

Submission to the Senate Education and Employment References Committee

The appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive

September 2018

Dr Sue Olney, Research Fellow, Public Service Research Group, UNSW Canberra¹

About us

The Public Service Research Group² at UNSW Canberra has a robust record of research on the implementation of social policy in Australia and overseas. We welcome the opportunity to contribute to the Committee's inquiry into jobactive.

Between 2012 and 2016 Dr Sue Olney conducted an in-depth study of the effectiveness of Australia's employment services system in tackling long-term unemployment.³ The findings of that study, and our group's research into public service reform, the marketisation of social services, citizens' rights and responsibilities, and stewardship of public service markets,⁴ underpin this submission.

¹ <https://research.unsw.edu.au/people/dr-sue-olney>

² <https://www.unsw.adfa.edu.au/public-service-research-group/>

³ Olney, S (2016) *False economy: New Public Management and the welfare-to-work market in Australia* University of Melbourne <https://minerva-access.unimelb.edu.au/handle/11343/115289>

⁴ See for example: Olney S & Gallet W (2018) 'Markets, s t , M\$ of Employment Services in Australia' in Cahill D & Toner P (eds) *Wrong Way How Privatisation and Economic Reform Backfired*, La Trobe University Press/Black Inc.; Olney, S (2017) 'Should Love Conquer Evidence in Policy-Making? Challenges in Implementing Random Drug-Testing of Welfare Recipients in Australia'

influence of drugs or alcohol.⁸ Delegating authority to jobactive to suspend jobseekers' income support payments for non-compliance escalates risk of harm both for frontline staff and jobseekers. More broadly, it destroys trust between employment consultants and their clients, who need to work together to achieve employment outcomes.

Our recommendations address the following terms of reference of the Committee, with particular emphasis on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive in relation to its interaction with long-term unemployed jobseekers and jobseekers at risk of long-term unemployment:

- (a) the nature and underlying causes of joblessness in Australia
- (e) the fairness of mutual obligation requirements, the jobactive Job Plan negotiation process and expenditure of the Employment Fund
- (f) the adequacy and appropriateness of activities undertaken within the Annual Activity Requirement phase, including Work for the Dole, training, studying and volunteering programs and their effect on employment outcomes
- (g) the impacts and consequences of the job seeker compliance framework
- (i) the funding of jobactive, including the adequacy of the 'outcome driven' funding model, and the adequacy of this funding model to address barriers to employment

Recommendations

1. Simplify the process of people moving in and out of the employment services system, and smooth transitions between welfare and work. Changes in the nature and conditions of work and changes in the characteristics of jobseekers mean that many jobseekers now work episodically, move in and out of self-employment in the gig economy, or hold multiple short-term jobs concurrently. This sits uneasily with a welfare-to-work model founded on the premise that jobseekers will move from income support in

unemployed and people at risk of long-term unemployment is working towards achieving key performance indicators tightly bound to the critical success factors of its own funding sources, and their efforts are not mutually reinforcing.

5. Build a coherent funding and regulatory regime that rewards collective-action solutions and partnerships between jobactive and complementary services focused on helping jobseekers prepare for and find work and engage in meaningful activity in the community when they are not in paid work. Much of the effort and investment devoted to helping long-term jobseekers overcome barriers to work through individual case management is misdirected. The real cost of failing to move the most disadvantaged jobseekers in Australia into work is not adequately factored into policy design, service provider incentives or system metrics in jobactive.