

Review of Employment Services

PREPARED FOR:

Brendan O'Connor
Minister for Employment Participation

FEBRUARY 2008

Table of Contents

Executive Summary	1
Recommendations	2
Overview	3
1. How to ensure early interventions minimise the number of long term welfare dependent Australians of working age (including a review of the JSCI)	5
<i>The importance of early intervention for NESB job seekers</i>	5
2. How to ensure employment services are relevant to the circumstances and needs of the job seeker	8
<i>Preparation for sustainable employment for NESB job seekers: supporting transitional pathways to employment</i>	8
3. How to ensure job seekers with higher levels of disadvantage receive intensive assistance	13
<i>Providing customised services</i>	13
4. How to ensure incentives for training will improve the employability of job seekers (including incentives for long term training and education to address labour market needs)	15
<i>Training to address skill shortages</i>	15
5. How to ensure job seekers receive appropriate training	22
<i>Providing a customised service: assessment and case management to ensure appropriate training and pathway to employment</i>	22
6. How to ensure performance management principles (including star ratings and business reallocation) that support sustainable outcomes and promote quality service delivery	25
<i>Improved Performance Management</i>	25
7. How to ensure the minimisation of time and money spent on administration.	28
<i>Streamlining Processes</i>	28

Executive Summary

Adult Multicultural Education Services (AMES) is a specialist organisation providing settlement, education, training and employment services to newly arrived refugees and migrants in their initial phase of settlement. Employment services are also provided to job seekers over a longer settlement period.

AMES response to the Minister's request for input therefore focuses particularly on the impacts of employment services for Non English Speaking Background (NESB) job seekers. It proposes interventions and services to increase opportunities for social inclusion. These interventions will support the capacity of newly arrived refugees and migrants to contribute to Australia's society and economy and build independent lives.

Data and qualitative evidence indicates that workforce participation rates are lower for newly arrived refugees and migrants than for many other Australians. For example, a Department of Immigration and Citizenship (DIAC) study found that 16-17 months after arrival 43% of Humanitarian Entrants were still unemployed and only 32% were participating.

Data and qualitative evidence gathered by AMES also indicates that there are underutilised skills within these groups that could, with the benefit of training, work experience and support, help in alleviating some skills shortages present in Australia.

To illustrate the potential for new approaches to make a difference, the paper provides some examples of initiatives that AMES has and is piloting. These include programs working with job seekers with few vocational skills and low levels of English and those with overseas qualifications that are recognised in Australia. Pilots have included both direct entry to employment and customised training models.

Recommendations

1. Early intervention

- 1.1 Improved access to case management services for all NESB job seekers rather than self-help options for some categories (0 – 4 months after arrival)
- 1.2 Increased focus on establishing needs, aspirations, barriers and gaps as the first step to providing a relevant service and acknowledgment of the time required to develop skills within the program structure and performance management system.
- 1.3 Review of Activity Test requirements for newly arrived Humanitarian Entrants and other job seekers with training needs
- 1.4 Review of the JCSI to take into account factors specific to NESB job seekers including visa category and English proficiency
- 1.5 An optional minimum exemption period of 3 month for Newstart registration be reintroduced for newly arrived Humanitarian Entrants
- 1.6 Access to employment services and training be provided for Family Stream and Skilled Stream NESB job seekers

2. Improved case management

- 2.1 Services that develop planned pathways which take into account transitional opportunities for job seekers with improved flexibility to allocate resources to achieve sustainable longer term outcomes including:
 - provision of employability training and support
 - provision of AMEP and LLNP (make LLNP exempt from job search requirements) and other language and literacy training and support programs
 - provision of contextualised skills training preferably in a work-based environment that supports addressing skills shortages
- 2.2 Payment for Post Placement Support (PPS) to support improved job seeker and employer support
- 2.3 Review fee structure to acknowledge the additional support required to effectively service NESB job seekers with multiple barriers to employment
- 2.4 Decrease contract administration to enable increased service provision

3. Improved performance management

- 3.1 Review of the current performance management system to take into account:
 - length of time in Australia
 - visa categories
 - training outcomes
 - early placement (0 – 3 months)
 - a life-first not work-first approach that changes the current speed of placement KPI to a more realistic criterion for those requiring intensive support

4. Increased employer support

- 4.1 Increased incentive and support that acknowledges employers' effort especially during the first 3 months of a job seeker's employment
- 4.2 Increased incentive and support that better enable work experience and trials
- 4.3 Consideration given to an employer communications campaign that highlights the business benefits of cultural diversity and industry's role in social inclusion

Overview

AMES is a specialist organisation providing settlement, education, training and employment services to newly arrived refugees and migrants in their initial phase of settlement and to longer term migrants who require support to gain employment. AMES provides services in Victoria and in the western suburbs of Sydney. AMES works with over 50,000 people a year and has over 50 years experience.

AMES is the largest provider of NESB Specialist services in the Job Network. All of AMES Job Network contracts are in areas of high migrant populations in Melbourne and Sydney. In January 2008 AMES Job Network (JN) had an active caseload of approximately 22,000 clients.

NESB job seekers arrive in Australia under two distinct streams - Humanitarian Entrants and Migrant Entrants. Migrant Entrants come under two major streams - Skilled Migrants and the Family Stream. Job seekers from all streams can face barriers to obtaining employment. These are of different natures and levels depending on the background of the job seeker. At present these Entrants have differing levels of eligibility for services.

NESB job seekers are defined by AMES, and in this document, as those who have arrived relatively recently and have one or a number of the following attributes.

- Limited or no Australian work experience and networks
- Limited or no knowledge and understanding of Australian workplace culture and systems
- Low English communication skills and some pre-literate in first language
- Experiences of torture or trauma prior to arrival
- Chronic health issues as a result of overseas experiences
- Overseas skills and experiences which are relevant but not necessarily easily translated and / or recognised in Australia

These can cause significant barriers to gaining employment. Addressing these barriers requires customised and intensive support, training and experience to assist these job seekers into productive work and the social inclusion that results from this.

DEWR's definition for the purposes of employment services, is less prescriptive and covers a much wider group. Sharpening the definition of NESB jobseekers is important in customising services to meet specific needs and in defining (and limiting) the extent of resource implications.

Context

It is important to consider the changes to the delivery of employment services proposed in this paper in the context of:

- the high priority AMES places on getting people into work as soon as possible - based on government and AMES analyses that employment is a critical factor in successful settlement and social inclusion
- the high priority AMES places on getting new arrivals to see the value of earning an income rather than depending on long term welfare
- the transitional nature of employment pathways for newly arrived settlers who often initially gain employment through casual and part-time work and work in the informal economy. These jobs often underutilise the skills of newly arrived refugees and migrants
- the importance of recognising this casual and sporadic work as transitional pathways to more sustainable jobs so that new arrivals are not consigned to unskilled work for ever. The need to gain early employment should not preclude the possibility of securing more skilled employment when, for example, they have learnt English
- a number of options that have been proposed by the new government to address current policy impediments that apply to this client group

Data: Indicating a need for new approaches

New arrivals in Australia face additional barriers to gaining employment. Balanced against this, newly arrived migrants and refugees generally arrive with high levels of resilience, resourcefulness and determination to work and succeed. Support provided must take account of the additional barriers, for example English language skills and knowledge of the Australian workplace. It should also recognise that the determination to settle and build a new life provides a strong incentive for early entry to the workforce. National data indicates participation rates for newly arrived refugees and some migrants that are significantly lower than for the general population.

DIAC Longitudinal Survey of Immigrants to Australia

The most comprehensive survey undertaken on participation rates for Humanitarian and Migrant Entrants to Australia is the DIAC Longitudinal Survey of Immigrants to Australia (LSIA)¹.

Unemployment:

While data from this study indicates that participation rates have improved from LSIA 1 (date) to LSIA 2 (date), Humanitarian Stream Entrants and some categories within the Migration Stream continue to be severely under-represented in the workforce.

- The national unemployment rate is currently 4.3%
- For Humanitarian Entrants surveyed in LSIA 2, 75% were unemployed after 4-5 months and only 16% were participating in the labour force. After 16-17 months 43% were still unemployed and only 32% were participating.
- In the Preferential Family / Family Stream 21% were unemployed after 4-5 months and 54% were participating in the labour force. After 16-17 months 13% were still unemployed and 62% were participating.

