

Review of the Job Seeker Classification Instrument (JSCI)

PREPARED FOR:

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AMES is a specialist organisation providing settlement, education, training and employment services to refugees and migrants. AMES contribution to the discussion is specifically in relation to CALD participants.

This paper approaches the issue of identifying job seekers at risk of long term unemployment from two angles.

1. An alternative identification system for recently arrived refugees and migrants
2. Input on revisions to the Job Seeker Classification Instrument (JSCI) requested in the Terms of Reference

1. An alternative identification system for recently arrived refugees and migrants

Two groups of job seekers who are at high risk of becoming long term unemployed are (1) refugee job seekers and (2) other newly arrived CALD job seekers. Under the current job seeker classification system refugees are not always identified as being highly disadvantaged. And, under current Job Network arrangements Skilled and Family Stream Migrants are not eligible for Job Network services for 104 weeks after arrival in Australia.

One approach to ensuring that these job seekers do not become long term unemployed is to have automatic and immediate access for these job seekers into intensive assistance. Visa categories should automatically trigger access to an appropriate level of assistance. In the new model for employment service outlined in the recent discussion paper *The Future of Employment Services in Australia* this would be Stream 3 or 4 for Refugee and Humanitarian Visa holders and Stream 2 for Skilled and Family Stream Migrants. This does not negate the need for some means of assessing the needs and levels of disadvantage of other job seekers. Instead, it facilitates a streamlined and guaranteed service for two groups of job seekers who require immediate intervention.

1. Refugee and Humanitarian Visa Holders – Stream 3 Assistance

Refugee and Humanitarian Entrants face many complex issues in settling – gaining employment being one important component of this settlement. A Department of Immigration and Citizenship (DIAC) study found 75% of Humanitarian Entrants were unemployed after 4-5 months and only 16% were participating in the labour force and that that 16-17 months after arrival 43% of Humanitarian Entrants were still unemployed and only 32% were participating. Clearly this group of job seekers needs early intervention that is immediate, intense and flexible.

2. Skilled and Family Stream Migrants – Employment Services Assistance

For migrants in the Skilled and Family Stream categories it is proposed that eligibility for immediate assistance apply for the first two years of settlement. This proposal is based on AMES experience and knowledge that this period is a critical time to establish work patterns and ensure that job seekers do not have long breaks in employment that will impact on the probability of re-entry to employment, particularly to areas that acknowledge and use existing skills. These migrants would register for Employment Services support based on their own assessment of requiring assistance to secure employment.

Job seekers from these groups require a range of interventions. CALD job seekers with skills and qualifications require short term highly targeted orientation to Australian workplaces. CALD job seekers with low language and skill levels require intensive language, vocational and other employability training.

Evidence supports the need for this approach. Evidence provided relates to three areas.

1. Probability of long term unemployment or under employment
2. Capacity to address skill and labour shortages
3. Financial costs and private and social benefits

1. Probability of long term unemployment or under employment

National data from DIAC's Longitudinal Survey of Immigrants to Australia (LSIA) indicates that participation rates for newly arrived refugees and some migrants are significantly lower than for the general population. The survey found that 43% of Humanitarian Entrants and 13% of Family Stream Entrants remained unemployed after 16-17 months.

It also found high levels of under employment with one in eight jobs for Independent Migrants being in semi skilled or unskilled jobs compared to one in thirty jobs in the former home country.

AMES experience is also that there are a number of migrants who are unable to secure employment without targeted intervention. This is documented in AMES submission to the Minister for Employment Participation in February 2008.

2. Capacity to address skill and labour shortages

Skilled and Family Stream Migrants have skills and experiences that could help meet labour and skill shortages but are not able to find work that uses their skills. The lost opportunity for employers in a skill and labour shortage economy could be addressed through early intervention for all of these CALD job seekers.

It is AMES experience 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. Support that provides vocational counselling, pathway planning and training to maximise skills will assist these job seekers into work that uses their overseas skills and experience.

The increased emphasis on work experience in the revised employment services model will be particularly applicable for Skilled and Family Stream migrants and provides an additional incentive to provide access to this group of job seekers.

AMES experience is that lack of Australian work experience is a significant barrier to gaining entry to the workforce and 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. Work experience can also provide the newly arrived migrant with essential experience in Australian workplace culture that will be critical to future employment retention.

Migrants in these streams will have varying needs. Some will require only short term highly targeted job search skills and work experience. Others will require more intensive training and workplace orientation over a longer period. The proposed streams in the revised employment services model will accommodate these needs using the most cost effective and efficient interventions to achieve employment outcomes that use the skills of this group.

