

National Employment Services Association Response to Questions on Notice

Senate Community Affairs Legislation Committee

Public hearing, 31 August 2017

Mantra on Russell, Melbourne, VIC

Question 1

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Senator SIEWERT: Ms Sinclair, you made the comment about stream A not declaring and then subsequently being found to have problems, and then helping them with the pathway fund. Can you take on notice how you deal with that financially, because stream A only gets a small amount of money for the pathway fund? Can you take on notice how you address that issue and how you pay for it?

Job seekers may commence in Stream A with complex issues or issues may be disclosed post commencement in employment services (see background note 1. Assessment and Streaming). The Employment Fund is a notional pool of funds and while credits are associated with individual job seekers (see background note 2. Crediting the Employment Fund General Account), expenditure is not. There is a vast number of guidelines regarding appropriate expenditure and which differ for each Stream. Notwithstanding the various restrictions, the underpinning principle is Employment Fund expenditure should reflect individual need. As such while a Stream A job seeker results in a credit of \$300 dollars more may be invested in supports, where these meet guidelines.

NESA notes while spending amounts on Stream A job seekers higher than their credit is not an issue at present, it can become challenging when unemployment reduces and the proportion of job seekers experiencing disadvantaged remaining on the caseload increases. As job seekers are allocated according to relative disadvantage and pre-determined flow into Streams job seekers with more complex issues are more often Streamed into A and B as more job ready job seekers exit employment services.

Background notes:

1. Assessment and Streaming: Job seekers are assessed when they first register with DHS for employment assistance using the Job Seeker Classification Instrument (JSCI) to measure a job seeker's relative difficulty in gaining and maintaining employment and to identify those job seekers who have complex or multiple barriers to employment that need further assessment.

The JSCI is most often completed over the phone (around 90%) and we understand the range of questions (a minimum of 18 and a maximum of 49 – a number of questions also include sub categories) are generally completed in under 10 minutes. The JSCI is the principal streaming tool used to determine program and funding levels (with job seekers being referred to other assessments where particular factors are identified in the conduct of the JSCI e.g. disability and no recent work capacity assessment).

The JSCI is a relative measure of disadvantage and scoring is ‘calibrated’ to direct job seekers into jobactive Streams according to expected proportions. (e.g. approximately 55% of Job Seekers in Stream A, 28% in Stream B and 17% in Stream C). Scores are given for each factor in the JSCI, however it is the total score on which streaming decisions are made rather than the presence of specific factors/issues such as disability. As such while Stream C is designed to assist the most disadvantaged experiencing both vocational and non-vocational barriers to employment, job seekers with complex circumstance such as homelessness, substance use, recently released offenders or humanitarian detainees and People with Disability/Mental ill-health are found across all Streams including A.

Once commencing in employment services providers will review the JSCI and conduct their own assessment. It is a common scenario to find that the job seeker is facing circumstances that are not indicated in the JSCI for many reasons. Many job seekers lack understanding and are wary about how information is to be used or recorded. For example many people will withhold information about disability where they think the information will be passed on to employers and disclosure may therefore limit their prospects. In relation to issues such as Alcohol and Drug Use (AOD) it is understandable that there is a considerable level of discomfort disclosing such sensitive information to a public agency on the first contact and over the phone. As such within the framework there is capacity to review the JSCI regularly and to trigger other assessments if new circumstances are disclosed or changed. However these mechanisms require providers to substantiate change of circumstance through significant evidentiary requirements which can’t always be obtained, therefore the JSCI cannot be submitted. In contrast such circumstance may be updated by DHS based on job seekers disclosure with no evidentiary requirements.

2. Crediting the Employment Fund General Account:

jobactive DEED

EMPLOYMENT FUND

Table 3 - General Account credits

Stream	General Account credit (paid once only)	When credited
Stream A	\$300	After 13 weeks of Period of Service, except for Volunteers (who attract the credit on Commencement in the Stream)
Stream B	\$850	On Commencement in the Stream
Stream C	\$1200	On Commencement in the Stream

Note: In addition to Table 3, where a Stream Participant is identified as subject to a Structural Adjustment Package, the Employment Fund will be credited in accordance with any Guidelines.