Family Stream applicants are not eligible for employment services for 2 years after arrival. Interventions to assist them find work within the first two years of arrival will circumvent the high economic and social costs of long-term unemployment.

Under-employment:

The survey also notes that the jobs held in Australia by Primary Applicants shortly after arrival tended, on average to be slightly less skilled than their jobs in their countries of origin. For example, when looking at the current main job of those in the Independent Group, one in eight jobs was either semi-skilled or unskilled. In comparison only one in thirty jobs held in the former home country was semi-skilled or unskilled.

This data indicates room for improvement in services that support both social inclusion for individuals and the full utilisation of their skills and labour in the economy.

¹ The DIAC Longitudinal Survey surveys Primary Applicants in all visa categories over an extended period. LSIA 1 surveyed arrivals between September 1993 and August 1995, LSIA 2 surveyed arrivals between September 1999 and August 2000. LSIA 3 surveyed arrivals and those granted their visa onshore between December 2004 and March 2005. Humanitarian Entrants were not included in LSIA 3.

1. How to ensure early interventions minimise the number of long term welfare dependent Australians of working age (including a review of the JSCI)

The importance of early intervention for NESB job seekers

Labor's policy argues that workforce participation is a foundation for social inclusion, creating opportunities for financial independence and personal fulfilment. AMES experience in working with NESB job seekers strongly supports this view. The sooner these job seekers start to have some employment – albeit it may be part time or casual – the higher the chances of successful settlement and progressive entry into more sustainable employment.

This must be balanced with the equally important imperative to learn English in this early period of settlement. Without English their capacity to both participate in Australian society and have sustainable employment in the long term will be severely diminished.

Humanitarian Entrants face many complex issues in settling – gaining employment being one important component of this settlement. Many Migrant Entrants also face similar barriers. It is important that both Humanitarian and Migrant Entrants are provided with support as early as possible in their settlement process.

AMES experience is that not all Entrants who arrive on a Humanitarian visa are immediately eligible for the intensive support required to obtain employment. Likewise other NESB job seekers who would benefit from immediate intensive intervention do not have access to this support.

Early intervention must be immediate, intense and flexible.

There are a number of issues in providing services in Job Network for these job seekers that can impede this transition to work. While these issues may also apply more broadly to English Speaking Background (ESB) job seekers they have a significant impact on NESB job seekers who require a customised service that starts as early as possible and works as intensively as possible to support job seekers into employment. These proposed interventions are outlined under three areas.

Early access to services involves:

1. Review of Job Seeker Classification Instrument (JSCI)
2. Access to services within 0 - 4 months of unemployment for Humanitarian Entrants
3. Access to some services within 2 years of arrival for Migrant Entrants

1. Review of JSCI

Job seekers who arrived in Australia as part of the Humanitarian Program are no longer automatically classified as Highly Disadvantaged (HD). Prior to the revisions made to the JSCI by the previous government, refugees were automatically classified HD if the person had arrived in the last 5 years. NESB job seekers similarly are not automatically classified as HD. This immediate and automatic HD classification needs to be reinstated.

Indicators of HD for NESB job seekers need to include:

- Length of time in Australia
- English language proficiency
- Visa category
- Refugee experience
- Parents returning to work

AMES experience is that the impact on service delivery for job seekers who are not appropriately classified as HD is serious. In practical terms this means:

- If a job seeker is not classified as HD the Job Network provider may be contractually obliged to provide job search training. Where job seekers have low English skills they are not able to benefit from this and it is not the most appropriate first support for the job seeker. AMES has developed some alternative pre

employment programs to meet the needs of NESB job seekers.

- The client cannot be provided with Customised Assistance for the first twelve months and hence get individual tailored assistance that can accommodate lack of English and other barriers.
- The opportunities presented in the first three months when motivation is high are not capitalised on in terms of focussed preparation for employment.

2. Access to services within 0-4 months of unemployment

Early intervention minimises the chance of people falling into longer periods of unemployment and welfare dependence. It also recognises that workforce participation is a crucial part of settlement and broader social inclusion for these individuals and their families. Policy and contractual requirements must facilitate early access to services.

The limited support available for job seekers who are not classified as HD is of concern. The rationale for low levels of support to job seekers who have been unemployed for less than four months and the low levels of payment for employment outcomes for these job seekers is premised on these job seekers having the resources in terms of personal capital and labour market skills and experience to essentially find their own employment. Newly arrived Humanitarian Entrants and some other Migrant Entrants do not usually have these resources, skills or experience.

Many NESB job seekers are highly motivated to commence work early during their settlement period. In AMES experience this work may often

be casual or part-time but it nevertheless provides an entry point and sets up a work-not-welfare pattern of settlement in Australia. The increase in non-standard forms of work noted in Reward for Effort² is a reality for NESB job seekers, particularly those with low skills or no work history in Australia.

AMES experience with Humanitarian Entrants is that intensive resources must be employed early and that these services must be flexible to allow a number of settlement issues to be addressed concurrently.

Government directly provides considerable resources such as IHSS, AMEP and LLNP to support settlement needs of recently arrived NESB job seekers. Policies and contracts need to facilitate and encourage concurrent rather than linear delivery of these services. Programs delivering English language tuition need to be flexible so that they can be customised to fit around unpredictable and casual work without jeopardising job seekers' entitlements.

² Reward for Effort: Meeting the Participation Challenge. A discussion paper on Australia's workforce participation issues. Issued by Senator Penny Wong November 2006

3. Access to services within 2 years of arrival for Migrant Entrants

Migrants in the Family and Skilled Streams are not eligible for JN services for 104 weeks after arrival. Job seekers in these groups have skills and experiences that could help meet labour and skill shortages but are not able to find work that uses their skills.

It is AMES experience is that the longer these job seekers remain unemployed or in a job that does not use their skills the less likely it is that they will find employment in their original occupations.

Early intervention for Migrant Entrants needs to provide access to services (not income support) within the 2 year waiting period. Case management support to provide vocational counselling, pathway planning and training to maximise skills will assist these job seekers into work that uses their overseas skills and experience.

Interventions must have the objective of ensuring that these jobseekers never become recipients of welfare, are using their skills and participating in the workforce well before they are eligible for income support.

2. How to ensure employment services are relevant to the circumstances and needs of the job seeker

Preparation for sustainable employment for NESB job seekers: supporting transitional pathways to employment

Circumstances of refugee and other NESB jobseekers

AMES experience with NESB jobseekers confirms that many have issues and needs requiring intensive and specialist support. This requires that resources and services be better customised and targeted. Equally it requires a more flexible approach to accommodate the realities of transitional labour market entry – often through casual or part time work.

NESB jobseekers broadly fall into three categories:

- those with recognised qualifications who have not been able to find work in their field in Australia
- those with skills and competence but no form of recognised credential (or no documentation due to the circumstances of their refugee journey)
- those with limited vocational skills and low spoken and written English skills

Note: Jobseekers in the first two categories may or may not have good English language skills

Different circumstances require different responses – therefore a work first approach that matches a job seeker to any vacancy will not result in sustainable employment, or in some cases, any match being possible.

Brotherhood of St Laurence research³ has identified several barriers to successful participation in the labour market for recent arrivals including language skills, education and training, labour market knowledge, access to

formal and informal employment networks, poor provision of advice (including guidance and training), cultural transition and pre arrival experiences including extended periods in refugee camps, severe trauma and health issues.

Data in the LSIA⁴ study and qualitative evidence indicates that workforce participation rates are lower for newly arrived refugees and migrants than for many other Australians.

Humanitarian Entrants often commence life in Australia with a low base in formal learning skills and English language levels. Humanitarian Entrants who are studying in the Adult Migrant English Program for example had an average of less than five years schooling in 2005-2006 compared with seven years in 2001-2002. Only 2% said they read English very well. 37% did not read English at all.⁵ In the 2007 AMEP cohort, 53% of clients have less than seven years of education.

Nevertheless many have shown qualities of tenacity, resilience and determination to succeed and have untapped skills which will be highly relevant in their pursuit of employment.

Many of those with low levels of education will not realistically achieve sufficient English competency in the number of hours currently available (for example under the AMEP)⁶ to work in jobs that require fluent English language communication. Likewise they will not successfully complete vocational training in English to prepare them for employment. This does not mean they cannot work – but it does flag a need for different approaches.