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

3. Financial costs and private and social benefits

Migrants accepted in the Skilled and Family Streams are not currently eligible for Job Network assistance for 104 weeks after arrival. While a number of these migrants will secure work independently, others face barriers including low English skills and qualifications, limited job searching strategies, a lack of Australian work experience, networks and familiarity with Australian workplace culture. This group is at risk of long term unemployment or, at best, work in an area that does not use their existing skills.

The outlay in financial terms of increased numbers of job seekers in Employment Services would be relatively minor. It is not possible to provide exact figures but estimates based on numbers arriving in Skilled and Family Streams demonstrate that additional numbers accessing Employment Services services would be relatively small.

Table 1 provides estimates based on arrivals from 1 Jan 2007 to 31 Dec 2007.

Table 1 - Estimated Arrivals 2007

Migration Stream	Total	Working Age (20 – 59)	Estimated workforce participants ¹	Estimated numbers not finding work ²
Family Stream	38,365	28,053	14,027	3,647
Skilled Stream	64,385	44,817	22,409	2,689
	102,750	72,870	36,435	6,336

¹ Estimated at 50% of working age

² Based on 13% (Family) and 6% (Skilled) not finding work after 16–17 months (DIAC Longitudinal Study)

As these migrants are not eligible for Centrelink benefits they could be managed directly by Employment Services providers who could register them using the same processes already in place for the Structural Adjustment Package (SAP) eligible job seekers who are fast tracked into intensive assistance.

The recent Per Capita paper documents the private and social benefits of placing an unemployed person in work.¹ The paper estimates the combined public and private value of moving a single childless worker into a job paying \$40,000 per year to be \$4,000 per month. This is a conservative estimate and does not include any intergenerational benefits which have a significant social value.

2. Input on revisions to the JSCI requested in the Terms of Reference

SECTION 1 - EFFECTIVENESS

Identifying job seekers at risk of long-term unemployment, and for immediate access to intensive forms of employment assistance and/or other interventions

Of critical concern is that the current JSCI is a relative measure of disadvantage rather than an absolute individual measure. The Job Seeker Classification Instrument (JSCI) should a) measure absolute disadvantage and b) be focussed on the individual.

The JSCI is not guaranteed to identify all job seekers who are refugees as highly disadvantaged. In this regard the instrument is reasonably effective but fails to identify the high level of disadvantage of all refugee job seekers. Currently AMES Job Network has high numbers of RHV job seekers and therefore provides a reliable sample of the effectiveness of identifying these job seekers for immediate assistance.

AMES experience in working with refugee job seekers who have not been identified by the JSCI

as highly disadvantaged is that they, too, have all or many of the characteristics of disadvantage common to newly arrived refugees. While some have qualifications and skills, their refugee experience and lack of knowledge of Australian work place culture and Australian work history indicates a need for intensive support in transitioning to work.

Table 2 provides data from the active caseload across all AMES sites on 2 May 2008. AMES has sites in all of the highest concentration areas of refugee settlement in Sydney and Melbourne.

Section 2 – Appropriateness, provides recommendations on changes to weightings and additional questions to increase the effectiveness of the JSCI in identifying disadvantage for refugee job seekers.

Table 2 - % RHV job seekers on AMES ACL

AMES Active Case Load	21,491	
Refugee Humanitarian Visa (RHV) job seekers	2,665	12.40%
- RHV (Highly Disadvantaged)	2,080	78.05%
- RHV (not Highly Disadvantaged)	585	21.95%

Data from AMES Active Caseload as at 2 May 2008

¹ Heatherington, David May 2008 Unlocking the value of a job

Identifying job seekers for further specialised assessment and referral to appropriate services

There needs to be a clear distinction between job seekers who require further assessment in relation to capacity to work and those for whom the barrier is capability - lack of skills or relevant experience.

CALD job seekers who have poor English language and/or literacy skills have capability not capacity barriers and need to be referred for a language assessment, not referred for a Job Capacity Assessment (JCA). Currently poor language and literacy triggers a JCA. In a revised JSCI this factor

should trigger a Specialist Language Assessment not a JCA. Likewise recency of work experience and educational attainment indicate capability barriers to work but not lack of capacity.

It is important to identify those clients who do not have the capacity to work but it is also important not to conflate this with other factors that are able to be addressed through training and other support to gain employment. Capacity and capability require different interventions.

