

3 March 2023

Select Committee on Workforce Australia Employment
Parliament House
Canberra ACT 2600

Dear Committee Chair,

RE: INQUIRY INTO WORKFORCE AUSTRALIA EMPLOYMENT SERVICES

The St Vincent de Paul Society National Council of Australia ('the Society') welcomes the opportunity to provide a submission to this inquiry. The Society is a lay Catholic charitable organisation that comprises over 45,000 volunteers and members and 6,000 employees who provide on the ground assistance across Australia. Our members and volunteers work directly with those in need by giving them a hand up so they can achieve their full potential.

The Society has operated in Australia for almost 170 years. In any given year, the Society provides over \$50 million to help people with their basic needs such as food, utilities, accommodation, transport, medical and educational costs. This is in addition to the assistance provided through Vinnies vans, shops and emergency, transitional and community housing services.

To provide this assistance, the Society relies on various income sources which include donations, government funding, our shop network (Vinnies) and investments. Around 30 per cent of our income is sourced from sales through the shop network.

The nexus between Vinnies Shops, Mutual Obligation and Work for the Dole Placements

The extent to which the Society's retail network interacts with placements arising from mutual obligation requirements and the Work for the Dole program varies across the country. This is because the Society operates along the lines of a federated model, with separate entities in each state and territory making their own operational decisions. Variation also exists within jurisdictions. For instance, decisions made by the Society about providing a Work for the Dole program are influenced by a range of factors such as employment and training opportunities in a local area, the range, type and number of other services available which might assist with teaching skills to participants, local partnerships with business and community groups, history of service provision, administrative capacity and the number of volunteers and staff available and needed to respond to operational requirements.

This variation is further complicated if a person self-selects and organises their own volunteering placement, without going through an Employment Service Provider. The Society has limited visibility of these arrangements.

Mutual obligation and Work for the Dole placements were interrupted by COVID-19 and are only now starting to regain momentum. However, numbers have not returned to pre-COVID levels and income from Employment Service Providers is similarly reduced.

It should be noted that the income the Society receives through Work for the Dole programs is not significant. For instance, in one of the larger jurisdictions, the value was approximately \$70,000 for the 2022 financial year. What is significant, is the positive contributions the Society and volunteers receive through mutual obligation placements.

Work for the Dole Placements

Some jurisdictions, such as Canberra-Goulburn, do not deliver Work for the Dole programs. Others such as Tasmania, New South Wales and Western Australia do but to varying degrees.

Pressure points with the current system include:

- Communication issues
A person may present for their first shift, but the Society has not received notification of their attendance. Consequently, the retail manager may be absent and/or induction processes have not been set up. This results in the person being unable to commence their placement.

- **Administration issues**
Workforce Australia requires use of its app and QR code to record attendance and non-attendance for each shift, as well as a weekly report. It is unclear why the weekly report is needed given data is already submitted by shift. In one jurisdiction, the Society has its own database to record volunteer hours, but this cannot be used to meet Workforce Australia reporting requirements. This results in double-handling of data processing and adds to the administrative overhead required to support the initiative.

Another jurisdiction reported that tight compliance requirements meant there was limited time for Employment Service Providers to organise placements with the Society. If the time period is not met, the Society does not receive payment and the Employment Service Provider's star rating is affected. Further, if a participant is sent to the Society and commences, there is no follow up with the Society if the participant does not return. This makes planning around personnel resourcing problematic which often has a negative impact on the retail operation's administrative burden.
- **Variable outcomes**
One jurisdiction reported that Work for the Dole participants generally require more support than mutual obligation volunteers, and the benefit of these placements to their operations, and for the individual participants, is more varied. An important success factor for placements is the Society's relationship with the Employment Service Provider. Placements are more likely to be appropriate and have a positive outcome if both organisations share similar values and there is a common understanding of each other's requirements.

Another jurisdiction reported positive outcomes for both participants and their operations, stating they are well placed to provide participants who may not be ready for the competitive job market with some valuable 'on the job experience'. Participants are also helped to find paid employment, with some employed directly by the Society.
- **Time frames**
Host agreements or placements are for two to three months only. This does not provide sufficient time for a person to learn new skills and become adept at them such as customer service, working as a team, cash handling and payments processing.
- **Limited support**
Host organisations and vulnerable job seekers receive limited support when trying to transition off income support and into paid employment. The acquisition of skills (including life skills) seems to be a lesser priority. Of note, the Society often makes food available for volunteers before they start their shift. More and more people are presenting hungry. The inadequacy of income support is significantly undermining the effectiveness of employment programs and it is no surprise that many JobSeekers struggle to see the 'big picture' of their placement when their basic needs are not being met.
- **Agency and the need for greater flexibility**
For some people who are unable to self-source their placement, the Society is recommended by Employment Service Providers as a reliable agency. However, these people may have no interest in retail and therefore approach their placement with some degree of reluctance. The Society strongly believes in helping people to be their best and in supporting them to exercise their agency. In these instances, we would like to offer choices other than retail and to tailor the placement to suit a person's interests and skills in different areas, such as truck driver, forklift operator, administration/business skills etc.
- **Participants tend to be younger**
One jurisdiction reported that Work for the Dole participants tended to be younger than mutual obligation participants and were more likely to transition to paid employment, external to the Society, following a placement.