³ Refugees in the labour market: looking for cost effective models of assistance. Brotherhood of St Laurence September 2004 p5

⁴ DIAC Longitudinal Survey of Immigrants to Australia

⁵ DIAC Australia's Support for Humanitarian Entrants 2004-05

⁶ The Adult Migrant English Program entitles newly arrived Refugees and eligible Migrants to 510 hours of English (and in some cases additional Special Preparatory Program hours of between 100 and 400 hours depending on eligibility)

Proposals to address the particular needs of NESB job seekers

A number of proposals are outlined to address the particular needs of NESB job seekers. These are not exhaustive but provide some ideas for consideration in designing more relevant Job Network and other services to assist NESB job seekers into employment.

1. Assessment to understand needs, aspirations, skills, experience and barriers
2. Support during 'first-step' employment
3. English language and literacy programs
4. Exemption periods for Humanitarian Stream Entrants

1. Assessment to understand needs, aspirations, strengths and barriers

A first step in providing employment services that are relevant to the needs of NESB job seekers is to develop a thorough understanding of:

- the aspirations for life and employment in both the short and long term in Australia matched against the skills, experience and qualifications of the job seeker – including life experiences where a refugee or migrant has no formal work experience or qualifications – to establish realistic work/career goals
- the barriers and evident gaps to achieving both short and long term goals

This assessment and an individualised plan to work towards aspirations and address gaps and barriers must be developed, and agreed, with the

job seeker. This will identify whether the first support should be assistance into direct employment or whether other issues such as training are a more appropriate first support. The job seeker's first language will frequently need to be used to develop a thorough understanding and plan.

An employment consultant who shares the cultural understanding of the job seeker will often also be integral to this process. This staff member will have the advantage of understanding and interpreting from two cultural perspectives and systems and can form a bridge between these, identifying and addressing barriers that a mono cultural worker may be unaware of.

2. Support during 'first-step' employment

AMES experience in placing NESB job seekers is that 'first-step' employment is effective as a pathway to more sustainable work when there is adequate post-placement support. Three areas of note are:

- Work, using the skills of the job seeker, that transitions from casual work with one employer to more sustainable work with a different employer
- Work that commences as casual and becomes more secure with the same employer
- Transitioning from less skilled entry employment to positions that use existing overseas skills and experience

These opportunities are not always supported by current Activity Test requirements. In the short term this work does not provide sufficient hours or regularity to meet Mutual Obligation requirements. The Job Network is obligated to pressure the job seeker to take any job in order for the provider to ensure the job seeker meets their obligations, and to generate revenue and maintain performance ratings.

[Flexible approaches to support first-step employment](#)

Approach 1

AMES uses its capacity as an employer to employ people from new communities to improve our service provision through use of culturally appropriate staff and provide "first work opportunity" experience for new arrivals. The experience and data from this project will inform future practices and support for other employers.

Opportunities to use skills

AMES employs a large number of Community Guides on a casual basis. These Guides work in first language with newly arrived Humanitarian Entrants supporting them in initial settlement as part of the delivery of IHSS services. AMES also employs a number of Settlement Information Officers on a part-time contract basis. These workers are frequently recently arrived refugees themselves.

Results to date with this group of workers have shown that the experience gained in AMES, and the reputation they establish with other service providers, leads to on-going work. Other service providers include health services, other not-for-profit agencies and government agencies including Centrelink. Settlement support work uses their skills and provides a valuable workforce to other agencies.

Since the start of the "first work opportunity" initiative in 2005 a total number of 110 Community Guides have obtained employment outside of AMES or have become AMES employees on a part-time or full-time basis.

Taking a long term approach:

- Where these workers have Activity Test requirements there is often pressure to take other full time unskilled work that does not use their bilingual and bicultural skills.
- Being required to take a lower skilled full time job to meet immediate Activity Test requirements denies these workers more sustainable and satisfying work opportunities. If a slightly longer term approach is taken, the outcome is much more beneficial.

Approach 2

One of many examples where casual work can lead to contract work is AMES experience with the Labour Harvest project in Werribee (Outer West Melbourne). In the process of piloting this approach AMES has gained a number of insights that will help to build on the current project, continue to generate work opportunities and further strengthen replications of this approach in the future.

Casual converting to contract work

AMES has established relationships with market gardeners in Werribee (Melbourne) to set up opportunities for members of the Burmese community to obtain work as vegetable pickers and packers. This experience has confirmed the level of support required to ensure that all services are coordinated to the benefit of the client and that job seekers are supported to take on casual work as a first entry to employment. It also confirms the level of effort required to negotiate work opportunities for job seekers with no work experience in Australia and very limited English.

Working with job seekers and the Karen community

AMES has worked closely with the Australian Karen Association (AKO) to establish these opportunities. Input from the community through bilingual outreach staff has been essential to understand the barriers to these newly arrived refugees taking up work opportunities. There is considerable misinformation and lack of understanding throughout the community about the negative impact of any form of reported work against Centrelink benefits. There is anxiety in particular about loss of family and healthcare benefits. Community members with low literacy and numeracy are unable to cope with fortnightly reporting forms and are not confident to use the bilingual call centre.

AMES has addressed this by working with people from the community to identify the work opportunities, providing first language support to explain systems and provide support in Centrelink reporting, etc in ongoing forums and one to one assistance.

Working with employers

Employers were initially reluctant to employ members of the Burmese community, perceiving them to be inexperienced and lacking sufficient English. AMES organised employment liaison staff (including Karen staff) to work with the employers and support workers who have very limited English.

AMES is also establishing ways to ensure that these new arrivals can continue to learn English in the AMEP while taking up what is initially unpredictable casual work.

To meet the requirements of the employers who did not want to directly employ these workers, AMES undertook a labour hire function.

The outcomes in terms of employment are promising. To date 35 members of the Burmese community are working at 4 market gardens. Of these, 18 have completed occupational health and safety training and a further 17 will undertake the training in 2008. 17 of the trained workers are employed, 8 of them now on a full-time basis. Employers are impressed by their speed, reliability and work ethic.

The level of resources required for this project is significant but the long term benefits will be enduring for this community.

The project shows promise but requires a flexible approach and changes in the use of Job Network resources to ensure maximum benefits can be gained in terms of employment outcomes. Revisions to current policy that would support these types of initiatives include:

- Employer incentives to employ NESB job seekers – AMES cannot access these as a result of the Labour Hire arrangement

- Increase of the income threshold for a Newstart recipient before benefits and partner payments are reduced and continued access to Health Care Card benefits in the early stage of employment
- Availability of JN resources to develop and resource flexible employment approaches

Transitional pathways are the reality for obtaining on-going employment for some job seekers – particularly those with no Australian work experience. Policy adjustments that encouraged a flexible transitional entry to work would support increased participation by this group. Current policy does not support transitional employment in a number of ways. Current impediments include:

- the income threshold for a Newstart recipient before benefits and partner payments are reduced

- the withdrawal of Health Care Card benefits in the early stage of settlement where chronic health issues as a result of refugee experience are on-going
- the number of hours a job seeker must work in early stages of settlement to meet Activity Test requirements

These policy issues are also widely applicable to many job seekers where casual work is the mode of entry to employment.

Labor's focus on ensuring that Australia's welfare system provides incentive to move from welfare to work has the capacity to make a difference in this context.

3. English language and literacy

In an address to AMEP providers in 2007, the Acting Assistant Secretary, Settlement, DIAC noted that “the competing pressures from both AMEP participants themselves (who wish to become independent as soon as possible but who also need to learn English to ensure they can work safely and will have sustainable employment opportunities) and from the implementation of Government initiatives to increase Australia's workforce, are creating dilemmas for policy makers and highlighting areas that require greater consideration.”

The address emphasised the importance of the AMEP in ensuring that new migrants, refugees and humanitarian entrants have access to an English language program that develops their English language skills and provides them with the knowledge and understanding needed to successfully settle in Australia and participate in our society.

The challenge is to combine these competing pressures for work and English. Without English language skills sustainable and satisfying work is unlikely. Without work (for those who are job seekers) successful settlement is also unlikely.

And where learners can apply their English learning in real work contexts, the outcomes are frequently improved. There are a number of issues for program management that AMES has identified to date.

