

# TRANSCRIPT

## LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into sustainable employment for disadvantaged jobseekers**

Melbourne—Tuesday, 3 September 2019

#### MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

Mr Brad Rowswell

Ms Steph Ryan

Ms Kat Theophanous

#### WITNESSES

Mr David Clements, Deputy Secretary, Inclusion,

Ms Kathryn McAnalley, Manager, Employment Policy, Employment, Department of Jobs, Precincts and Regions.

**The CHAIR:** Good morning. Welcome to the public hearings for the Legislative Assembly Economy and Infrastructure Committee Inquiry into sustainable employment for disadvantaged jobseekers. All mobile phones should be turned to silent now. All evidence taken by this Committee is protected by parliamentary privilege; therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, including on social media, those comments may not be protected by this privilege.

All evidence given today is being recorded by Hansard and is also being broadcast live on the Parliament's website. Rebroadcasting of the hearing is only permitted in accordance with the Legislative Assembly standing order 234. You will be provided with a proof version of the transcript for you to check. Verified transcripts, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible. We have a very tight time line. We will ask you to present, and then we will ask some questions of you.

**Mr CLEMENTS:** Sure. Thank you very much. Good morning. Thanks for the opportunity to present.

### **Visual presentation.**

**Mr CLEMENTS:** I have got a few slides here, largely drawn from the submission itself. I just thought I would whiz through quite quickly and then obviously maximise time for your questions.

The point of this slide, without going through the detail, is really to make the general observation about one of the reasons why we have a Jobs Victoria suite of services, which is that Victoria is doing extremely well overall in terms of the unemployment rate and has done progressively better in recent years. However, there are still some cohorts, some groups of Victorians—disadvantaged people are often connected in certain geographies where they face great barriers to employment. Therefore there is a need for, in our view, services such as this, despite the fact that overall employment is strong.

The main point of this slide, again, without going through it in detail, is that one of the strengths, we think, of the current suite of Jobs Victoria services is that it does examine what are the barriers that an individual person faces when they are trying to find work. What are some of the barriers that an employer and some of the challenges that an employer might face, a business might face, in creating opportunities for a person from a different background, perhaps, from the rest of the workforce? And it also examines a bit some of those location challenges that some Victorians face in securing employment as well. So the model itself has tried to incorporate and overcome each of these levels of barrier.

Just in terms of the history, there was a review undertaken by Melbourne University that looked at this issue about whether there is a need for a suite of Victorian-based employment services. It concluded that there was in fact a need and that there was an opportunity to design some services that would not replicate what the Commonwealth Government does but complement that and fill some gaps—help some people who were sort of falling through those gaps of the Commonwealth employment support services. It also created the brand that you see on the right there of Jobs Victoria to sort of consolidate what people can still say is a bit of a confusing landscape of services around employment support.

I will not go through these in detail. The point to make there is that the predominant, or the main, program that is funded and operated through the Jobs Victoria suite of services is the Jobs Victoria Employment Network, but there is also a range of other, smaller programs that look at specific groups of people, specific cohorts—for example, there is an African and Pasifika program there and so on—that are also operated and that are targeted quite specifically at the needs of those particular cohorts and communities.

The main program, as I mentioned before, the JVEN program—that is the acronym we use—commenced in October 2016. It is delivered by around 50 services across the state, and those services are largely based in those areas where unemployment rates are most significant. So it has tried to skew towards those areas with populations facing the greatest barriers to employment. The main elements of the model that we sort of talked to in a little bit more detail in the submission are that people participate in it voluntarily, in contrast to the Commonwealth services, which is often a mandated participation. Flexible services—so trying to tailor services and responses and the level of support to individuals rather than a one-size-fits-all model. There is a very strong focus on outcomes, the actual achievement of a placement and the achievement of a job that lasts for at least 26 weeks. There is a strong focus on engaging with employers. We find that is a really important part of a

successful employment model—to actually not deal solely with the person looking for a job but to also engage with employers so that employers understand some of the challenges or some of the adaptations they might be able to make to their workforce practices, their recruitment practice and their retention and onboarding practices that might result in a more successful employment outcome. There is a strong focus on collaborative local service delivery—so JVEN services often have partnerships with other social service programs that might, for example, support people with mental health issues or young people involved with youth justice services and so on. So there is a local element to it as well. And there is that place-based service, where they really look at: what are the employment needs in this location? Who are the employers? What are the jobs that are on offer here and how might we provide support to lead into the jobs that we have available in our location?

