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Privatisation of Australia's Unemployment Services:  
Improving State and Federal Delivery Models for an  
Inclusive Workforce

This report has been written for The Future of Work Lab by

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## **ABOUT THE INTERNSHIP**

The Future of Work Lab hosts talented Master's student interns who lead projects across a range of future of work issues. The interns produce policy reports covering pressing and timely topics in this area. Our interns are trained in advanced analytical, research and report-writing skills as well as collaboration, teamwork and interpersonal skills.

Louisa Bartl is an intern at the Future of Work Lab. Louisa is currently completing her Master of Social Policy and is interested in exploring policy solutions in relation to the variety of factors that impact homelessness and precarious housing. Louisa is working on exploring the changes being made to Australia's federal employment program Jobactive, and alternate models and programs within Victoria.

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## EXECUTIVE SUMMARY

Australia's unemployment welfare services and programs are heavily influenced by neoliberal ideology. Neoliberalism is a government approach that favours free-market capitalism and privatisation in order to reduce government spending. Usually, this culminates in the privatisation of social welfare programs and aid services. This is what happened to Australia's Commonwealth Employment Services when the federal government completely privatised the national employment services program in 1998. Despite being completely government-funded, unemployment services that were once a government responsibility have shifted entirely to private and non-governmental organisations.

Currently, unemployment services are administered at both the federal and state level. At the federal level the current system, the highly ineffective Jobactive, will be replaced by Workforce in July 2022. Jobs Victoria, which was introduced in 2016, has seen some initial success in placing Victorians into employment at the state level. This report will compare both Jobactive, Workforce and Jobs Victoria to explore the strengths and weaknesses of Australia's current unemployment services delivery model. This report also outlines a set of recommendations for both Federal and State employment services programs:

1. Workforce Australia should focus funding initiatives on employment service organisations that assist disadvantaged job seekers (people with disabilities, migrants, women, etc.) and lower the mutual obligation requirements.
2. Jobs Victoria should conduct new studies and evaluations, particularly focusing on the effects of the pandemic. These studies should include more qualitative data to be analysed in conjunction with quantitative data.
3. Both State and Federal governments should work in congruence with each other by:
  - a. Combining unemployment data systems with myGov to ensure both employment services providers and service users have the same information about:
    - i. personal details
    - ii. employment training being undertaken
    - iii. whether mutual obligation requirements are being met

## **INTRODUCTION**

The Commonwealth Employment Services program was established in 1945 after WWII and was privatised in its entirety by the Howard government in 1998. Previous Australian governments have relied on the notion that the population comprises ideal versions of neoliberal citizens. Neoliberal citizens are those who can operate and thrive within a free-market capitalist economy without any economic assistance or intervention from the government. People who require additional help from the government, whether through services or direct funds, are often considered to have a moral or behavioural failing that needs to be corrected. In order to correct a person's personal failing, paternalistic policies are introduced that heavily monitor and constrain a citizen's freedom of choice on how to live their lives at the expense of receiving welfare payments.

Jobactive is one such program that aims to facilitate and instil the 'correct' behaviour in job seekers through mutual obligation requirements. Mutual obligation requirements, sometimes known as workfare policies, are activities that citizens must undertake to receive welfare benefits (e.g. 'Work for the Dole'). The Jobactive program is the current national employment service model and will end in July of 2022. Under Jobactive, the federal government approves contracts with multiple private employment service companies that aid unemployed people in finding work. The Howard government previously defined mutual obligation policies as a 'social contract' between the government and its citizens (Parker & Fopp, 2004). Under this definition, the federal government considers the services and welfare payments it provides to be part of a

broader shared responsibility between themselves and the wider public, with unemployed people having to prove they are worthy of receiving benefits.

For Jobactive participants to receive their welfare payments, they are required to undertake activities that are intended to help them find employment. Failure to meet these requirements will see their welfare payments withheld as a punishment. Mutual obligation requirements include attending meetings with your provider, completing job applications, and undertaking career training. A provider is a company with which a job seeker must engage to find employment, training or education in order to receive welfare payments.