Mutual Obligation Placements

- **Mutual obligation placements outnumber Work for the Dole placements**
The number of mutual obligation placements tend to be much greater than Work for the Dole placements. In one jurisdiction, one in four retail managers stated that mutual obligation placements make up 50 per cent of volunteers.
- **Outcomes are positive and the placement is easy to administer**
One jurisdiction reported that retail managers found that mutual obligation placements were more likely to have a positive impact on the Society's operations. Administrative and program support requirements were also less onerous (than Work for the Dole). The overall experience for

volunteers was positive, with many gaining work skills, social connections and support, access to assistance and a sense of purpose and contribution.

- Participants tend to be older
One jurisdiction reported that mutual obligation participants tended to be older (than Work for the Dole participants) and were volunteering while waiting to become eligible for the age pension. While some transition to paid employment, most were less likely to do so but tended to stay on as volunteers with the Society beyond their initial obligation.

Ethical Guidelines

Ethical guidelines should underpin employment programs. These programs should have as much concern for fostering the common good of society as they have for economic considerations and reducing unemployment. They should enhance an individual's self-esteem, preserve their human dignity and remove impediments on the path to employment.

Ideally employment programs should provide people with the skills they need, should be suited to their abilities and interests and lead to employment. Programs should be flexible and tailored, not a 'one size fits all' approach. Participants too should have agency. They should be able to exercise their right of choice - this should not rest solely with the Employment Service Provider. And they should not face significant financial penalties if they exercise this right. They should feel empowered, not coerced. This is much more likely to lead to successful outcomes.

Employment programs must assist people who are unemployed in a manner that acknowledges their worth as equal members of society and which sufficiently addresses their human and social needs. In 1994, the Australian Catholic Social Welfare Commission identified six ethical issues concerned with protecting human dignity that should be addressed by employment programs. Although the system has changed since then, the ethical issues remain valid, namely

- The human dignity of vulnerable people must be enhanced
- Training provided through employment programs must always enhance the employment and social opportunities of participants
- Targetting (by Employment Service Providers) must always enhance the employment and social opportunities of participants
- Employment programs must always protect and foster the identity of participants
- Employment programs must never exploit or devalue participants
- Governments must always ensure the appropriate use of resources.¹

Final Observations

Case studies that highlight the complex challenges faced by many people and positive outcomes that can be achieved are at Attachment 1.

With respect to Workforce Australia, mutual obligation and the Work for the Dole program, the Society makes these final observations:

- An ethical framework that protects human dignity should underpin policy and funding of employment programs.
- Work experience placements in a supported setting have the potential to benefit both the participant and provider but administration is unwieldy. Data reporting and communication channels need to be improved between Employment Service Providers of Work for the Dole programs.
- Policies should restore agency and flexibility for Work for the Dole participants and providers (such as the Society) to enable both to work together to tailor programs suited to the participant's needs
- Resources should be provided to cover the time required for Employment Service Providers and providers (such as the Society) to establish clear lines of communication and reporting and a shared understanding of each other's values and requirements.
- Resources should be provided to incentivise well-suited placements and follow up. The current system, timeframes and compliance requirements for the Work for the Dole program results in the Employment Service Providers prioritising 'quick' placements, over quality. There

also appears to be limited resources available for follow up, particularly between the provider and the Employment Service Provider if a participant no longer engages with the placement.

- Resources should be flexible to enable Work for the Dole placement periods to be adapted to an individual's needs and to enable organisations (such as the Society) to provide the extra supports required to help people transition to work.
- One large jurisdiction reported that mutual obligation volunteers make an important contribution to their retail operations. However, the extent to which this is the case is likely to vary across the country.
- The experience of volunteering with the Society has benefits for participants, but these benefits may not always include employment outcomes. The system should recognise and acknowledge other benefits including social inclusion and well-being outcomes. Successful outcomes should not be limited to transitioning people off income support. This should be considered in any redesign of the system.

Thank you for considering our submission. Please do not hesitate to contact me if you require further information.

Yours sincerely



Mr Toby O'Connor
Chief Executive Officer

D's story

Up until her early 60s, D worked full-time: first in the medical industry, then in retail. Just before her 64th birthday, D lost her job as the store she worked at was sold, and she found herself unemployed for the first time in her life.

While D was almost at retirement age, she was not ready to stop working and approached Centrelink for financial support while she looked for work. D was told she needed to work a certain number of hours a week to receive the JobSeeker payment (at the time this was the Newstart payment).