Question 2

Written question from Senator Singh

In relation to Schedule 9:

- 1. Do you think that jobseekers in the age group affected will find it harder to find work? What do you think the impact of this change will be on them?**
- 2. Do you believe the changes in schedule 9 will reduce the ability of people aged 55 – 59 to continue to volunteer if they already do so?**

According to the Department of Employment Labour Market Research and Analysis branch, currently 72.3 per cent of 55-59 year olds are employed. We recognise people in this age bracket who become unemployed find it challenging to re-join the labour market. Many often require additional assistance to explore new career paths and occupations and to reskill or up skill to be competitive in the labour market. At present where this cohort are undertaking volunteering as an approved activity they are deemed to be meeting all requirements and cannot be compelled to job search, attend appointments with employment service providers or participate in other activity to improve their employment prospects (see background note 3).

Under these arrangements, if an individual was required to undertake job search providers can employ a level of discretion to take into account individual job seeker circumstances. Currently, there are no requirements in place that would inhibit a job seeker to continue to perform volunteer work in tandem with job searching activities. By doing so an individual may continue to build employability and job seeking skills.

NESA understands that many mature job seekers become disillusioned and despondent about their employment prospects. Volunteering is a valuable activity providing benefit to individuals and community. Volunteering offers significant opportunities to individuals to maintain participation, build experience and skills and contribute to the pathway to work. Continued engagement in employment services and job search activity can assist mature job seekers to use these experiences to improve prospects of paid employment rather than volunteering becoming a destination.

Additionally, we do not consider the proposed changes will increase administrative requirements as providers are currently required to engage and meet with a job seeker and can continue to identify and refer these job seekers to suitable employment opportunities, though job seekers are not obliged to follow up job referrals.

Background notes:

3. Excerpt from Managing and Monitoring Mutual Obligation Requirements and Job Plan Guideline V2.2

Mutual Obligation Requirements for mature age job seekers

Job seekers aged 55 years and over can meet their full-time Mutual Obligation Requirements through 30 hours per fortnight of paid work (including self-employment), approved Voluntary Work or a combination of these Activities.

These job seekers cannot be required to do Job Search or other requirements if they are meeting their Mutual Obligation Requirements in this way.

Job seekers should remain connected with a provider but will be suspended on a provider's caseload. However, providers can continue to refer them to job opportunities.

These job seekers still have full-time Mutual Obligation Requirements until they obtain a full-time job or no longer receive income support.

DHS will make an initial Appointment with the provider for job seekers aged 55 years and over, even if they are already satisfying their Mutual Obligation Requirements (as above). Job seekers who fail to attend this Appointment or any other notified provider Appointments, or who fail to accept referrals to jobs, may be subject to action under the Compliance Framework.

Background notes below from jobactive guidelines

Reasons for a job seeker's job search requirements to be reduced

There are some prescribed circumstances in which employment services providers can reduce the number of job searches a job seeker is required to undertake. These include:

- physical, intellectual or psychiatric impairment, where this reasonably impedes job search,
- alcohol or drug abuse where this is likely to impede job search,
- substantially elevated level of family and caring responsibilities, where this is likely to impede job search,
- accommodation situation where this is likely to impede job search,
- education or skill level where this is likely to substantially limit job opportunities,
- current employment status (part-time or casual work),
- domestic violence (including family violence) or family relationship breakdown,

- final 3 months of pregnancy,
- low level of English language skills, where the job seeker is undertaking a course to improve these skills,
- cultural factors,
- the state of the labour market and the transport options available to the person in accessing that market (e.g taking into account travel time).

Example: A stream A job seeker either living in a metropolitan area or within 90 minutes travel time to a metropolitan area would typically be expected to have 20 job searches per month. Whereas, in a regional area with limited vacancies and where the travel time to more positive labour markets is more than 90 minutes, it might be appropriate that a stream A job seeker has a lower job search requirement, e.g. 15 job searches per month.

Reduced job search requirements for job seekers participating in a Language, Literacy & Numeracy (LLN) course

For job seekers where employment services providers have identified a need to significantly improve their LLN skills, the number of job searches per month can be reduced during the period the job seeker is actively participating in a course designed to improve these skills.

For jobactive job seekers in stream C & job seekers aged 60 years & over

In setting an appropriate number of job searches for this cohort of job seekers, in addition to the considerations outlined above, employment services providers may also give consideration to the extent to which:

- other non-vocational issues or vocational issues are being or have been addressed,
- if the job seeker has undertaken re-skilling or re-training.