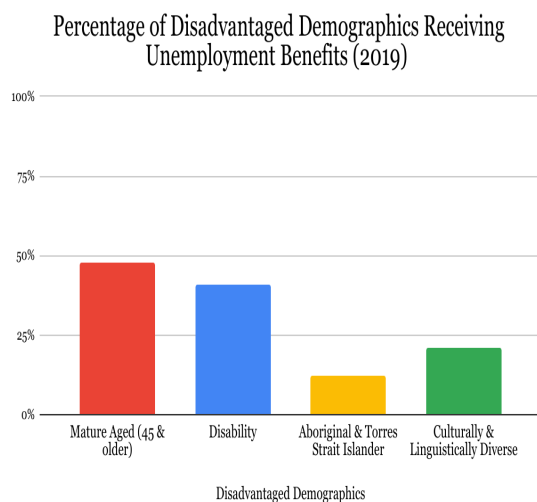
A federal Senate committee was established to review Jobactive, and the program was ultimately found to be unsuccessful. As Jobactive participants are subject to such harsh punitive measures, they often force themselves to meet mutual obligation requirements that are in many ways unnecessary. Very few employers were advertising through Jobactive due to the sheer number of applications from job seekers who were ineligible for the positions. Employment services providers are inundated with high caseloads and the responsibility of monitoring mutual obligations, meaning the majority of their day is spent completing administrative duties.

Jobactive employs a pay-for-performance model, where service providers are paid based on employment outcomes. This has led to many a large number of private companies cycling through clients and focusing on placing them in work that, in many cases, is short-term, unsustainable, or unsuitable rather than providing assistance to meet the client's own

goals. As a result, a new employment model has been introduced, Workforce Australia, which will come to fruition in July 2022. Workforce Australia has been trialled in two regions in central New South Wales and Northern Adelaide. The results of this trial have not been released to the public.

One of the major changes to the employment services model is the focus on a digital platform; this will allow the most job-ready clients to self-manage their job applications, training or education, and mutual obligation requirements. The government hopes this self-service design will allow for more targeted case management for the most disadvantaged job seekers, who face multiple barriers to employment.

As of 2019, 756,557 Australians received unemployment benefits (ACOSS & Jobs Australia, 2020). The most disadvantaged demographics and their unemployment rates can be found below in Table 1:



*(Data provided by ACOSS & Jobs Australia, 2020).*

It is important to note that some people may fit into multiple categories listed in Table 1.

Jobs Victoria was established in 2016 and aims to provide a more holistic employment service model. An evaluation released in 2019 found that the model was successful because it was developed to work in tandem with Jobactive or other employment services rather than replicating it. The Victorian government's focus on local employment agencies has seen great success in placing Victorians in long-term employment. It also utilises a reverse tendering process, where potential service providers produce a bid for funding based on the employment outcomes they are committed to achieving by the end of a license period. This has encouraged more diversity within the employment services market in Victoria, as providers who focus on different disadvantaged demographics are able to receive and maintain funding.

COVID-19 has drastically altered the employment market in Australia, particularly in Victoria, which underwent a total of six lockdowns; new policy measures need to account for this. On a national level, a new government has just been elected. This, along with the continuing pandemic, means it is difficult to ascertain how effective Workforce Australia will be or if any changes will be made to the program in the next four years.

The importance of comparing Jobactive, Workforce and Jobs Victoria is to ascertain the best unemployment services design that has the most beneficial outcomes for intended service users. This is particularly imperative during the current COVID-19 pandemic, which has significantly altered the employment market in multiple industries. Employment policy reform is about to come into effect in July 2022, and consistent investigation into the

effectiveness of the delivery will help reduce Australia's unemployment.

## **SECTION 1 – THEORIES UNDERPINNING UNEMPLOYMENT POLICY IN AUSTRALIA**

### **NEOLIBERALISM**

It is generally understood that neoliberal ideologies have heavily influenced Australian social welfare policies and economic management. Tejaswini Ganti (2014), through a literature review, has categorised neoliberalism as a set of government regulations that embraces a self-regulating free market economy (as cited in Ganti, 2014). Ganti also engages with Treanor, who defines neoliberalism as "...an ideology that values market exchange as 'an ethic' capable in itself, capable of acting as a guide to all human action" (as cited in Ganti, 2014, p. 91).