AMES has experimented with some programs where part-time or casual employment and learning English are combined. Where this approach impacts most directly on Job Network is as follows.

- Job seekers in the AMEP or LLNP are counted as part of the provider's active caseload. Currently educational outcomes attract a minimal performance outcome for JN providers.
- Job seekers with Activity Test requirements cannot meet these through a combination of work and training.
- The number of hours a job seeker must work for a provider to claim an outcome do not take into account the often transitional nature of entry to work, combined with, for example, learning English.

4. Exemption periods for Humanitarian Stream Entrants

As stated previously, AMES experience in working with newly arrived job seekers strongly supports the view that workforce participation is a foundation for social inclusion, creating opportunities for financial independence and personal fulfilment. The sooner NESB job seekers start to have some employment – albeit that it may be part time or casual – the higher the chances of successful settlement and progressive entry into more sustainable employment.

This must be balanced against the equally important imperative to settle and learn English in this early period in Australia. Settlement issues, including establishing stable housing, settling family members and attending to health issues must be attended to so that new arrivals can both participate in Australian society and obtain sustainable employment in the long term.

Newly arrived refugee and humanitarian entrants are currently exempt from Newstart registration

for 6 weeks post arrival. This was formerly 3 months.

Expanding the period of exemption would not preclude earlier registration by Humanitarian Entrants who choose to do so in order to begin work as quickly as possible, but provides flexibility for those requiring more time for initial settlement and orientation. It also means that people have more capacity to concentrate on job seeking activities if they are not still pre occupied with immediate settlement issues.

It should be noted that many refugee and humanitarian entrants have acute and chronic health issues that will require attention for much longer periods of time, possibly impacting on capacity for full time employment if they are not addressed – or requiring some flexibility to attend medical appointments for example. Retention of Health Care Card benefits as noted earlier is also a very important consideration.

3. How to ensure job seekers with higher levels of disadvantage receive intensive assistance

Providing customised services

Issues raised under Section One - *How to ensure early interventions minimise the number of long term welfare dependent Australians of working age* - are key areas in ensuring job seekers with high levels of disadvantage receive intensive assistance. Areas discussed in this section include:

- Ensuring the JSCI includes comprehensive indicators to identify disadvantage
- Ensuring that job seekers assessed as having high levels of disadvantage are provided with intensive assistance immediately they commence with a Job Network provider

A comprehensive understanding of the needs, aspirations, skills and experience, as well as the barriers faced by the job seeker, discussed in the previous section are also a critical first step.

This section will focus on the need to provide targeted and customised assistance to respond to identified needs of individuals.

1. Customised services matched to individual needs

The design of current Job Network services is based on a continuum of service approach. Put simply, this pre-supposes that all job seekers of particular lengths of unemployment will require the same amount of service, at the same time and in the same order. The capacity to apply a flexible approach that responds to individual needs and barriers as well as job seeker strengths and aspirations is limited. A different approach for NESB job seekers is proposed.

A case management approach

Different circumstances require different responses.

NESB job seekers with limited vocational and English language skills

Individual job seekers from different circumstances require significantly different kinds and levels of intervention and support. Those with limited vocational skills and low spoken and written English skills need services that address English language and vocational skills development, as well as training that provides an orientation to the Australian workplace.

Where these NESB job seekers are long term or very long term unemployed intensive assistance is crucial. The current Job Network system of a continuum of services that has a “one size fits all” approach does not have sufficient capacity to adequately assist difficult-to-place and long-term unemployed job seekers. Flexible, tailored and, in many cases, long term support is required if these job seekers are to obtain fulfilling and sustainable employment.

The clear implication of this is the importance of allocating resources where they are most needed. Higher levels of support services need to be available to newly arrived job seekers who are the most disadvantaged in terms of language and vocational skills, local labour market experience, cultural transition and pre arrival experiences. Increased resources also need to be allocated to NESB job seekers who have been unemployed for long periods.

NESB job seekers with overseas skills, qualifications or work experience

In contrast, NESB job seekers with overseas skills, qualifications or work experience need different and less resource-intensive support, especially if they are already fluent in English. (See Section 4)

2. Examples of Practice: Customised Approaches

AMES has piloted and implemented a number of approaches to assist NESB job seekers to gain employment. A number of these are outlined elsewhere in the paper and include:

- the approach with job seekers from Burma in Werribee – see Section 1
- AMES Intermediate Labour Market approach – see Section 4
- the use of work experience as a labour market entry – see Section 4
- a program for migrants with professional skills – see Section 4

An additional example is provided below to illustrate an approach to job search training for NESB job seekers.

Pre-Employment Program (PEP) for HD job seekers

It is AMES experience that NESB jobseekers often need approaches that are different from the prescribed Job Search Training in the current contract.

AMES developed the Pre Employment Program in 2004 to provide support for Highly Disadvantaged and long-term unemployed job seekers. The program has been update twice to reflect changing client profiles.

The 10-day program aims to provide job seekers with the knowledge, attitudes and skills to successfully find and retain a job. The modules of training include motivation & goals, communication, technology, problem solving and the Australian workplace roles and responsibilities.

The program is further customised to the needs of specific job seekers – for example, a PEP for Parents was run for NESB parents returning to work as part of Welfare to Work reforms.

Evaluation of the program indicates that a considerably longer period of training and intensive is required to achieve employment results for NESB job seekers who are very long-term unemployed, parents returning to work and mature aged.

Using bi-cultural knowledge to understand needs and deliver services

Currently, AMES has 120 employment specialist staff working in Sydney Job Network locations. Staff speak over 30 languages. This enables delivery of customised services. NESB staff can understand cultural barriers, mediate with their bi cultural understanding and develop a customised action plan that takes cultural aspects into consideration.

Where possible, Employment Consultants are matched with job seekers from the same cultural background. Where appropriate, job search training and PEP training is conducted by bi-lingual job search trainers in first language. Specific sessions are organised for job seekers with low English proficiency to assist with application and employment forms.

Recruitment Consultants are employed with languages other than English in order to reverse market job seekers to the ever-growing base of NESB employers, in particular, small operators across Sydney's South Western corridor.

4. How to ensure incentives for training will improve the employability of job seekers (including incentives for long term training and education to address labour market needs)

Training to address skill shortages

The following proposals with respect to training must be prefaced by noting the lack of incentive in the current Job Network contract to place job seekers in any substantial training. In brief, the contractual disincentives are:

- the impact on speed of placement calculations in star ratings as job seekers in training remain on a providers active caseload
- the minimal payment for training outcomes

This works against providing customised pathways to employment for job seekers where training is an important component to either acquire basic language, literacy and / or vocational skills. It also works against utilising overseas skills where some additional training is required to put these skills to use in an Australian workplace.

This section will outline proposals for:

1. Working with employers and industry groups
2. Training using workplace contexts
3. New ways to address labour shortages through increased use of existing overseas skills and experience
4. Language and Literacy and Employability Skills
5. Mentoring as a support to training and employment placement

1. Working with employers and industry groups

AMES experience with overseas qualified migrants has demonstrated the difficulty many of these job seekers have in finding work in their professions without support. Providing intensive support, which includes work experience, has proved an effective intervention. This approach has been used for migrants with professional qualifications. It would apply equally to groups with para-professional and trade skills.

The importance of employer relationships

One of the most significant barriers for NESB job seekers, particularly the new and recently arrived, is securing a first job in Australia in order to effectively engage with a new labour market, learn about Australian workplace culture and develop local work experience. The “catch 22” situation in which the jobseeker needs experience to get the job, but can’t get the job to get that experience, is a reality for many NESB jobseekers. Work experience is a very useful intervention to circumvent this gap.

A willingness on the part of employers to offer placements to newly arrived job seekers is an essential ingredient for these programs. This applies not only to work experience placements but to a willingness to also offer vacancies to NESB job seekers who may require some particular initial support due to lack of English or familiarity with Australian workplaces and job seekers who may need to demonstrate their skills rather than come with accredited credentials.

AMES experience in working with new employers demonstrates that support must be provided to first encourage employers to give these workers an opportunity. This must then be followed up with support in the workplace to ensure that workers with lower English skills or a need to become familiar with work practices is acknowledged and supported.