Note: Employment services providers should not reduce the number of job searches a job seeker is required to undertake simply because the job seeker is undertaking other activities (e.g. during the WFD phase for those in jobactive).

Job seekers with full-time mutual obligation requirements undertaking paid work

If a job seeker with full-time mutual obligation requirements is undertaking at least 40 hours of declared paid work (including self-employment) per fortnight, the number of job searches should be halved. If the job seeker is undertaking a significant number of hours of paid employment per week (i.e. well above this threshold) and receiving only a residual amount of income support employment services providers are able to reduce the number of job search further.

If a job seeker with full-time mutual obligation requirements is undertaking at least 70 hours of declared paid work (including self-employment) per fortnight, the number of job searches should be

nil. Note the YA legislation though concerning 35 hours a week and paid work because these young people are ineligible for YA.

For any hours of employment to count towards reducing a job seeker's job search or other requirements, that employment must be legitimate and must be for an appropriate level of remuneration. This means that the hours worked must meet the remuneration test outlined in the sufficient work test (1.1.S.403). This is to ensure that a job seeker cannot avoid their job search or other requirements, without affecting their rate of payment, by declaring that they have worked for a number of hours for little pay. It is also to ensure they are not being exploited and taken advantage of by employers.

If casual employment has only lasted a few days, the job seeker will still be expected to undertake their usual number of job searches, as the ability to seek work over the course of a month would not have been substantially reduced by this work.

Principal carers & job seekers with partial capacity undertaking paid work

If a principal carer, or a job seeker with a partial capacity to work, is working but the hours of work is less than 30 hours per fortnight then the job seeker is required to search for work to enable them to increase their total hours of employment to at least 30 hours per fortnight. They will also be required to participate in employment services. If the person is not active with a provider they should be referred to one.

If a principal carer parent, or a job seeker with a partial capacity to work, is undertaking 11-29 hours of declared paid work (including self-employment) per fortnight the number of job searches should be halved.

A principal carer parent, or job seeker with a partial capacity to work, working 30 or more hours per fortnight will have no job search requirements as they are fully meeting their mutual obligation requirements.

Example: Cora is a principal carer parent on NSA with one child. Cora works 22 hours a fortnight as a cashier at a petrol station in her local area. Part-time work is a suitable activity but Cora is not undertaking enough hours to satisfy her mutual obligation requirements in full. Taking this part-time work into account, Cora remains registered with her employment services provider and is set a requirement of 10 job searches a fortnight in order to find a further 8 hours of work a fortnight.

Example: Louise is on NSA and has been assessed as having a partial capacity to work. Louise was fully meeting her mutual obligation requirements as she had been working 30 hours per fortnight at a local pet store. The pet store reduces her hours to 20 hours a fortnight and these hours are expected to last for the next few months. Louise's Job Plan is updated and she is now set 6 job searches per month (as Louise does not have access to a decent labour market within 60 minutes travel time from her home her job search can be reduced) so that she can find a further 10 hours of work a fortnight.

Principal carer parent - Christmas & New Year period

A principal carer parent is not required to undertake job search (or meet any other mutual obligation requirements) during the fortnight that the Christmas public holiday falls. However, they are still required to lodge their statement ([1.1.S.350](#)) to DHS for this period in order to report any earnings to stimulate their payment.

Other circumstances where a job seeker will have nil job search requirements

Job search requirements are not required for job seekers undertaking:

- [NEIS](#) training or the NEIS programme,
- principal carer parents and job seekers with a partial capacity to work (15-29 per week) who are meeting their mutual obligation requirements through 30 hours per fortnight of paid work (including self-employment), approved study, voluntary work in limited circumstances or a combination,
- job seekers who are 55 years of age and over who are meeting their full-time mutual obligation requirements through 30 or more hours of paid work (including self-employment), approved voluntary work, or a combination of paid and voluntary work in a fortnight,
- early school leavers who are undertaking the required amount of accredited education or training activities in their Job Plan.

3. Jobs Australia said Schedule 9 would “create unreasonable administrative work for employment service providers and unnecessary inconvenience for jobseekers”. What exactly is the unreasonable work and unnecessary inconvenience?

Under current arrangements providers are required to have some level of engagement with mature age job seekers. We do not foresee that changes to the current servicing arrangements would create any additional administrative requirements as providers would be providing the same job seeking supports as they do with other job seekers on their caseloads.