Social researchers have critiqued neoliberalism's prevalence within the academic literature, as it has become the normative assumption within any political or economic context (Hoffman, DeHart & Collier, 2006). The common critique is that researchers who employ this assumption become hyper-focused on traditional understandings of neoliberal ideology and ignore local political structures and contexts within the global community (Gershon, 2011). Ong (2006) similarly critiques the use of neoliberalism in academic research because of the inconsistency of the definitions used across disciplines and research topics. However, others have argued that due to continued globalisation, neoliberalism should be employed within the context and confines of a given country or local community (Gray et al., 2015). Neoliberalism in Australia is

demonstrated through the economic focus of free-market capitalism, privatisation of government services, and a reduction of welfare spending.

Australia has shifted government ideologies from liberalism to neoliberalism (Sarian, 2018). The key difference between the two is that liberalism views individualisation and market processes as naturally occurring circumstances, and neoliberalism understands these processes as something that needs to be instilled in society (Parsell et al., 2020). Neoliberal ideologies in Australia understand community not as a collective but as individuals who operate independently of the government (Fraser, 2020). The Australian government recognises an ideal type of citizen. One who can work and operate within the economy without any aid from governments in the form of social welfare (Woolford & Nelund, 2013). However, this unwillingness of the Australian government to spend more than they would prefer on social welfare has led to an over-reliance on community and charitable organisations (Evans et al., 2005). These organisations are sometimes referred to as the 'third sector'. The Australian government often relies on the third sector to reduce spending and, most importantly, limit the amount of time and energy of welfare service provision (Van Gramberg & Basset, 2005).

This juxtaposition between individualism and community social welfare provision is at odds with each other. Neoliberalism in Australia demands that individual citizens not rely on government assistance but rather on each other. However, in some cases, citizens do require government welfare. The Australian

government's ideal neoliberal citizen is someone who can operate and thrive within the free market economy without requiring government assistance (Mackenzie & Louth, 2020). Those who cannot are considered to have a personal behavioural deficiency. This has resulted in paternalistic welfare policies that focus first and foremost on behavioural modification, rather than enacting policies that target the broader structural issues impacting economic instability for middle, working, and poorer class people (Hyatt, 2011).

## **WELFARE IDEOLOGIES**

The Australian welfare system has been described as "...one of the most selective income support systems in the Western industrialised world" (Mendes & Baidawi, 2017, p. 21). Ideologies dictate policy and display the government's rationale for certain policy approaches. Australia's transition from liberal to neoliberal ideologies has brought forth a paternalistic type of welfare rationality for unemployed citizens, focusing on the 'moral-behavioural' and 'economic' components of society (Harris, 2001). The moral-behavioural being government perceived constructs of responsible behaviour, and the economic component outlines the moral-behavioural constructs within an economic understanding of capitalism (Harris, 2001).

Practical examples of this paternal neoliberal welfare rationality can be found in the requirements unemployed Australians must meet to obtain their welfare payments. Workfare policies, also known as mutual obligation requirements in Australia, are enacted upon citizens who risk punitive action by the government if they do not meet these requirements. In Australia, this punitive action

is often the halting or cancellation of welfare payments. The onus is then on the individual to prove there was a valid reason for why they did not complete these tasks. In terms of unemployment, mutual obligations are framed by the government as unemployed Australians proving that they are worthy of welfare. Although now a staple in Australian unemployment policy, mutual obligation requirements have been unpopular with job seekers, employers, and employees at job service centres (Kurmelovs, 2019). For example, job seekers are required to apply for between 20-60 jobs a week to fulfil their obligations. Employers are left to sift through numerous job applications from those who are unqualified or unsuitable; additionally, job service providers are left spending most of their workday monitoring mutual obligation requirements and conducting general administration tasks (Henrique-Gomes, 2021).