AMES experience with the Labour Harvest Project in Werribee (see also Section 1) indicates that:

- Employers will progressively offer more reliable work to NESB workers with no previous Australian experience if they can first test out their capacity through casual employment
- Support provided to employers in the form of liaison staff who speak the first language of the workers adds a significant motivation to employ workers
- A customised labour hire arrangement that limits initial risk for the employer is attractive

A 2006 Skills Survey⁷ conducted by the Victorian Employers Chamber of Commerce and Industry (VECCI) found that many employers with a skill shortage have not considered the possibility of recruiting a skilled migrant. AMES experience is also that employers are frequently impressed with the calibre of migrants placed on work experience but would not have considered employing these candidates had this advocacy not been undertaken through work placement programs. This flags an opportunity for increased engagement.

The government also has a role in encouraging and supporting industry and large employers to take a part in providing opportunities for NESB jobseekers. This can apply to entry level positions as well as positions where overseas skills are utilised. AMES has, for example, trained and employed NESB job seekers with low skill levels to clean our premises - a simple initiative to bring people into work as early as possible.

A model of a successful longer term intervention is the Skilled Professional Migrants Program. This program has proven to be an effective means of assisting NESB job seekers with overseas skills into employment.

AMES Skilled Professional Migrants Program model

To date the Skilled Professional Migrants Program has been primarily reactive - working with clients after they have attempted unsuccessfully to gain employment. Participants have qualifications recognised in Australia and often many years of relevant experience overseas but find it extremely difficult to get employment in their field in Australia. Many have searched unsuccessfully for 4 months or more before enrolling in the program.

Working with employers and professional bodies to prepare job seekers for employment in Australia is integral to the program. For example, AMES delivered a targeted course for engineers in conjunction with the Association of Professional Engineers, Scientists and Managers Australia. APESMA found the work placements within the course and had input into the job preparation components to make them engineer specific. The scope to provide more industry specific programs is untapped and has significant potential.

The program structure includes:

A 3-week intensive workshop program in Strategies for Gaining Work

Work experience provides

- assistance over 4 weeks to identify a work placement with participating employers and industry groups
- 4-6 weeks of work placement in the job seekers professional area
- Vocational counselling and support during the work placement

A number of participants gain employment rather than work experience with this support.

The program has achieved high levels of placement into professional employment over the past 4 years.

Resourcing interventions that provide this type of front end support under JN would:

- fast track NESB job seekers into employment
- set NESB job seekers up for successful employment experiences
- effectively utilise skills to meet skill gaps
- increase the awareness of employers of this untapped labour resource

It would also make sound economic sense - investing early to get the benefit of skills into the economy and making savings in social welfare expenditure. Benefits to individuals and the contribution to successful settlement are also significant.

⁷ Victorian Employers Chamber of Commerce and industry (VECCI) Skills Survey 2006

2. Training in the workplace

Work Experience

Training that is situated in a real or simulated work environment or provides specific vocational training where job seekers can see a real link to employment is of most relevance for job seekers.

An NCVER study also highlights the importance of contextualized learning in the workplace for more general employability skills, noting that these generic skills –such as willingness to ask questions if unsure or limiting the impingement of personal matters upon work are heavily context-bound and that it is only in the workplace that the consequences of inadequate skills can be fully appreciated.⁸ Using work experience to consolidate generic skills developed in pre-employment training is extremely valuable.

Example: English + Work Experience

Participants in high level English courses at AMES are given a placement in a work environment as close as possible to their employment aspiration. This placement is important on a number of levels:

- it helps the job seeker understand if their aspiration is realistic in the Australian environment
- it helps the job seeker understand the level of English required to do this job
- it develops the job seeker's network for job-seeking purposes
- it 'localises' the job seeker's resume by providing local work history and referees

Even those with high levels of English need to test their aspirations in this way and many participants in work placements have commented on its value to them. Many placements have also resulted in job outcomes.

An Intermediate Labour Market Approach: Traineeships

Traineeships can provide incentives for employers to take on NESB job seekers. They provide pathways and Australian experience that are the key for obtaining on-going employment for some job seekers – particularly those with no work Australian experience.

The 2006 VECCI Skills Survey highlights the small number of employers who have considered advertising for an apprentice or trainee to fill a vacancy. There is a reluctance to invest in training up employees. Where training occurs it is mostly non-accredited.

The report makes a number of recommendations for consideration, among them is the following:

- Encourage adults into apprenticeships/traineeships by offering financial incentives to make up the balance of lower training wages and reduce the duration of the traineeships through competency based assessments and Recognition of Prior Learning⁹

AMES has worked for a number of years to establish opportunities for NESB job seekers. The awareness that employers are often reluctant to take on these newly arrived job seekers has prompted AMES to formalise our Intermediate Labour Market program so that our learning can be used to work in a more informed way with other employers.

AMES Intermediate Labour Market Program

In 2008 AMES is establishing a formal Intermediate Labour Market program. This builds on work previously undertaken to offer employment opportunities to NESB job seekers with relevant skills in working bi-lingually and bi-culturally.

Traineeships and work experience

In 2008 this program will offer 50 traineeships and other paid work in addition to 50 work experience opportunities to clients in AMES programs. The experience and data from this program will inform future practices and support for other employers.

While AMES will not have the capacity to offer employment to work experience participants, this can provide a step to other employment. The emphasis in traineeships will likewise be to provide a solid work and training experience that can equip new arrivals for their next job. There will be a strong emphasis on assisting these trainees into their next job to ensure that each year opportunities are available for new recruits.

⁸ The development of employability skills in novice workers NCVER ANTA 2003

⁹ Victorian Employers Chamber of Commerce and industry (VECCI) Skills Survey 2006

Community Guides

AMES has employed Community Guides in the delivery of the IHSS since October 2005 when AMES and consortia partners began delivering this contract on behalf of DIAC. This Intermediate Labour Market approach has provided opportunities for 160 Community Guides to use and demonstrate their skills in delivering settlement services to refugees. Most Community Guides are relatively recently arrived Refugee and Humanitarian Entrants themselves.

Results to date with this approach have shown that the experience gained in AMES, and the reputation established with other service providers, leads to on-going work

Simulated Training Centres

One alternative to work experience or a traineeship that allows job seekers to get contextualised vocational training is a simulated work environment. Where job seekers cannot secure employment, this provides an intermediate training environment. AMES has established one simulated training centre and proposes that, where no appropriate training is already available, funds be available to establish these centres for use by job seekers across a number of Job Network providers.

Employer relationships through Industry Associations and employers who can offer a number of vacancies are essential to ensure that training is connected to real employment.

An example of the AMES centre in Sydney provides one model. (Section 5)

3. New ways to address labour shortages: increased use of overseas skills and experience

Planned pathway support for job seekers with overseas skills or equivalent experience

As noted earlier, newly arrived refugees and migrants are keen to establish themselves as soon as possible and gaining employment is part of this process. In AMES experience, it is not uncommon for newly arrived migrants to take on unskilled work as part of this transitional process. The concern in this is that once placed in employment, there is no further support to transition workers into positions that more fully utilise their skills. There is also a concern for some job seekers that they will be consigned to low skilled work in the long term if they use this as an entry to employment as they see that no further support is available.

This requires two interventions.

- A planned pathway that outlines reasonable steps to achieving short and longer term

aspirations must be developed with job seeker with skills or experience. This must be agreed with the job seeker and have the flexibility to include options for training where it is agreed that this will improve the chances of a job seeker gaining and retaining employment. This frequently does not happen with the strong “work first” emphasis in the current contract.

- Where job seekers remain under-employed in a job placement (in terms of their skills and experience) additional follow up support is required – possibly continued contact with their employment consultant and further access to a limited range of provider services post placement. This will require the development of an additional service.

While unemployment is at a record low, the labour under-utilisation rate is significantly higher at 9.3 per cent. The interventions proposed above provide an approach to reducing this figure and better utilising existing skills.

Early access to Job Network for Family Stream Migrants

In a time of high employment Australia is still experiencing labour shortages in some occupations. There is, therefore, a need to address skills and labour shortages by looking outside the current job seekers eligible for JN services. Migrants in the Family Stream are not eligible for JN services for 104 weeks after arrival, yet job seekers in this group have skills and experiences that could help meet labour and skill shortages.

