full time<sup>15</sup>

**Recommendation 7 -** Job seekers should be provided with choice and control within their service journey. This should include their choice of employment service provider.

**Recommendation 8 -** Future models for employment services should provide targeted support for people of CALD and refugee backgrounds that addresses the unique barriers they face and support them across their employment journey spanning job-readiness, preemployment training and paid work experience, effective job-matching, post-employment support and career progression.

**Recommendation 9 -** The future design of employment services should consider intersectional factors such as gender in the provision of specialist employment support.

## 6. Helping job seekers into secure jobs

SSI advocates for a model which achieves a better balance between the needs and aspirations of job seekers with the opportunities within the local labour market. Even where they gain employment, many migrants and refugees are unable to get jobs commensurate with their qualifications and skills. In part this is due to challenges relating to recognition of overseas skills and qualifications. In 2006, the Productivity Commission considered Australia's skills assessment and recognition scheme as complex, time-consuming and bureaucratic – little has changed since that time. The 'work first' approach to service delivery, which focuses on the most readily available job rather than on long-term, secure employment opportunities, also exacerbates the skills mismatch.

The design and implementation of employment programs should shift the dial back in the direction of the right job – rather than the first job. The current 'work first' model of employment is contributing to the disengagement of job seekers. Combined with a compliance-focused approach to service delivery it is corrosive to self-efficacy and resulting in a churn of job seekers through employment service providers.

SSI also encourages the Committee and the Government to pay particular attention to the incentives and disincentives that job seekers face to engage in employment. The decision to take on work, while considering the impacts on other benefits is a fair and reasonable consideration for job seekers. Access to benefits connected to social security including access to housing (including social and community housing or rent assistance) and access to health and other benefits (e.g., Health Care Cards), are real and pressing barriers to engaging in employment, particularly where those individuals are entering the workforce in entry level roles that are often highly insecure. A review of the intersection between State and Commonwealth supports and entitlements and employment should be undertaken as part of any redesign of the employment services system.

For example, an effective future model would consider the interaction of policies relating to income support and employment outcomes for disadvantaged job seekers. Currently, the vast majority of new permanent residents in Australia have a four-year waiting period for income support payments, irrespective of their level of need (refugees and humanitarian entrants are exempt from these measures). Analysis by the Committee for the Economic Development of Australia (CEDA)<sup>16</sup> found

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<sup>15</sup> Batainah et al., 2022.

<sup>16</sup> CEDA. A Good Match: Optimising Australia's permanent skilled migration. 2021

that this waiting period for newly arrived migrants has exacerbated skills mismatch, while delivering only modest annual savings to the federal budget. An unintended consequence of the policy of successive governments in creating and expanding waiting periods to access the social safety net is that permanent skilled migrants are channelled to take jobs outside of, and below, their skill set to survive as they attempt to establish a career in Australia.

It is also timely that the Government review the current 26-week outcome arrangements present within employment contracts. SSI notes that there has been no comprehensive, publicly available evidence-based review of this as a measure of success. Further, the changing nature of work including casualisation of the workforce brings into question its appropriateness as a measure of success.

**Recommendation 10 -** The future design of employment programs should shift the focus from 'any job' to 'the right job' for individuals taking account of their skills and aspirations.

**Recommendation 11 -** The Australian Government should examine the waiting period for new permanent residents to access income support with a view to waiving it or reducing it to six months. If there is any waiting period, it should commence on arrival in Australia rather than once permanent residency is attained. This will give migrants a better chance to find the right job that is commensurate with their skills and qualifications.

**Recommendation 12 -** The Australian Government should review the relevance of 26-week outcomes as a measure of success in employment contracts, ensuring success measures fairly reflect the intended outcomes of the program.

## 7. Meeting employer needs

Employment services must be able to support the workforce needs of employers now and should also have capacity to build the workforce of the future. Programs and contracts should be designed in a way which acknowledges the time and effort required to build employer connections and support.

