



28 September 2018

Committee Secretary  
Senate Education and Employment Committees  
PO Box 6100, Parliament House  
Canberra ACT 2600

Dear Secretary,

My Pathway has been supporting people in Australia to gain employment for more than a decade. Our vision is *Defining Future Communities*, which is shared across 1,000 employees nationally. We aim to achieve our vision by supporting our people to *Develop* their potential, *Connect* to opportunities, and *Grow* their ability to influence change.

In the jobactive space, we are committed to helping job seekers (who we consider 'future employees') to find and acquire work that is sustainable, tailored and rewarding.

Since commencing the jobactive contract in 2015, My Pathway has predominately achieved five-star performance ratings and placed more than 4,200 job seekers into work. While many people manage their job search independently or utilise paid recruitment services, we believe that maintaining a high-quality and free employment service is a valuable safeguard for job seekers and is critical for those who are most disadvantaged.

Employment is vital to a thriving community. It can provide a source of pride and connection for individuals, and the financial benefits flow through families and local economies.

We are hopeful that this Inquiry will provide the insight and feedback necessary to progress the existing jobactive program and deliver more benefits to the next generation of job seekers.

Regards,

Chris McLaughlin  
Chief Operating Officer, Workforce Development  
[c.mclaughlin@mpath.com.au](mailto:c.mclaughlin@mpath.com.au)

## Response to Terms of Reference

The appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive, with specific reference to:

### a. the nature and underlying causes of joblessness in Australia;

There are many personal, social and environmental factors that impact joblessness in Australia. For some people, joblessness is a temporary, short-term predicament and they have the willingness and tools to change their situation. Others are unemployed because they've been unable to enter the workforce in the first place, or they're dealing with other barriers that impede their ability to commit to work.

We commonly work with job seekers who have education and skills gaps, or they're the second or third generation in their family to be unemployed. The jobactive program is equipped to overcome these types of barriers through training, work experience, motivational and confidence-building activities.

In circumstances where a job seeker is dealing with problems such as substance abuse or mental illness, the support they require is more complex. Non-vocational assistance to improve health, wellbeing, living arrangements or literacy aren't reflected in the jobactive performance framework and only a few services are eligible for funding. In some cases, addressing social or personal issues may conflict with a client's job search requirements.

### b. the methods by which Australians gain employment and their relative effectiveness;

Across the Tasmanian jobactive regions where My Pathway operates, many positions are filled through word-of-mouth, existing networks or door stopping. Most of all, employers are drawn to job seekers who demonstrate proactivity.

Skilled workers such as forklift operators or boilermakers are in demand and able to secure regular, longer-term employment. Non-skilled or semi-skilled job seekers may find it more difficult to gain work or they're limited to casual positions with irregular hours and income.

Digital and online services play an increasing role in the job search process, which sometimes further disadvantages those who lack digital skills, but may have other desirable attributes or experience. However more traditional and face-to-face approaches in the regions where we operate remain prominent. The methods by which Australians gain employment will differ by location, industry and across urban, regional and remote areas.

**c. the extent of consultation and engagement with unemployed workers in the design and implementation of jobactive;**

We believe that timely and clear consultation with job seekers, employers and providers will support the success of any program changes. We also see benefits in conducting place-based trials or pilot projects to test possible solutions and welcome the opportunity to be part of such innovations.

**d. the ability of jobactive to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of unemployed workers;**

My Pathway considers two key factors will improve jobactive's effectiveness over the long-term:

First, a greater effort toward inclusiveness by including personal and professional development milestones in the provider reward system. Job seekers would receive more support to address social issues that may obstruct their ability to be considered for roles or retain employment. This would actively target long-term job seekers who have not been successful through the current system.

Second, increasing competition in the market to promote choice and encourage providers to strive for improved job seeker satisfaction. We recommend a hybrid model that would limit the number of providers according to local demand and enforce market-share caps to avoid monopolies.

**e. the fairness of mutual obligation requirements, the jobactive Job Plan negotiation process and expenditure of the Employment Fund;**

It is our general observation that Australian taxpayers and job seekers expect mutual obligations will be enforced for those claiming unemployment benefits. There is a significant opportunity to streamline and simplify a job seeker's obligations, so they are transparent to everyone. The current obligations become over-complicated due to the many factors that change the requirement.

The Job Plan process is useful in establishing the initial agreement or contract between the provider and the job seeker. When developed correctly, the Job Plan should be tailored to the job seeker's needs and aspirations. Where possible, the Job Plan and other administrative tasks should be automated to reduce the administrative burden and enable consultants to spend more time assisting people to prepare for work.

Our approach to the Employment Fund is to utilise this money as long as it is spent on getting job seekers into work and meets the guidelines. We rely on the Department to set guidelines and budgets that reflect the investment Government is prepared to make in securing an individual in work.

**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;**

Work for the Dole activities have attracted a largely negative response, given the skills acquired rarely lead to work opportunities and may be interpreted as 'free labour'. However, involvement in Work for the Dole does provide a job seeker with soft skills such as organisation and teamwork, which may support their applications for paid work.

There is an opportunity to enable more real-life work experiences and focus on preparing individuals for paid employment. This may provide employers with more free hours in the short-term but could lead to employment that reduces the reliance on welfare over the long-term.

**g. the impacts and consequences of the job seeker compliance framework;**

The new compliance framework increases an individuals' accountability through self-reporting, which overall is a positive step. An appropriate period of implementation and transition should be allowed before assessing success or making further changes.

The user-managed dashboard and diary appear to provide job seekers a simpler and regular view of their obligations and meetings, leading to a reduced administrative requirement for consultants.

**h. the appeals process, including the lack of an employment services ombudsman;**

The current complaints system managed through the Department of Jobs and Small Business appears to be working sufficiently, and we are not aware of significant adverse job seeker service that is going unresolved.

**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;**

The focus on outcome payments may sometimes result in job seeker churn, especially where underlying social or health issues are impacting their employment longevity. A health and wellbeing outcome fee could help job seekers to receive the support required to secure them in sustainable work.

**j. alternative approaches to addressing joblessness;**

Socio-economic factors and work availability will differ by region. Allowing jobactive providers to propose place-based models of service may result in improved outcomes for job seekers.

The opportunity to implement a more flexible and tailored approach could be a further incentive for providers to innovate for their clients.