AMES experience with NESB job seekers is that without support many of these job seekers will not be successful in finding employment in their former occupations. Where they do find work it will usually be casual or part-time and not be preferred long term work.

The 2006 Skills Survey¹⁰ report indicates that many migrants with skills are taking up jobs in un-skilled and semi-skilled occupations such as aged care, sales assistant and taxi driving rather than in the skilled sector. The imperative to find employment quickly after arrival and lack of support systems to overcome the barriers identified above results in this under-employment in un-skilled and semi-skilled occupations.

Providing access to some employment services could assist these potential workers into the labour market.

Targeted training for high priority occupation groups

In 2007 AMES undertook a preliminary analysis of AMEP and Job Network client data that compares stated occupations against VLESC *State-wide Training Priorities – 2007* for high priority industry areas for publicly funded vocational education and training. The data indicates that there are

significant numbers of NESB Victorians with existing experience and skills in the high priority occupation groups identified by VLESC as priority areas for training.

The analysis indicates that there is capacity to meet labour shortages within NESB Victorians registered with Job Network. Further analysis of Job Network placements may well identify that job seekers were frequently placed in entry level work in these areas.

Targeted training interventions, particularly for migrants with skills in high priority industry areas, would be a cost effective way to better use existing skills.

An example of one group that is currently not eligible for Job Network services but requires support to access work in Australia, is work AMES has undertaken for the Filipino community at their request. This group has significant numbers of migrants who have skills that are in demand but need cultural orientation and support in matching their skills to vacancies in the labour market.

Filipino Job Search Initiative: Cultural Orientation

The state peak body, Philippine Community Council-NSW (PCC-NSW) and Ilocano Association of Australia (IAA), supported by AMES Employment conducted a two-day intensive Job Search Training Workshop in Granville in October and November 2007.

The community-initiated project was undertaken in response to the need identified during the consultation forum conducted by the state council in June this year - to empower newly-arrived Filipino migrants by providing much needed training in job search. Two AMES Employment Filipino trainers conducted the Job Search Training Workshop.

All 14 participants have been in Australia for less than three months.

¹⁰ Victorian Employers Chamber of Commerce and industry (VECCI) Skills Survey 2006

4. Language and Literacy and Employability Skills

Importance of language and literacy for employability

A DEST report on employability skills highlights the importance enterprises place on communication skills. This skill was one of the most frequently mentioned by employers as being crucial across all employees and all positions.¹¹ JN services concerned to set NESB job seekers up for success in workplaces cannot ignore this. Having targeted training that incorporate employability skills from an early stage and vocational modules incorporated with language learning can assist in preparing newly arrived migrants for communicating in the Australian workplace.

The same DEST report notes that enterprises placed different emphasis on verbal and written communication. JN services need to take this into account and to provide training in the language of particular industries where there are employment vacancies.

These observations are increasingly relevant as job seekers move into the workforce with lower levels of communication and technical skills. Feedback from newly arrived migrants in the DIAC LSIA study confirms the increased difficulties of employees with low levels of English. The main reason for moving jobs (given by 28% of working migrants with poor English) was that they had experienced language difficulties and had to improve their English competence.¹²

Employability Skills

As well as language and literacy learning, generic employability skills and attributes not specific to a particular job are an important first learning step for NESB job seekers. Attributes such as

punctuality, taking initiative, working in teams are valued in the Australian workplace culture but may not be seen as necessary or desirable in workplaces in other cultures. These generic employability skills are taught both implicitly and explicitly within AMEP classes. For example, a language learning exercise may involve working in teams, using language to solve a problem.

Occupational Health and Safety

Knowledge of Occupation Health and Safety regulations are essential in all Australian workplaces. To begin the process of preparing migrants and refugees enrolled in AMEP for employment AMES has developed courses that combined the Occupational Health and Safety unit of competency with English language learning. The unit gives students an awareness of Australian workplace health and safety legislation, the concepts and practices relating to and contributing to a safe working environment and the language used in this context. On successfully completing this unit of work participants achieve the module *Follow Workplace Safety Procedure* from Certificate 1 in Vocational Preparation.

All teachers report that their learners are very engaged in the content as indicated by excellent attendance and achievement of the OHS unit of competence. To ensure that the unit is as close to real work practices as possible, participants at different sites complete an OHS audit and give feedback of potential hazards to AMES OHS representatives.

Employers are more receptive to taking AMEP clients for work placement if they have knowledge of OHS and have completed the *Follow Workplace Safety Procedure* module.

¹¹ DEST Employability Skills for Australian Small and Medium Sized Enterprises

¹² DIAC Longitudinal Survey of Immigrants to Australia

5. Mentoring as a support to training and employment placement

Mentoring – especially for skilled or professional job seekers – is a proven means of assisting job seekers to find and keep employment. The Brotherhood of St Laurence's 'Given the Chance'¹³ program has found that the combination of job skills training, work placement and mentoring has been highly successful in assisting their clients to get and keep jobs, feel happy, confident and competent in their jobs and make progress in their careers.

Resourcing expansion of employment services to provide initial training and on-going support for mentors and to match skilled NESB job seekers with suitable mentors would:

- effectively utilise skills to meet skill gaps
- increase the awareness of employers of this untapped labour resource
- fast track skilled NESB job seekers into employment
- set new arrivals up for successful employment experiences

As with the Skilled Professional Migrants Program model it would make sound economic sense – making a minimum investment to get the benefit of skills into the economy and making savings in social welfare expenditure. Benefits to individuals and employers are also significant.

AMES is currently piloting a mentoring program where participants are matched with a mentor from the same or similar skills or professional background.

The Next Step - AMES mentor program

Skilled job seekers are matched with a mentor who is experienced, knowledgeable and successful in the same field the job seeker aspires to work in in Australia. The exact nature of the assistance the mentor gives depends on the job seekers individual needs and situation, but may include;

- introducing the job seeker to professional networks
- familiarising the job seeker with both formal and informal aspects of Australian workplace culture, expectations, language etc. in their particular field
- providing industry-specific advice about job search, resumes, interviews, etc
- discussing current developments in their field in Australia
- advocating for the job seeker
- providing personal support throughout the sometimes trying process of finding and settling comfortably into a new job in a new country
- providing a connection to the Australian community to build the job seeker's sense of belonging and confidence

¹³ Given the Chance: <http://www.bsl.org.au/main.asp?PageId=565>

5. How to ensure job seekers receive appropriate training

Providing a customised service: assessment and case management to ensure appropriate training and pathway to employment

Issues relating to the importance of understanding job seeker needs and aspirations as well as strengths and barriers that need to be taken into account have been discussed in Section 2.

The following proposals emphasise the importance of a comprehensive initial assessment followed by a case managed approach in ensuring that job seekers receive training appropriate to their skills, experience and goals. (Sections 2 and 3)

They also point to the importance of working closely with employers and industry groups to ensure training is appropriate to labour market needs and skills shortages.

To ensure job seekers receive training appropriate to their own and employers' needs Job Network services need to support:

- Customised training matched to individual needs
- Training initiatives that work with employers and industry groups

1. Customised training matched to individual needs

Assessment and case management

As discussed in Section 3 a comprehensive understanding of the needs, skills and experience, short and long term goals, as well as the barriers faced by the job seeker, is essential to providing effective interventions. This understanding is critical to ensuring job seekers receive appropriate training that is targeted and customised to respond to identified needs of individuals.

A case management approach acknowledges that different circumstances require different responses and ensures that training, where offered, is appropriate to the skills, experience and goals of the job seeker. Individual case management can ensure that training matches job seekers' profiles and is also relevant to employment vacancies in occupations related to the job seeker's skills.

Under the current Job Network the capacity to apply a flexible approach that responds to

individual needs and barriers as well as job seeker strengths and aspirations is limited. Individual NESB job seekers require significantly different kinds and levels of intervention.

- Difficult to place job seekers with no or minimum English language proficiency and limited vocational skills will need training and education that addresses English language and vocational skills development, as well as providing an orientation to the Australian workplace.
- Other job seekers, especially those with recognised qualifications, may only need training that provides experience in Australian workplaces.

A comprehensive assessment process and case managed training that is flexible, tailored and, in the case of the first group, long term is required if these job seekers are to obtain sustainable employment under current labour market conditions.