The nature of mutual obligation policies in Australia represents a 'social contract' between the government and the individual (Parker & Fopp, 2004). The Howard government described the nature of this contract as the government holding up their end of the bargain with unemployed individuals failing to meet theirs (Hamilton, 2014). Workfare policies generally have mixed success rates but ultimately have undercut benefits and often create financial hardship for welfare recipients (Murphy et al., 2011). This policy explicitly targets unemployed Australians and labels them as a burden who need to prove that they are legitimate, ideal citizens and not 'dole-bludgers'. Mutual obligations were put on hold during the coronavirus pandemic. However, they were gradually reintroduced across



Australia as vaccination rates increased and COVID-19 restrictions were rolled back (Cash & Ruston, 2020).

## **SECTION 2 – JOBACTIVE**

### **BACKGROUND**

Employment and welfare services began in 1946 with the Curtin Labor government's introduction of the Commonwealth Employment System (CES). The main goal was to identify gaps in the workforce and provide labour and vocational training for newly returned soldiers after WWII. These programs were adapted and changed over time and were under government control until, in 1998, the conservative Howard Liberal government privatised the CES. The new privatised scheme was established under the name 'Job Network', which has since had other revisions before reaching its current iteration as Jobactive, whose contract is set to end in July 2022.

Currently, welfare and employment services have been split into two offices. Jobactive covers and administers employment programs and assistance. At the same time, welfare payments are issued by Centrelink (which covers disability payments, carers payments, unemployment payments, rental assistance etc.). All unemployed Australians are eligible to receive the Jobseeker (formerly NewStart) payment. The Jobseeker unemployment benefit is universal in terms of eligibility, is means-tested, and can be received in conjunction with other welfare payments such as the single-parent payment (Wood, 2018).

Australia was the first country in the OECD to outsource its employment services in their entirety to private companies (Thomas, 2019). The Howard government's rationale for

privatisation was that the system would become more efficient by paying employment service organisations for every person placed in employment (Considine et al., 2011). It would also provide more choices of service providers available, allowing for job seekers to 'shop around' employment services providers. This attitude towards unemployed people in Australia reflects the notion of the ideal neoliberal citizen. This is reflected in paternalistic workfare policies, with mutual obligation being an attempt to discipline unemployed Australians into correcting their behaviour. The privatisation of the public employment service has led to an explosion of private providers operating within the market (Macdonald & Pegg, 2018). Although there are some checks and balances, the pay-for-performance design of the Jobactive scheme has left many more specialised employment services struggling for funds. These typically non-profit organisations focus on job seekers who face multiple barriers to employment and, therefore, require more time and specialised job plans and interventions.

Jobactive employs a pay-for-performance, a competitive tendering structure that involves government set goals and work processes that service providers need to achieve to continue their operations (Wood, 2018). The highly competitive pay-for-performance structure has led job service providers to focus more on the quantity of job seekers using their services rather than the quality of services provided (Wood, 2018). The pay-for-performance model has been critiqued heavily by both job seekers and even employment providers.

Jobactive splits job seekers into three streams through a statistical tool known as the Job Seeker Classification Instrument (JSCI):

Stream A:

- Job seekers who are considered the most job-ready
- Minimal support from job provider

Stream B:

- Job seekers who are considered to need more support from providers than Stream A

Stream C:

- Job seekers who require the most available support from jobs providers
- Considered to possess multiple barriers to employment

(SCEE, 2019).

Jobactive applicants fill out a questionnaire and are given points based on their answers. These points determine a job seeker's level of disadvantage. After being placed in a stream, job seekers work with a provider's case manager to establish a job plan that includes their mutual obligation requirements and any voluntary activity. These mutual obligation requirements are government-mandated and include any of these activities:

- Entering into a Job Plan;
- Undertaking a job search (generally, this involves applying for 20-60 jobs per month depending on the stream a person is allocated to);
- Attending provider appointments (mostly in person)

(DJSB, 2018).

Jobactive also uses a Targeted Compliance Framework (TCF), whereby providers issue demerits to applicants if they do not meet their mutual obligation requirements. Too many demerits and Jobactive participants lose their benefit payments (Services Australia, 2021). The TCF began in 2018 and initially allowed for discretion when demerits were issued by the DHS (SCEE, 2019). However, since this task was outsourced to employment services providers, demerits have been issued rather liberally (SCEE, 2019).