D started actively looking for work opportunities, but because of her age, it was difficult to secure employment. D found the process of applying for jobs and being rejected by prospective employers very intimidating. "Why would they hire me, when they can hire a 20-year-old?" Based on her experience, D observed that for people without a car or resources it can be very challenging to find work and deal with constant rejection.

After about a month, D informed Centrelink that she would rather volunteer for an organisation that did good work in the community. Centrelink were supportive of this, advising her that she needed to volunteer for the equivalent of at least two days a week.

D approached her local Vinnies shop as she "was bored and looking for a way to help," and she had seen first-hand how Vinnies had helped people in her community. She was immediately asked by the manager when she would like to start. D volunteered for 1.5 years at the Vinnies shop, meeting her Centrelink obligations until she was eligible for the Age Pension. D loved the experience of volunteering at Vinnies so much that she stayed on. She has continued volunteering two days a week over the last 7 years.

Volunteering with Vinnies has impacted D's life positively in many ways. The team she has worked with has been supportive, offering training and friendship. Volunteering has enabled her to meet people and be involved in her community again, and she enjoys being able to support others and offer help to those who may be struggling. For D, there has been a sense of purpose and meaning in her volunteering, and an opportunity to help others. She says, "this is what people need, a stretched-out hand, offering to help"

J's Story

J first approached Centrelink in 2013 at the age of 55, after being retrenched from his full-time job and then being injured while in another temporary role. Previously, J had struggled to find employment due to his age. Following his injury, he was unsure what options were left available to him.

J was advised to contact Centrelink and apply for the Disability Support Pension as his injury prohibited him from being able to work. Unfortunately, J's application for the Disability Support Pension was not successful, and Centrelink suggested he instead apply for the JobSeeker payment (at the time, this was called Newstart). J had never previously needed to seek support from Centrelink before and had no understanding what assistance was available.

Centrelink suggested that John could volunteer for a minimum of 15 hours a week to meet his mutual obligations and remain eligible for his JobSeeker payment. As his wife was already a volunteer with the St Vincent de Paul Society, J began volunteering at a Vinnies story in 2014 for two days a week.

J was originally hesitant to volunteer with Vinnies, saying "I didn't think I'd last long." While his initial motivation to volunteer was to meet his obligations with Centrelink, after a few months J found himself looking forward to his days volunteering at the Vinnies shop.

J said he felt welcomed and supported at the Vinnies shop from his first day. He was offered training as he had never used a cash register before, and he had the opportunity to learn new skills. When he was unsure about something, there were always other volunteers, staff or people that could be contacted by phone to assist.

After over 8 years volunteering with Vinnies, J sees himself as a completely different person. He jokes "instead of sitting at home, turning into a mushroom, or driving myself crazy, we are all working together, developing relationships, and connecting with one another." He says he has kept volunteering due to the people he works with and a sense of feeling as though he is helping people both directly and indirectly. J said: "I enjoy immensely what I do now, the people I meet are not customers now, they're friends, and I love talking with them"

M's Story

M is in his mid-thirties who has been volunteering with St Vincent de Paul Society in a Vinnies shop for almost 10 years. Prior to volunteering with St Vincent de Paul, M had worked in short-term roles in sales and telemarketing but found it difficult to continue due to a range of mental health concerns.

After applying for JobSeeker, M was told he needed to meet his mutual obligations to continue receiving his payments. M decided to volunteer with St Vincent de Paul two days a week as it was close to his home and easy to get to. M found that the Job Network were able to explain things in a way that he could understand if there was something he was unsure of; he said they were a good “go-between” to provide him with guidance.

After his mutual obligation period ended in mid-2013, M realised how much he was enjoying his time as a Vinnies volunteer and decided to continue. M found the volunteering experience enriching as it got him out of the house, meeting new people, learning new skills, and giving back to the community.

While he initially found it challenging to wake up in time for his early morning volunteer shifts, volunteering with Vinnies continues to give M something to look forward to. While still on income support, M said it has given him a reason to stay motivated and connected to others, and that he feels more confident within himself as he has learnt new skills and ways of working. M commented that he feels he is a happier person overall and is enjoying taking things one day at a time.

L's Story

When L started volunteering at Vinnies, she was facing a number of personal challenges. L says that volunteering role gave her a purpose, joy and eventually, full-time work. L was a single mother with two children struggling to find work. This was a difficult period for L and her mental well-being was suffering. After seeing an advert for volunteers on the internet, L decided to give volunteering for St Vincent de Paul a go.

L was excited to get up and do something and found purpose in her role. L is now a full-time manager of a Vinnies store. L is still deeply involved in the volunteering side of things and is a mentor to others who volunteers at the store. She recalls a special needs volunteer who came to the shop with a support worker. Since then, this volunteer works on her own and performs all the different roles around the store. L pays attention to the volunteers' own journeys and their stories. L believes that volunteering with Vinnies turned her life around giving her renewed purpose.

¹ Australian Catholic Social Welfare Commission. May 1994. Vol 3. No.1. Ethics and Labour Market Programs.