As part of any employment focussed system, Governments should fund industry led initiatives in partnership with employment service providers to support long-term unemployed and underemployed people to reskill in emerging industries. Initiatives such as the national Home Care Workforce Support Program offer a suitable approach. SSI is currently the provider of the new Home Care Workforce Support Program in NSW and the ACT which is funded by the Department of Health and Aged Care. Through this program, SSI is working with the aged care industry, including home care and training providers, to build the capacity of the workforce to recruit, train and retain staff especially those from culturally diverse backgrounds. As part of this program, SSI has developed a Home Care Job Passport which could be adapted to meet the needs of other industries and sectors. The Passport maps out the minimum requirements to commence employment within the sector, for example: police clearances, first aid, CPR, and certifies that candidates have baseline requirements to commence employment while waiting on overseas skills recognition or qualification completion.

A dedicated focus on emerging industries is also necessary in the employment services sector. SSI is now working with industries of growth using a 'Learn while you Earn' paid placement approach. The Step it Up/UST initiative for example helps unemployed people build sustainable careers by training and skilling up people in various areas of emerging technology. Successful graduates of the training program are placed with companies to build up their experiences in the corporate world, and potentially be offered a full-time position at the end of the internship. The inception program in 2021 focused on a cohort of disadvantaged students including unemployed women and Indigenous

communities. Of the 15 participants who enrolled, 13 graduated as software developers, and two took up other opportunities. Reflecting on their experience in Step It Up/UST, one graduate commented:

*“When I got through the initial assessment for the program, I had to make a life-impacting decision of transitioning my career to a completely new one. Even though I was a little sceptical. Initially, I joined the program to challenge myself. I can now say my decision changed my life for good. Now, I am a software developer at one of Australia’s largest digital banks. I really value the leadership skills that I gained while learning Java.”*

**Recommendation 13 -** Future models of employment services should include funding to enable providers to engage and support employers with tailored engagement for different industries including:

- developing initiatives similar to the Australian Government’s Home Care Workforce Support Program for other key industries with **skills shortages**. These initiatives should include a focus on building capability of employers to recruit, train and retain staff from different cohorts including from CALD and refugee backgrounds; and
- fund industry led initiatives in partnership with employment service providers to support long-term unemployed people and underemployed to reskill in **emerging industries**.

## 8. Mutual obligation and activation

SSI believes, as an overarching principle, that everyone should be able to exercise agency and control over their pathways to employment. Ultimately this leads to stronger and more sustainable employment outcomes. Accordingly, SSI supports removing the use of compulsion and mutual obligation from all employment services programs.

In SSI’s experience, many of the CALD and refugee participants that we work with are highly motivated to gain employment commensurate with their skills and qualifications which makes compulsion unnecessary. However, for other client cohorts, particularly those with more complex needs, the use of compulsion can be counterproductive and undermine the level of engagement in the program and have negative impacts on health and wellbeing. Trust and rapport are critical to programs of this nature, so that participants are open to expressing their aspirations and challenges and get the support they need. SSI’s Refugee Employment Support Program shows that we achieve good outcomes with voluntary participation without the need for compulsion. In 2021-2022, 1,000 clients were supported of whom 46% gained employment and 42.5% commenced education.

Wherever possible participants should be able to access paid internships, traineeships and work experiences to improve skills and employability without adverse impacts on their welfare payments. Exploitation of populations experiencing vulnerability can grow in situations where unpaid work is carried out under the guise of training and education, and SSI would urge that the ‘Work for the Dole’ scheme should be abolished, with participants supported in acquiring meaningful educational and employment opportunities. Paid work experience opportunities provide incentives for job seekers to advance their learning and employability and have a far more positive influence on outcomes than punitive compliance regimes.

**Recommendation 14 -** The use of compulsion and mutual obligation should be removed from the future design of employment services.

**Recommendation 15 -** Work for the Dole should be abolished and replaced with opportunities to access paid internships, traineeships and work experience without adverse impacts on welfare payments.

## 9. Compliance and enforcement

SSI believes, as an overarching principle, that everyone should be able to exercise agency and control over their pathways to employment. Providers should not be ‘police on the beat’ in applying sanctions and policing compliance of job seekers around their mutual obligations. Across SSI, approximately 40% of staff time in employment programs is involved in compliance and administration of obligations. This reduces the capacity of staff to provide the types of services and supports required by our clients to enter employment.