## **EFFECTIVENESS**

Jobactive's contract began in 2015 and replaced the previous employment service model of Job Services Australia. Although Jobactive is completely government-funded, the contracts are awarded to either private or charitable/non-governmental organisations. In 2019, the Senate Committee of Education and Employment (SCEE) released a report titled, *Jobactive: Failing those it is intended to help*. The report utilised both qualitative and quantitative data. The second chapter includes large sections of direct quotes from verbal testimony of Jobactive clients to the Senate Committee. The SCEE included these participant testimonies in full to give a voice to job seekers who continually have felt that their needs, complaints and concerns about Jobactive have been ignored (SCEE, 2019). The report described how job seekers were failed by the design of Jobactive and how employment services providers struggled to provide clients with stable, long-lasting employment (SCEE, 2019). Employers were also interviewed for the report. They agreed that finding a qualified potential employee was

easier through private job sites like Seek or Indeed (SCEE, 2019). National Unemployment statistics mirror the qualitative data presented in the SCEE report.

Prior to the COVID-19 pandemic, national unemployment was 5.16%, with 2018 and 2017 sitting at similar rates of around 5%. Underemployment remained at 13%, and ultimately, in December 2019, the employment participation rate nationwide was at 62% (ABS, 2020).

However, how the Australian Bureau of Statistics (ABS) defines unemployment has continually been criticised. The ABS counts a person as employed if they have worked just one hour per week (ABS, 2022). The Australian government justifies this measure:

*“The ‘one hour rule’ is used internationally and allows employment figures compared with other countries. It has been used in Australia since the Labour Force Survey began, enabling comparisons to be made over a long period of time. The ABS also has a range of other measures, such as underemployment... how many would like to be working more.”* (ABS, 2022).

A person is considered underemployed if they are working but would prefer to work more hours (ABS, 2022). It is important to recognise that the ‘one hour rule’ was set by the United Nation’s International Labour Organisation (ILO) and counts anyone who works in the market economy. However, participants of the SCEE discussed their distaste for the definition (SCEE, 2020). Proponents of this definition argue that anyone who gets paid is employed regardless of how many hours worked, and without the ‘one hour rule’, the unemployment

rate would increase (Dyrenfurth, 2019). Others argue that this definition is misleading and promotes a false picture of the true unemployment rate in Australia (Martin, 2022). The ILO ‘one hour rule’ is some 60 years old, and the nature of the working economy has changed significantly. The ever-increasing nature of the gig economy, the rising cost of living, and the stagnation of wages have meant people are required to work more hours more consistently. The ILO’s definition of an employed person has not been adapted to reflect these changes (Dyrenfurth, 2019).

One of the biggest failures of the current Jobactive system is how few employers utilise it. The SCEE report found that less than 4% of all eligible employers use the Jobactive program to find applicants. Survey data found that employers saw too many applicants who were not qualified to apply for a single position (SCEE, 2019). The report also suggests that there was little to no communication between the caseworker and the employer (SCEE, 2019). Both employers and job seekers have been quoted as saying they felt abandoned by jobs services agencies. There was little post-placement consultation with either the job seeker or the employer (SCEE, 2019).

The issues with employment services providers also extend to the management of these companies. Employees at these companies cited large caseloads, with little time to spend with clients (SCEE, 2020). The staff turnover rate for job service providers is also relatively high, leading to job seekers facing a constant cycle of caseworkers; thus repeating basic information with a new caseworker on a regular basis (SCEE, 2019). This culminates in Jobactive participants moving through a

redundant cycle of repeating information and job search activities with little success (SCEE, 2020).

## **NEW EMPLOYMENT SERVICES MODEL: WORKFORCE AUSTRALIA**

Challenging A new employment model was announced in 2019. Jobactive will become Workforce Australia and will officially begin on 1 July 2022. Workforce Australia will be 'grounded in digital' and will divide job seekers into two streams:

### Workforce Australia Online:

- Digitally literate job seekers who are most job-ready
- Job search and mutual obligation requirements to be conducted and reported online

### Workforce Australia Employment Services:

- Job seekers with more complex needs
- Focus on early intervention and case management

(DESE, 2021)

Workforce online participants will have access to a job board (like Seek or Indeed) and will primarily be left to their own devices but will still have access to education, skills training, and career coaching (DESE, 2021). However, if, after 12 months, a participant has not managed to gain employment, placement, or training within the last six months, they will transition to a Workforce employment provider (DESE, 2021). Workforce Australia Employment Services participants will receive the same services as those in the Jobactive Stream C. However, they will not have to compete for time

and resources under the self-service model of the online stream. This theoretically means that these participants will be prioritised with more targeted interventions.

