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Thank you for your letter of 9 August 1999 concerning a number of issues relating to the participation of mature aged job seekers in Job Network.

Many of the issues raised in your letter are addressed in the Department's submission to the Committee. The submission outlines the Government's approach to the issues of mature aged unemployment and the early experience with Job Network in tackling this difficult problem.

Job Network is a national network of around 300 private, community and government organisations which have been contracted by the Government to find jobs for unemployed people, particularly those who are long term unemployed. Job Network members offer flexible and tailored assistance to job seekers depending on their level of need. While there are six employment service streams under Job Network, the three streams of assistance most relevant to the concerns raised in your letter are:

- i. Job Matching (FLEX 1)**- delivers labour exchange services to job seekers including canvassing for jobs and matching and placing suitable unemployed people into these jobs, as well as preparing resumes for job seekers. Job Matching assistance is available to most job seekers who are working less than 15 hours a week.

- ii. Job Search Training (FLEX 2)**- provides training in job search techniques (resumes, interview techniques, presentation skills) to prepare unemployed people to apply for jobs and give them the skills and confidence to seek and obtain employment. Job Search Training is generally provided to job seekers who have been unemployed for 6 to 12 months and who have current work skills.

- iii. Intensive Assistance (FLEX 3)** - provides individually tailored assistance to eligible job seekers who are more disadvantaged in the labour market to help them prepare for, and obtain, sustainable employment.

As a result of enhancements made to Job Network, from 1 September 1998, Job Matching assistance is available to most job seekers who are working less than 15 hours a week, including job seekers not on income support because of redundancy packages or working partners.

Eligibility for Job Search Training and Intensive Assistance is more tightly defined to ensure that the assistance is directed to those most in need. In general only those job seekers in receipt of unemployment allowances or aged 15-20 years and not on income support are eligible for these services.

Centrelink uses a screening and assessment mechanism (the Job Seeker Classification Instrument (JSCI) to assist in the early identification of eligible job seekers at high risk of long term unemployment and who may therefore require Intensive Assistance. Those assessed as not requiring Intensive Assistance may be offered Job Search Training if the assessment indicates they are job ready but lack job search skill, networks or motivation.

The JSCI has been designed to take account of the relationship between level of labour market disadvantage and age. As a result, mature aged job seekers are almost twice as likely to be eligible for Intensive Assistance than younger job seekers. Data for the period 1 May 1998 to 31 August 1998 show that 67 per cent of mature age job seekers were identified for Intensive Assistance compared to 34 per cent of job seekers aged less than 45 years.

As regards your concerns about the active encouragement of job seekers aged over 50 years to exit Job Search Training and Intensive Assistance, similar concerns were raised with me earlier this year. Following investigation by the Department, it appears that there has been some misunderstanding amongst Centrelink staff and Job Network members about the operation of the special provisions in the Social Security Act 1991 regarding reduced reporting requirements and the policy regarding exits from Intensive Assistance.

Under these provisions of the Act, Centrelink can place people on reduced reporting if it is considered that their situation is unlikely to change in the short to medium term (for example, a job seeker over the age of 50, who has been receiving payment for 12 months and whose income is unlikely to change). Reduced reporting requirements are mainly about whether we expect any change in the job seeker's circumstances (and thus at risk of incorrect payment), rather than about their ability to find work.

The Intensive Assistance exit policy allows job seekers over the age of 50 to request an exit from Intensive Assistance in certain circumstances (for example, where they are participating in substantial voluntary work, combinations of paid and voluntary work, or are on reduced reporting). However, some Centrelink and Job Network staff were encouraging people in these circumstances to exit from Intensive Assistance without first considering whether they might benefit from continued participation.

The Department has worked with the Department of Family and Community Services to ensure that job seekers aged 50 years or older are not actively encouraged to exit Intensive Assistance. I am advised that requests to exit Intensive Assistance from job seekers in this age group are now closely scrutinised by Centrelink before approval is granted and there is close monitoring of those Job Network members who request exits for these job seekers by the Department's contract managers. Job Network members were advised of these arrangements on 30 June 1999. I have asked for regular reports from the Department on this matter.

As you know understanding the difficulties of the mature aged unemployed and developing practical, sustainable solutions is a Government priority. However, it is not a simple or easy task. It will require a sustained commitment from Government and the community to overcome the difficulties mature aged job seekers experience in getting jobs.

Thank you for bringing this matter to my attention.

Yours sincerely

TONY ABBOTT