The suspension of payments has major negative impacts on parents and compromises their capacity to provide for the basic needs of their child. As well as financial hardship the threat and/or imposition of financial penalties can result in acute anxiety and mental distress.

SSI is concerned that job seekers whose first language is not English are particularly at risk of being non-compliant and having payments suspended, particularly when employment services providers lack skills or capacities to work with people from CALD or refugee backgrounds. An analysis by ACOSS regarding the ParentsNext program shows a disproportionate incidence of suspensions of CALD parents relative to the caseload of people from CALD backgrounds.<sup>17</sup>

Where individuals do not engage in programs and supports, in SSI’s experience there is always an underlying reason or barriers to engagement. While providers need to have a strategy to address barriers, the Government also has a role in promoting voluntary engagement. In the past, SSI could reach out to Centrelink social workers to follow up with participants and work with them to address barriers. SSI suggests that this approach should be reinstated.

Consistent with our ParentsNext Submission, SSI strongly supports removing the use of compulsion in programs so that participation is voluntary. However, if any aspects of compulsion remain, this should be designed to realistically accommodate the needs and capacity of an individual to engage; there should also be avenues for appeal.

Further, if any element of compulsion and sanctions remains it is vital that robust ongoing processes are established to monitor how this is implemented by region, provider and participant characteristics to ensure consistency in approach. Anecdotally, for example, SSI has heard of variations in the implementation of suspension of payments between ParentsNext providers with some failing to grant appropriate exemptions for reason such as illness, pregnancy or family violence.

**Recommendation 16 -** Compliance requirements and associated Centrelink payment suspensions should be removed from employment services.

**Recommendation 17 -** If individuals do not engage with services, providers should be able to refer to Centrelink social workers to follow up with participants and work with them to address barriers and promote voluntary engagement.

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<sup>17</sup> Australian Council of Social Service. (2022). *Inquiry into ParentsNext, Select Committee on Workforce Australia Employment Services*, Submission no. 62, p7.

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Workforce\\_Australia\\_Employment\\_Services/WorkforceAustralia/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Workforce_Australia_Employment_Services/WorkforceAustralia/Submissions)

## 10. Oversight, quality and assurance

Provision of employment services should be delivered by qualified and experienced staff. Currently, it is up to each employment services provider to make decisions about its staff profile including minimum qualification and skill levels. SSI supports requirements for minimum qualifications and the professionalisation of the sector. A factor in poor staff retention across the sector is a lack of recognition of the skills and capabilities of employment services staff, and encouragement towards formal qualifications. Contracts for provision of services should require minimum staff qualifications and should also provide appropriate funding to support staff to meet these requirements. Improved qualifications and professionalisation will improve service quality and outcomes for job seekers. These minimum standards should be set by the funding body and not left to individual providers. As the Committee suggests in the Workforce Australia Employment Services Inquiry Submission Guide:

The evidence is that there has been a de-skilling of the employment services sector workforce since outsourcing and privatisation and that the sector's workforce is predominantly female, low paid and without post-school qualifications.<sup>18</sup>

SSI supports introduction of mandatory minimum qualifications which should be specified in the contract and the service offer commitment and monitored by the Department of Employment and Workplace Relations. There are similar contractual requirements in other federally-funded programs such as the Humanitarian Settlement Program, managed by the Department of Home Affairs.

Specifically, SSI suggests that all staff should have a minimum diploma level in career counselling and/or case management or be willing to commence gaining this within the first six months of employment.

In addition to minimum qualifications, a strong focus on induction and training on commencement with ongoing professional development is essential to upskill and professionalise the employment services workforce. Providers' commitment to provide professional development should also be included within the tender process, the contract and the service offer commitment and monitored by the Department of Employment and Workplace Relations.

SSI has already made a commitment to ensuring staff professional learning, with all staff required to complete mandatory training requirements within the first three months, for example, on child protection procedures, culturally responsive practice, work health and safety, and privacy awareness. Our employment services staff also have ongoing training in areas such as career counselling, trauma informed practice, supporting people experiencing domestic and family violence, mental health awareness, emotional intelligence, leadership, and working with Aboriginal and Torres Strait Islander communities.