Mutual obligations will also transition into a points-based system rather than Jobactive's service provider discretion model, with the TCF also being operationalised in the new Workfare design (DESE, 2021). Participants will be required to meet a 100 points threshold in a month (DESE, 2022a). If a jobseeker earns over 100 points, up to 50 of those will be carried over to the next month, reducing the mutual obligation requirements for the following month (DESE, 2022a). For example, job searches are worth one point and interviews are worth 20 (DESE, 2022b). If a participant does not meet the points threshold, their income support will be jeopardised (DESE, 2021). Although the points-based system will provide more flexibility, this system still risks repeating the same mistakes as Jobactive's mutual obligation requirements. The activities still include job searches, education and training initiatives, and job interviews. If the job market is not in the worker's favour, mutual obligations will continue to be a box-checking exercise.

Employment services providers will still be operating under a pay-for-performance model. Due to Workfare's self-service online model, service providers will have the time to focus on more complex clients. Larger outcome payments will be awarded to providers who produce employment outcomes for particularly disadvantaged demographics (Thomas, 2022). Under Workfare Australia, employment services providers will be issued an initial three-year license and then reviewed for renewal at the end of the period (DESE, 2022). A new

national panel will be established, and they will decide which service providers will be licensed (DESE, 2022). A Provider Performance Framework will review how an employment service:

- Improves a client's employability
- Improves progress towards employment
- Helps a client gain and maintain employment

(DESE, 2022).

This framework will also consider user experience from both employers and job seekers (DESE, 2022).

Workfare was trialled in March 2019 in two regions in South Australia and New South Wales. A discussion paper reporting the results of this trial is yet to be released to the public. However, the DESE is moving ahead with launching Workfare nationally in 2022.

Embracing digital employment platforms was necessary to revamp Australia's employment service sector. However, at best, mutual obligation requirements have had mixed results (O'Halloran et al., 2019). The digital platform will alleviate some of the redundancies of the mutual obligation system, particularly for employers. However, the points-based system operates under the same principle as the service provider's discretion model. The re-adoption of the TCF and the punitive measures for job seekers who fail to meet requirements will lead to participants' same issues with Jobactive. Exercises in personal improvement will not assist someone in entering the workforce if broader structural issues limit the

amount of long-term paid employment positions available.

## RECOMMENDATIONS

It is currently unclear how effective Workforce Australia will be at aiding people to find employment as it has not yet commenced. Australia is also still in the throes of a global pandemic, and a new Federal Labor government was voted into power in May 2022.

What is promising is that the self-service digital platform will alleviate the caseloads for service providers. Required in-person meetings will prioritise clients who face the most barriers to employment, rather than seeing everyone regardless of employability.

1. The federal government should prioritise further funding for unemployment services organisations that assist disadvantaged groups, regardless of the number of people they place into employment.
  - a. An additional \$300 million is needed to support the ongoing work of federal unemployment services programs.
    - i. This is similar to the Transition to Work Program (\$481.2 million over four years), which focuses on employment support for early school leavers.
    - ii. Funding should be directed toward identifying and bolstering employment services that focus on outcomes for disadvantaged

demographics (Indigenous and Torres Strait Islander people, mature aged people, etc.).

2. Mutual obligation requirements should be reduced to avoid the failures of Jobactive.
  - a. Rather than have a concrete set of activities imposed on every Workforce Australia participant, mutual obligation requirements should be discussed and decided upon with each individual participant.

This will ensure that mutual obligation requirements will be tailored and achievable to the service user.