2. Working with employers and industry groups

In the *Skilling the Existing Workforce* consultation paper (April 2007) the Australian Industry Group acknowledges that employers and well as government and individuals have a degree of responsibility in terms that skills development - "Workforce skills development strategies involve varying degrees of responsibility for government, industry and individuals which must be underpinned by a clear policy framework, particularly in terms of the role of government."¹⁴

Some enterprise level strategies proposed in the paper for training the existing workforce are also highly relevant to training NESB job seekers, especially those with no or little work experience in Australia. These strategies recognise the need for the types of training proposed here under work experience, Intermediate Labour Market, social enterprise and training that includes language and literacy support.

Amongst other strategies, the Australian Industries Group proposes:

- the use of workplace mentoring
- adopting approaches to broaden participation in workforce development strategies at the enterprise level by specifically targeting low-skilled employees and those with language literacy and numeracy needs and developing highly relevant accessible and 'non threatening' programs employing informal and non-formal learning techniques
- extending access to workforce development programs to casual and part-time employees where it is currently not available
- developing partnerships with Registered Training Organisations able to link programs to enterprise needs and build confidence in outcomes from informal and non-formal learning for the purposes of Recognition of Prior Learning

1. Training to meet employer needs

To ensure training is appropriate to skills vacancies close liaison with employers and industry groups is essential. "Vacancy training" that matches the skills and goals of job seekers to labour needs of specific employers or industry groups can ensure outcomes for both job seekers and employers.

An example of the AMES centre in Sydney provides one model.

AMES Retail Training Centre

AMES, in partnership with the National Retailers' Association, has established a Retail Training Centre in Campaspie, Sydney. This Centre trains long-term unemployed, mature age unemployed and parents returning to work in the retail sector.

The training is done in a simulated retail centre which has supermarket storage shelves, department store sections and point-of-sale equipment to create an on-the-job learning environment.

Job-seekers study Certificate I and II in Retail Operations and are offered a one week work placement with an employer at the end of the training. The National Retailers' Association provides the training and organises the work experience placements. Work placements then lead to employment outcomes.

The programs commenced in October 2007. Six out of ten from the first group of participants gained employment and to date 24 job seekers have completed a program. The second group has not yet completed their work placements so job results for this group are pending but feedback from employers has been very positive. Six job seekers, as a result of their experiences in the workforce, have decided to take up further training to improve their English and employment skills.

As a result of the strong partnership developed between AMES and the National Retailers Association, AMES was invited to present at their round table discussion in January 22 2008 on the benefits of cultural diversity in the workplace and offering employment to CALD job seekers that have been suitably prepared for working within the sector.

¹⁴ Skilling the Existing Workforces, Australian Industries Group, April 2007

2. Intermediate Labour Markets

Intermediate Labour Markets use the capacity of employers to provide opportunities for newly arrived job seekers to get a “first opportunity” in the Australian labour market. They can provide ‘hands-on’ training opportunities to support job seekers’ transition to work in the mainstream labour market.

The target group for this type of training intervention is primarily NESB job seekers where early intervention can proactively address risks of long term unemployment and where job seekers have skills or experience relevant to the workplace but may not have formal qualifications recognised in Australia.

The Intermediate Labour market approach to training can:

- use the skills and experience of job seekers to fill vacancies where those job seekers have or can reasonably develop required skills
- provide supported yet rigorous experience that properly prepares clients for positions with other employers
- provide transitional employment so “first employment” opportunities are continuously available to new job seekers

The awareness that employers are often reluctant to take on newly arrived job seekers has prompted AMES to formalise our Intermediate Labour Market program so that our learning can be used to work in a more informed way with other employers. (See Section 4)

3. Work experience recognised as training

One of the most significant barriers for NESB job seekers, particularly the new and recently arrived, is securing a first job in Australia in order to effectively engage with a new labour market, learn about Australian workplace culture and develop local work experience. For many NESB job seekers the reality is that they need experience to get the job, but can't get the job to get that experience. Work experience is a crucial intervention to bridge this gap.

A willingness on the part of employers to offer placements to newly arrived job seekers is an essential ingredient for these types of training programs. This applies not only to work experience placements but to a willingness to also offer vacancies to NESB job seekers who may require some particular initial training due to lack of English or familiarity with Australian workplaces and job seekers who may need to demonstrate their skills rather than come with accredited credentials.

4. Enterprise training

Hands on practical training, such as the work training enterprise model, has proven effective in meeting the needs of both industry and NESB job seekers who may not have recognised vocational skills and who need language support while undertaking accredited training.

AMES has piloted a number of social enterprises as training venues for NESB clients.

“Saha Catering” – Hospitality

A hospitality social catering enterprise, Saha Catering, has recently been established at Regents Park, NSW, where accredited kitchen hand training is offered within a commercial kitchen environment to refugee and humanitarian job seekers. The Saha kitchen also provides a space for interaction between the job seekers, helping to improve language and cross cultural skills and reduce social isolation. It has been observed that the supportive and culturally sensitive training environment has increased job seeker's self-esteem and motivation to find work.

The enterprise offers work experience to the job seekers once they have completed their Introduction to Certificate II in Hospitality – Kitchen Operations training.

Training commenced in September 2007 with 18 job seekers having completed the program, resulting in (as at end Jan) 8 job seekers commencing employment and 4 job seekers undertaken further study. One of the job seekers has secured an apprenticeship position. The remainder are actively job searching with support by their AMES Employment site.

6. How to ensure performance management principles (including star ratings and business reallocation) that support sustainable outcomes and promote quality service delivery

Improved Performance Management

The rewards in terms of outcome payments and performance weightings will inevitably drive where effort is concentrated in the Job Network. This will also be the case for not for profit providers who, while not driven by profit, must remain economically sustainable to continue to deliver employment services for clients. It is also essential for these providers to maintain a competitive position in terms of relative performance if they are to retain business in milestone periods and tenders.

It is therefore imperative that the payment structures and performance weightings drive the desired concentration of effort on disadvantaged job seekers and facilitate the provision of customised services to meet individual needs. The areas that are of most concern in the current model are noted below.

- The limited resources available to service job seekers in the first 3 months of registration and the limited performance rewards for placing job seekers who are less than 12 months unemployed in a job
- The limited acknowledgement of barriers of some NESB job seekers in comparative performance ratings
- The limited financial and performance weighting incentives allocated to placing job seekers in training that will prepare them for employment and the disincentive in terms of the speed of placement component of the performance weighting
- The work first focus of the current contract that provides very limited capacity to work intensively with NESB job seekers to understand their short and long term aspirations for life in Australia and develop planned pathways with the job seeker to achieve these
- The current incentives for servicing and placing job seekers who have been unemployed more than 42 months

For providers who work primarily with NESB job seekers the following specific revisions with respect to performance management are proposed.

1. Review of the Regression Model

The variables used in the regression model are an important component that requires review. The regression model has been designed to compensate providers who have harder to place job seekers. It is therefore a useful tool. There are two areas that apply specifically to NESB job seekers that are not adequately covered in the current model.

1. The only indicator to identify an NESB client is whether they were born in a Non English Speaking Background country. This does not differentiate between a job seeker who may have been born overseas but came to Australia as a child, was educated in Australia and may speak English as their first language and one who arrived as little as 3 months ago, speaking no English. Length of time in Australia is therefore an essential variable.
2. The second essential variable is the inclusion of visa type for those clients who are recently arrived. Job seekers who arrived under the Humanitarian Stream frequently have complex issues that impact on the level of resources and time required to secure employment. This is not to underestimate the level of determination and resourcefulness of this client group but the data on unemployment speaks for itself.

By way of example, AMES caseload has high percentages of Refugee and Humanitarian Visa job seekers. In Sydney 19% of AMES NESB caseload and 13% of the Generalist (AALL) caseload is RHV. In Melbourne 22% of AMES NESB caseload and 9% of the Generalist (AALL) caseload is RHV. This has a significant impact on resources required to achieve employment outcomes and time required for placement. It is not, however, taken into account in assessment of performance rated against other providers.

For comparisons to be made on a normal distribution curve, far greater account needs to be taken of the degree of difficulty in placing NESB job seekers. A preferred alternative would be to replace this method of assessing providers with a model that assessed against an agreed

benchmark. This would decrease the competition between providers and encourage greater cooperation that would benefit job seekers.