Continuing to invest in and build the professional capacity and capability of our staff is a key pillar under SSI's Employment Services 2023-2026 Strategic Roadmap. The Roadmap sets out our intent that 25% of our employment services workforce will hold relevant professional qualifications by 2024; 50% by 2025; 90% by 2026.

SSI recognises the need to ensure that relevant assurance frameworks and safeguards are in place within human services contracts. SSI encourages the Government to engage with the sector and

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<sup>18</sup> Parliament of Australia. (2022). Submission Guide: Inquiry into Workforce Australia Employment Services, p35.



industry bodies to understand the impact of the implementing such measures. Any investment in compliance and administration often takes away from client-focussed service delivery.

For example, regarding Right Fit For Risk (RFFR), SSI understands the importance of ensuring that the data of our clients is managed in a safe and secure manner. We note however that the cost of obtaining RFFR is borne by service providers, with investment of upwards of \$500,000 required to do this. Where this occurs, it often detracts from the services provided. It would also act as a significant barrier to entry for smaller or more specialist services if the full cost of achieving these requirements is not met within program funding.

**Recommendation 18 -** The Department of Employment and Workplace Relations should establish mandatory minimum qualifications for all employment services programs. The minimum qualifications should be specified in the contract and the Service Offer Commitment and monitored by the Department.

**Recommendation 19 -** Providers should be required to set out their commitment to provide initial and ongoing professional development in the tender process. This should be set out in the contract and service offer commitment and monitored by the Department of Employment and Workplace Relations.

**Recommendation 20 -** The cost and impact of meeting quality and other assurances processes should be factored into program costs.

## 11. Research, Evaluation and Adaptation

Robust research and evaluation are integral to evidence-based program design and delivery. SSI supports undertaking overall program evaluation, commissioned by funding bodies, which can then be complemented by evaluation undertaken by individual providers in employment services. Efforts to collaborate and undertake this provider-level evaluation should be encouraged and incentivised in employment services program design and contracting. SSI welcomes the commitment made by Minister Leigh to establish an Evaluator General as a mechanism to build the evidence base and learnings on the effectiveness of publicly-funded programs across the Australian Government.

SSI is committed to building the evidence base for service delivery and actively invests in research and evaluation to address gaps relevant to our goal to deliver specialised services. For example, we recently commissioned NATSEM at the University of Canberra to investigate the economic participation of migrant and refugee women in Australia. The research, *Untapped Potential*, launched in December 2022 provided evidence on the significant gaps in economic participation between migrant and refugee women and other women in the Australian economy. The accompanying Policy Brief, *Unlocking Potential*, argued for a more tailored and targeted policy response at Federal and state/territory levels to address these gaps. Similarly, SSI invests and embeds evaluation in the delivery of programs on behalf of Federal and state/territory Governments so that we can adapt and improve program implementation and outcomes. Recent examples include evaluations of SSI's delivery of the Settlement Engagement and Transition Support program and the Humanitarian Settlement Program (both funded by the Department of Home Affairs) and AbilityLinks (funded by the NSW Government).

Opportunity exists for broader engagement of researchers (e.g. university academics, policy advisors) in the analysis of data relating to employment services and development of a more robust evidence base. A possible response may include increasing researchers' access to data relating to

employment services, with appropriate safeguards and governance. Such data may include a range of information, such as: size of the market, key demographic groups, locations and service performance information. Analysis of this data may inform future planning and provide a greater degree of transparency around services within the system. Wider access would enable the broader research community to more easily employ their skills in shaping future government and sector priorities.

**Recommendation 21** - Providers should be incentivised to invest in research and evaluation relevant to employment services and to share this publicly to complement research and evaluation commissioned by funding bodies.

**Recommendation 22** - Aggregated employment service data should be made publicly available and provide details on areas such as size of the market, key demographic groups, locations and service performance information. This will enable better planning and allow researchers and evaluators to generate insights to inform improvements in program design and delivery.

**Authorised by:** Sonia Vignjevic, A/CEO

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