Identifying disadvantage in different groups of job seekers, including those disadvantaged by local factors

Refugee and Humanitarian Visa job seekers

As a highly disadvantaged group of job seekers it is critical that Refugee and Humanitarian Visa (RHV) holders be identified. *Descent/Origin* in the current JSCI interface (EA3000) does not necessarily identify all job seekers in this disadvantaged group. Responses to the question about refugee status include the options *do not wish to answer* or *do not know*. By allowing these responses the instrument can not accurately capture the RHV factor for all jobseeker in this group. This limitation of the JSCI is addressed more fully in Section 2: Appropriateness.

Young CALD job seekers

The current JSCI recognises that young job seekers (school leavers) face the disadvantages of no or inadequate work experience and lack of opportunities to develop employer networks / contacts. AMES would argue that newly arrived young migrants and refugees face a higher degree of disadvantage than those born in Australia. Our experience is that, in general, young migrants and refugees arrive with high expectations of education and career prospects in Australia. They also bring with them a complex mix of barriers including dislocation, interrupted schooling, language and literacy issues, no vocational skills or qualifications, no work experience at all and no work experience in Australia.

Young refugees who have arrived alone may also face the challenges of supporting other family

members still in unsafe environments overseas with no support from any family in Australia.

In our experience, given their aspirations, cases where these young people are not engaged in education and, as a result, are job seekers, indicate the need for intensive support to assist the young person into a pathway through education and / or training to employment.

It is noted that the JSCI cannot assign a weighting for all youth to take these additional factors into account. Additional barriers to employment participation for this group of CALD youth however, need to be recognised in some way.

Local factors

Geographic indicator and labour market disadvantage weightings take into account the disadvantage associated with living in locations where the local economy is a key factor in high long term unemployment rates. Newly arrived CALD job seekers can face an additional level of disadvantage in these already challenging labour markets. A common issue is that of lack of access to private transport in areas where potential employment is not easily accessed by public transport. AMES Job Network consultants report a significant number of newly arrived job seekers do not have a driving licence or private transport and that this is a major barrier to accessing what employment opportunities may exist in the area.

SECTION 2 - APPROPRIATENESS

Application of the JSCI by Centrelink, Job Capacity Assessors and Job Network

The initial application of the JSCI can really only act as a survey of a job seeker's disadvantage and barriers to employment. Subsequent review of the JSCI will provide a more comprehensive understanding of barriers and required interventions. Job seekers often withhold critical information at the initial interview as they are not aware, or may not accept, that it is to their advantage to disclose all relevant information. Allowing more time to build rapport with the job seeker would improve reliability of the JSCI.

The initial JSCI is applied by Centrelink. AMES recommends that any future reviews or updates continue to be undertaken by the Employment Services provider. To ensure the most appropriate type and level of assistance for disadvantaged job seekers, the Employment Services consultant will review the level of disadvantage and the stream in which the job seeker has been placed in the process of developing the Employment Pathway Plan (EPP). The rationale behind this is that the Employment Services consultant will know the job seeker, will have built a relationship with them and therefore have an increased likelihood of becoming aware of circumstances impacting on the job seeker's employability. Responses to a review administered by the Employment Services consultant would have a higher probability of being reliable, valid and of resulting in an appropriate EPP.

A direct pathway through the assessment process rather than a process that sends the job seeker backwards and forwards between Centrelink and Employment Services will ensure that resources are targeted at getting job seekers into work, or at directing them to appropriate employability programs.

It is just as important in terms of a job seeker's self-esteem and self-worth to provide a transparent process with clear and uncomplicated steps towards achieving an employment outcome. It is AMES experience that job seekers are often reluctant to return to Centrelink and may react negatively to being asked to repeat information they have already provided.

Employment Services consultants should review, and update if necessary, the job seeker's JSCI at regular intervals (3 monthly is suggested) and/or when the job seeker discloses a significant change in circumstances. Regular review is current policy at AMES and ensures the JSCI is current and valid.

Job Capacity Assessors should focus on more specialised assessments of capacity to work while Specialist Assessors are engaged to assess capabilities (eg language and literacy, vocational skills) identified as presenting barriers to employability.

The appropriateness of the factors and weightings that make up the JSCI, with consideration being given new factors such as previous benefit history

Age & Gender

Within the CALD job seeker population there is an additional level of disadvantage experienced by newly arrived young migrants and refugees that can not be captured in the Age and Gender factor – as this disadvantage is not common to all English Speaking Background youth.

Young CALD job seekers – especially refugees – will often have experienced the disadvantages of a complex mix of factors including dislocation, interrupted schooling, language and literacy issues, no vocational skills or qualifications, no work experience at all and no work experience in Australia.