### **SECTION 3 – JOBS VICTORIA**

#### **BACKGROUND**

Jobs Victoria began in 2016 as an alternative to Jobactive. The idea behind Jobs Victoria is to provide a more targeted and client-focused approach to employment services instead of the federal Jobactive scheme. Jobs Victoria is operated by the Victorian Department of Jobs, Precincts and Regions (DJPR) and works similarly to Jobactive. Applicants are matched with a job service provider through a job provider network. Jobs Victoria operates an ‘online hub’ where employers can post job listings, and job seekers can apply for them. This is a service that Workforce will launch nationally in July of 2022. Jobs Victoria differs from the Jobactive scheme because they work with employers to find staff with relevant skills. Although Jobactive was designed to do the same thing, the stringent mutual obligation policies have meant employers are increasingly

frustrated by the number of unsuitable applications they receive.

Recently, Jobs Victoria has been focussing on employment and incentive programs in the wake of the 2020-2021 lockdowns. Regional areas are getting hospitality and aged care provisions, and Jobs Victoria is now offering paid training for the hospitality industry (Jobs Victoria, 2022).

#### **EFFECTIVENESS**

In 2019, the DJPR commissioned a report on the effectiveness of the Jobs Victoria program. The South Australian Centre for Economic Studies (SACES) conducted the evaluation. At the time of release, Jobs Victoria had placed 7,600 job seekers had been placed into employment, with more than half of those placed having remained employed for 26 weeks (SACES, 2019). The SACES collected data through the Global Engagement Monitoring System that holds participant information and employment provider surveys (SACES, 2019). The report identified three delivery models employed by employment services providers under contract with Jobs Victoria:

- ‘Life first approach’- aiding personal improvement leading to employment
- ‘Jobs first approach’- finding job opportunities that require little training or experience
- Co-design- customising training programs to meet the needs of the employers

(SACES, 2019).

Ultimately, the SACES found that locally based employment services, that focus on helping specific demographics or local areas, could significantly improve employment outcomes (SACES, 2019). These employment services must undergo a reverse tendering process, whereby local providers are asked to propose, cost and bid on the employment outcomes they are committed to achieving over the contract period (SACES, 2019). It was found that the outcome-based bidding allowed for more diversity in employment services providers available for job seekers (SACES, 2019).

Although Jobs Victoria has been praised for its locally based approach, some recommendations were made to further improve the policy. These include aiding service providers in strengthening their capacity to undertake the life-first design model by increasing funding and bridging connections with local employers (SACES, 2019). The report also highlighted that improvements could be made by reducing the minimum required work hours for some disadvantaged groups (SACES, 2019). The report also recommended a more streamlined data linkage system for tax file numbers so that service providers did not need to spend so much time finding payslips (SACES, 2019).

Although initial reporting has framed the Jobs Victoria platform as successful, the COVID-19 pandemic massively impacted the Victorian job and employment market. Victoria was forced to undergo a total of six lockdowns, with two of those lasting for months. This left many businesses, particularly in hospitality and retail, to completely shut their doors and many workers without a consistent income.

Unemployment in Victoria at the beginning of 2022 had fallen to its lowest rate since 1974 to 4.1% (LMIP, 2022), despite the COVID-19 pandemic and the constant lockdowns it brought forth for the state. However, the pandemic is not over, and it is unclear what more is to come regarding the COVID-19 pandemic. However, the Jobs Victoria program has seen some initial success prior to the pandemic.

## RECOMMENDATIONS

The success of Jobs Victoria was revealed as an initial evaluation in 2019. Still, a more current assessment is required, particularly concerning the impact of the COVID-19 pandemic. The experiences, understandings, and feelings of clients using Jobs Victoria contractors should be included and released.

It also seems that the Victorian government is continually reviewing the Jobs Victoria program, with the Global Engagement monitoring system self-reported data and the two surveys conducted as of writing. Although more time consuming, a mixed-methods approach that includes both qualitative and quantitative data provides a complete picture of the program and its effectiveness. This is especially important when the structural and personal barriers to employment have shifted dramatically due to COVID-19, and people are trying to find a new normal.

1. Further research should be conducted on the effectiveness of Jobs Victoria in the wake of the COVID-19 pandemic.
  - a. Future evaluation should include qualitative data in the form of interviews in conjunction with

quantitative data methods previously used.