One example of decreasing competition is in relation to working with employers. Changing the way the contract is managed to remove some of the competitive elements would facilitate providers working cooperatively to service the needs of large employers. For example, most JN providers do not have capacity to manage large employers alone. There is now no incentive for providers to work together to service a large employer as the effect would be that of assisting a competitor to get outcomes. This would impact on the normal distribution on a bell curve and each provider's relative competitive position.

2. Review of performance weightings for training

The barriers faced by many NESB job seekers have been outlined earlier in this paper. Recommendations to better address these barriers by changing the way employment services are delivered have also been outlined.

Many NESB job seekers require training before they are in a competitive position to gain any employment and certainly any secure employment. However, the work first emphasis in the current contract disadvantages NESB providers. The financial and performance weighting incentives for placing a job seeker in employment far outweigh the value placed on

training – even though this may be an essential component in a pathway to employment.

Add to this that a newly arrived NESB job seeker with no English language and vocational skills will not only require vocational training but will require a substantial time to learn at least a minimum level of English to survive in even unskilled employment and the importance of training becomes very evident.

For NESB providers to be compared equitably, a significantly greater emphasis needs to be placed on training as a planned pathway to employment.

3. Rewarding early placement

The government acknowledges the increased challenges in placing job seekers in periods of low unemployment, acknowledging that those who are unemployed are likely to have significant barriers to gaining employment. For NESB job seekers with no Australian work experience, low levels of English and for a number, low vocational skills, the barriers are further compounded.

The Job Network performance weighting system and outcome payment does not:

- provide adequate resources in terms of outcome payments to support job seekers early

- acknowledge the complexity and level of barriers for NESB job seekers
- encourage placing a job seeker in a job early in their period of unemployment

For example, the current performance weighting and payment systems provide greater rewards for placing job seekers who are more than 12 months unemployed than people who have been unemployed for less than 12 months.

This first twelve months is a critical time for new arrivals and requires additional recognition. The system works against getting new arrivals into a work rather than welfare mentality as soon as possible after arrival.

Given the current competitive nature of the Job Network, a recognition in performance ranking is very important for placing job seekers who may

not be 12 months unemployed but have significant barriers to be addressed.

4. Servicing and placing VLTU job seekers

Where an NESB job seeker has been unemployed for a long period it flags that there are very significant barriers to getting that job seeker into employment. The impact for the individual of long term unemployment is damaging. Only a very minimal service fee is paid in the current contract and therefore does not support the highly intensive support required.

It is proposed that people who have been unemployed for 42+ months be taken off Job Network case loads and put into Personal Support Program for other more appropriate assistance to address enduring barriers to employment. People can then be referred back to JN after this intervention. These clients have received

Customised Assistance 1 and 2 and continue to be counted as part of provider's market share.

Were a case management approach implemented to replace the current continuum of service model, the capacity to work with these VLTU job seekers would be improved. This would provide more appropriate support for these job seekers who may realistically, at best, achieve part time work or work in a volunteer capacity that will still provide some of the benefits of social inclusion. Appropriate payment structures need consideration – for example performance weighting acknowledgement for part time work or volunteer work where this begins to break a cycle of unemployment and starts to contribute to a more inclusion in society for the individual

7. How to ensure the minimisation of time and money spent on administration.

Streamlining Processes

The level of administration required in Job Network has received a good deal of publicity. AMES agrees that the administration load, particularly around compliance issues, is very complicated and disproportionately time consuming. An increasing amount of resources are spent on managing compliance. This equates to time not spent directly assisting jobseekers. It also equates to financial resources of providers expended on activity that does not directly assist job seekers.

The current model of provision of a prescribed continuum of service for all job seekers has progressively increased the focus on auditing. A new way of delivering services to job seekers, proposed in this paper - that focussed on customised services for individuals - would shift this current detailed and time consuming activity.

The minimisation of time and money needs to be considered from both a provider and contract management perspective. The current processes are extremely time consuming for providers. Of equal concern is the level of resources required in DEEWR to maintain this high and continuous level of surveillance.

Three specific areas are proposed for consideration to minimise time and money spent on administration. These, however, should be considered in the context of a potentially larger review of how employment services are delivered in terms of auditing inputs in the continuum of services model.

1. Job Seeker Account Guidelines
2. Job Search Training Guidelines
3. Expanding ways to meet Activity Test requirements for newly arrived Humanitarian Entrants and other job seekers with training needs

1. Job Seeker Account Guidelines

One way to reduce resources used on compliance would be to have clear guidelines around the use of the Job Seeker Account. This is one of the largest areas and most time consuming areas of compliance management. In the current contract there are no concrete guidelines regarding the definitive use of the JSKA. This results in every claim having to be justified in writing on a case by case basis.

This is extremely time consuming and takes away from time which can be spent on assisting job

seekers. It is up to individual employment consultants to do what they understand to be compliant use of the JSKA. Compliance is contestable (in the absence of specific DEEWR guidelines) and the DEEWR contract managers can query "non-compliance" on audit. Under this system what is acceptable and the level of documentation required, is dependent on the subjective views of individual DEEWR contract managers.

2. Job Search Training Guidelines

A second area where there is lack of clarity is in the area of JST compliance. There are variations across the Job Network as to how this training is delivered. While Job Network providers will need to customise JST to ensure that it meets the needs of their particular cohort of job seekers, minimum guidelines would reduce the level of judgement to be made by each provider and the

discretion of DEEWR auditors in determining compliance. Some providers are doing only 50% face to face. AMES delivers 80% face to face. Some providers are penalised while others are not - depending on the judgement of the contract manager. The level of auditing is a disincentive to deliver additional training as this leads to further auditing.

In areas such as training it is highly unusual to have such high levels of scrutiny once providers are contracted to undertake a service. What constitutes a sufficient level of audit in this

component of Job Network delivery needs review. Practice in other government contracts that purchase training may provide useful models.

3. Expanding ways to meet Activity Test requirements for newly arrived Humanitarian Entrants and other job seekers with training needs

An additional area of compliance is the obligation to breach job seekers who do not fulfil their Activity Test requirements. While there are clear cases where this is required, it appears that Job Network providers are becoming increasingly cautious with respect to failing to meet their contractual requirements and are therefore becoming more vigilant in breaching clients.

This may not be because, in their judgement as a professional who is working with the client, they assess that the job seeker is avoiding their obligations. It may well be the case that a newly arrived Humanitarian Stream Entrant who must attend to complex and urgent settlement needs as a priority has missed an appointment. The cause is very reasonable but the level of scrutiny in an audit may fail to take into account this complexity. The Job Network staff member may therefore be concerned that an audit will judge that obligations have not been met and the provider will be questioned.

Broadening the ways in which particular job seekers can meet their requirements would also limit the burden of compliance and increase the capacity of the Job Network to assist job seekers into employment. The number of hours job seekers are required to work to meet Activity Test requirements in their early phase of settlement is an area that could well be reviewed.

This aspect of compliance uses not only provider and DEEWR resources but a significant number of Centrelink resources as well.

As detailed elsewhere in this paper, non-employment barriers must be dealt with concurrently with looking for and undertaking

work in the early phase of settlement. Where these other areas, including stable housing, children settled in school, acute and chronic health issues for the job seeker and other family members are stabilised, the prospects of long term stable employment is, in fact, greater.

Combinations of concurrent work and training by job seekers to meet Activity Test requirements is also an area worthy of consideration particularly where job seekers have low English language skills and / or lack the vocational skills to gain employment. Reward for Effort: Meeting the Participation Challenge proposes an option of expanding Mutual Obligation requirements to allow a wider range of activities to meet participation requirements – for example including work and training to meet obligations. The Reward for Effort paper proposes this only for those with part-time Mutual Obligation requirements, noting that people in this group are some of the most vulnerable income support recipients.

Expanding this increased flexibility to newly arrived people – particularly those who arrived under the Humanitarian Program would provide an additional support to gain employment.

As detailed earlier in this paper, AMES has trialled a number of training models that could provide entry to employment for newly arrived entrants who have low vocational skills. These could be used successfully with job seekers with full time Mutual Obligations if there was a capacity to meet these requirements through combined training and work. This combination is very beneficial for people with low levels of formal education who frequently learn by observing, doing and applying their learning in a real work context.