Additional indicator in Descent / Origin (JSCI interface EA3000) for Youth

It may be possible to capture this issue in the Descent / Origin factor by including an additional indicator:

Are you under 24 years of age?

and weighing this to recognise the disadvantages faced by young CALD job seekers

Language & Literacy

This factor requires job seekers to self assess English language and literacy levels and this gives rise to the issue of the validity of the assessment. Experience tells us that many people over-assess their own language abilities. Centrelink staff who administer the JSCI are not trained language assessors and can only be expected to form a very general impression of the job seeker's language and literacy.

Referral to specialist Language and Literacy assessment

Where the CALD job seeker demonstrates low language levels in any skill – speaking, listening, reading and writing it is recommended that this trigger a referral to a specialist language and literacy assessment – not to a JCA – and that this assessment lead to referrals to English language training as required to improve the job-readiness of the job seeker.

Higher weighting for poor language and literacy

Poor levels on English language currently carry a relatively low weighting. AMES experience is that lack of language skills is a major barrier to employment and requires additional and often intensive support to prepare the job seeker for work in Australia. It also requires additional work with employers to broker employment for these job seekers.

Additional language descriptor

Job seekers who have no English language at all are severely disadvantaged in terms of employment. It is recommended that a further descriptor be added to the list of choices:

No English language skills – speaking, listening, reading and writing with a higher points score than Poor speaking, writing and reading skills

Recency of Work Experience

Recency of work experience is a particular issue and a major barrier for CALD job seekers – especially refugees, who may have had little or no work experience prior to arrival in Australia and who have no work experience in Australia.

Additional work activity descriptor and weighting:

Refugee job seekers – especially those who have spent time in refugee camps, may not have been able to look for work over the past two or more years. This adds another level of complexity to the disadvantage they face in terms of finding employment in Australia. Not only do they have the disadvantage of no work experience in Australia, but they also lack the experience of seeking employment.

To account for this it is recommended that a further descriptor be added to the list of main activities over the last two years:

Not working and not looking for work (unable to look for work due to refugee experience)

This category of job seekers should have the highest weighting for this factor.

Additional indicator: work experience not in Australia

It is recommended that an additional indicator be added to this factor to distinguish between recent work undertaken outside of Australia and work experience in Australia. The score should be weighted to reflect the impact of the disadvantage that no Australian work experience presents in securing employment. For example:

If you have worked in the past two years was that work in Australia?

YES (no points)

NO (points to recognise disadvantage)

Personal Characteristics Requiring Professional or Specialist Judgement

Referral to specialist Language and Literacy assessment

As noted above where the CALD job seeker demonstrates low language levels in any skill – speaking, listening, reading and writing it is recommended that this trigger a referral to a specialist language and literacy assessment – not to a JCA – and that this assessment lead to referrals to English language training as required to improve the job-readiness of the job seeker.

Country of Birth

Country of origin groupings and weightings for country groupings require regular review to reflect current immigration trends.

Descent / Origin (JSCI interface EA3000)

This factor captures the CALD job seekers' refugee or humanitarian visa status. As refugee status is highly significant in terms of barriers to employment it is critical that this information be captured.

Therefore it is recommended that the responses to

Did you arrive in Australia on a refugee or humanitarian visa OR

Were you granted a refugee or humanitarian visa when you arrived in Australia?

are limited to NO or YES and should not include *Do not wish to answer* or *Do not know*.

Under the YES response length of time in Australia needs to recognise the great barriers to employment faced in early stages of settlement and include the following – (progressively weighted to recognise the higher disadvantage faced by new arrivals):

Less than 6 months ago

Less than 1 year ago

Less than 2 years ago

Less than 3 years ago

Less than 5 years ago

More than 5 years ago

Geographical Location

Additional indicator – access to own transport

This factor takes into account the disadvantage associated with living in locations where the local economy is a key factor in high long term unemployment rates. Newly arrived CALD job seekers can face an additional layer of disadvantage in these already challenging labour markets as many do not have driving licences and/or access to private transport. Where there are employment opportunities in these locations they are often hard to access by public transport.

As this barrier can be identified as a disadvantage for all job seekers, it is recommended that a further question be added to this section:

Do you have a current driving licence? YES NO

*If YES, do you have your own transport
(car, motorbike, etc)* YES NO

Job seekers in locations of high, very high or extreme labour market disadvantage without a licence or transport should be scored for additional disadvantage.

Qualifications

As noted in the current JSCI, there is a significant difference in employability between those with work qualifications and those without.

Higher weighting

This factor requires higher weighting in recognition of the need to build employability – the skills and capabilities that job seekers need to gain and retain employment in the current labour market.