- b. COVID-19 heavily impacted the working environment in Victoria, and therefore the DJPR should assess whether current Jobs Victoria practices could be improved or if new strategies should be introduced.
- c. This assessment should be produced into a report that is presented to Jobs Victoria Minister The Hon. Jaala Pulford for further consideration.

#### **SECTION 4 – OVERALL RECOMMENDATIONS FOR FUTURE EMPLOYMENT POLICIES IN AUSTRALIA**

This report makes the following recommendations for overall improvements to Australia's national unemployment service provisions:

1. Release further research that includes qualitative data, much like the Senate committee on Jobactive.
  - a. Qualitative data in the form of questionnaires and interviews will ensure detailed accounts of service users' experiences with the new WorkForce Australia unemployment services delivery model.
  - b. The Department of Education, Skills and Employment should implement a streamlined complaints handling system that could also act as a data pool.

2. Provide a better data linkage system
  - a. Linking Workforce Australia's online system with myGov would greatly reduce the time service providers spend conducting administrative tasks.
  - b. It would also help unemployed people access their Centrelink, Medicare, and Workforce tasks in the same online space.
  - c. Those who are digitally illiterate could still access their Workforce tasks by contacting their service providers.
3. Reassess minimum work requirements for disadvantaged demographics.
  - a. For example, only 53.4% of Australians with disabilities are employed, compared to the 84.1% of Australians who do not have disabilities (ABSa, 2020).
    - i. Depending on the extent to which a person's disability impacts their everyday life.
    - ii. Requiring a certain amount of working hours (paid or voluntary) a week in order to receive welfare payments is not feasible for some Australians, depending on their disabilities.
  - b. Reassessment of minimum work requirements for disadvantaged groups should be done in conjunction with advocacy



organisations and regular people  
who belong to these  
demographics.

Codesign should be utilised to yield the best  
results.

## APPENDIX

### Percentage of Disadvantaged Demographics Receiving Unemployment Benefits (2019)

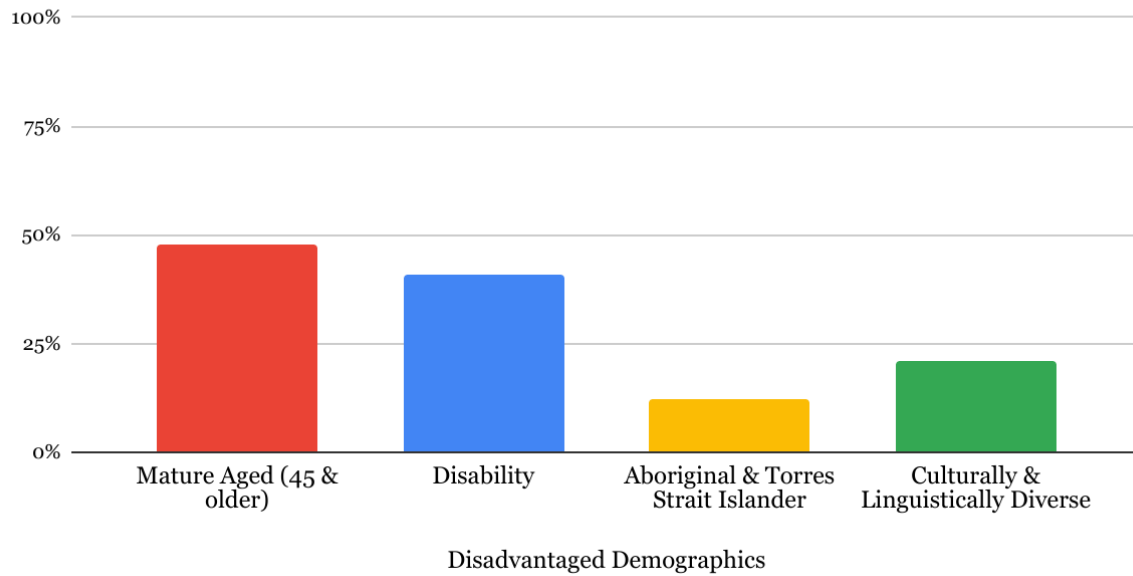


Figure 1: Percentage of Disadvantaged Demographics Receiving Unemployment Benefits (2019)

Source: ACOSS & Jobs Australia 2020

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