Additional descriptors of disadvantage

There are additional complexities for migrant and refugee job seekers that need to be recognised: overseas qualifications may or may not be recognised in Australia, and many, particularly refugees, will have no work-related qualifications at all.

It is recommended that the JSCI provide a further descriptor to this factor - Qualifications gained overseas - weighted in recognition of the fact that employers are often more reluctant to employ a job seeker with overseas qualifications from refugee source countries and there will often be gaps in immediately applying these qualifications to an Australian workplace

Family Status and Living Arrangements

The current instrument does not have the capacity to take into account that living alone or in other disrupted circumstances (with non-family or with another family) is highly disadvantageous for young CALD job seekers.

The impact of these types of living arrangements on young CALD job seekers requires acknowledgement but cannot be applied in the current points system as that would then apply to all job seekers where this may not impact negatively.

Additional indicator: CALD youth not living with family

It is recommended that an additional indicator be added to this factor to identify young CALD job seekers living alone or in disrupted circumstances. The score should be weighted to reflect the impact of the disadvantage this presents.

For example:

If you are under 24 and were not born in Australia where do you live?

<i>Lives with own family</i>	<i>0</i>
<i>Lives with another family</i>	<i>2</i>
<i>Lives with non-family</i>	<i>4</i>
<i>Lives alone</i>	<i>6</i>

Note: there are limited numbers of job seekers in this category and therefore this represents limited cost implications.

Any undue administrative burden associated with the application of the JSCI

A small but significant administrative burden is associated with following up when a JSCI is pending. This necessitates unpaid administrative time to resolve before the provider is able to sign up the job seeker in the most appropriate service.

It is recommended that the JSCI be administered in full and released within two working days of the initial interview

Whether the JSCI should be readministered to job seekers at set time intervals; (eg every 12 months) to accurately identify prevailing disadvantage

AMES recommends regular review of the JSCI by the Employment Services consultant. As noted above, it is AMES practice to review the JSCI regularly (currently each time a job seeker moves to a new assistance type). On review the JSCI may or may not need updating and is readministered when considered appropriate by the consultant – where there has been a significant change in the job seeker's circumstances.

For CALD job seekers, circumstances may change regularly in the early period of settlement – the consultant is best placed to be aware of when circumstances may have changed, reliably and accurately record these changes and determine if the JSCI needs to be formally readministered. Predetermined periods for review may not reflect when changes need to be made.

SECTION 3 - EFFICIENCY

JSCI assessments are conducted in a manner which is timely, and which result in reliable and valid assessments.

As noted above (Appropriateness) a small but significant number of JSCIs remain pending for between 3 and 12 months. This can set in train a series of events that impact negatively on the job seeker. Currently the Job Network provider is unable to update the JSCI if it is pending and having identified that issue, needs to document this and send the job seeker back to Centrelink.

Job seekers are often reluctant to return to Centrelink and may react negatively to the need to repeat information already provided – possibly impacting on the reliability and validity of the JSCI.

For job seekers with low English language skills this adds extra complexity. AMES has developed a standard letter for job seekers to take to Centrelink to assist this process.

More critically any JSCI not completed in a timely manner impacts negatively on the job seeker who cannot access current Job Network services and support until the JSCI has been completed.

Referral processes, and linkages with other programs and services, are streamlined as far as possible

Issues with referral processes result more from waiting lists and inappropriate referrals rather than the JSCI itself.

In AMES experience, in the current system, a number of inappropriate referrals occur. These largely relate to job seekers being referred to a provider when the job seeker has been assessed as having only very limited capacity to work – say 0-7 hours per week for 2 years, but as being capable of full time work after this time. Where job seekers have only a very limited capacity to work a referral to a provider other than Job Network can be more appropriate for both the provider and the job seeker. In the future Employment Services, referrals to appropriate streams will be critical.

seeker in work. The Job Network provider is required to commence the client in job search until they can get the recommendation changed. AMES engages a psychologist to manage these cases and streamline referral to a more appropriate service.

Where job seekers are required to wait before commencing the service to which they have been referred this is frustrating for the job seeker and time consuming for the Job Network provider who must continue to follow up until the job seeker is placed. DEN, PSP and LLNP programs all experience waiting lists. AMES has a high number of highly disadvantaged CALD clients on its caseload and our job seekers are affected by these issues.

It is not uncommon for job seekers with a mental illness to be referred back to Job Network when there is no immediate capacity to place the job

Under the new Employment Services model PSP job seekers on waitlists will be accommodated in Stream 4.