There is about \$100 million invested overall in the suite of Jobs Victoria services. About 9,700 job seekers are supported into employment. About half of those, or a bit over half of the participants, have achieved sustainable employment, which we define as at least 15 hours a week, 26 weeks.

About 800 people are being supported into the Victorian Government's youth cadet and youth employee schemes, which are basically creating opportunities for people from disadvantaged backgrounds to come into public service roles from a non-traditional pathway—which tends to often be via the university pathway. And also about 2,000 retrenched workers from various industries right across the state have been supported to find new pathways into employment following retrenchment from their initial employers.

I will not go into this in detail—it is on the slide—but I make the point that there are obviously some LGAs in some locations where the placement numbers have been larger than others, often reflecting the fact that there are larger populations of unemployed people in some of these areas. This is a similar slide for regional Victoria, and you can see some of those areas where the JVEN placement success has been the highest.

In terms of the sort of characteristics of the people that the program supports, this slide shows that. I should note that a person might be more than one of these characteristics—it might be an Aboriginal person who has also had the experience of out-of-home care, for example. But you get a sense there of some of the characteristics of the people supported into work through the JVEN service and the broad range of backgrounds that these people come from.

We are obviously in the process of evaluating all of these programs that are associated with Jobs Victoria, the predominant one being JVEN. This is a comment about one of the still-draft evaluations of the Jobs Victoria Employment Network, and it is highlighting what we think are some really positive findings in terms of it's filling gaps; it's delivering good-quality service; it's targeting the right people, people who are facing real barriers to employment; and that overall the model itself—whilst as with all programs, it is fair to say, some providers will be doing a better job than other providers—has some real strengths to it, built around those elements of things like flexibility and the targeting and the tailoring of supports for people.

Some of the characteristics that we think are reflected in the Jobs Victoria suite of programs that our experience and the literature tell us are really important are: to have an effective employment service you have got to help people get ready to work—you cannot just throw them into a job, particularly if they have not had that life experience of employment; and a holistic approach—a person might come who has had a historical battle with mental illness, perhaps, or alcohol and drug use, and you need that holistic support to help a person sustain employment. You need providers that both are alive to the challenges of, say, a person with a mental illness and also understand the employment landscape. What do employers want? What does a person need to secure a job that can last and help them? Flexibility is really important; it is not a one-size-fits-all model. Some people are going to be far easier to place because of their background and skills than others, and you need to tailor your response accordingly. Post-placement support: you cannot just leave a person in a job and then just hope for the best. You need to continue to engage with both the employer and the jobseeker to make sure that is a success and that the job sticks and the job lasts for them. And related to that, that really important point of not just dealing with the jobseeker but also engaging with employers themselves to make sure that they are happy with the service and they are happy with the support that their new employees are receiving.

I think this is the last slide. The evidence says that there are some employers out there who are still struggling to find the workforce they need, so we see a real success of this model is that we are tapping into a supply of labour for some industries where they might not otherwise have access to the workforce that they need to either

sustain or grow their businesses. There have been some really good examples of success in areas like food manufacturing and food processing, where the work is really hard and the work is really difficult. And in some instances, in a really tight labour market, some people may not choose to work in those sorts of industries. But through models like this we are actually tapping into some communities where that work really suits them, suits their lives and gives them an opportunity to work and provide for their families and their local communities.

A couple of other options there: the social procurement framework that this Government released in 2017 is a really strong lever that supports the work of this program. It is important to think about the integration of these things because it basically asks organisations that the Government is purchasing services from to consider, amongst other things, the employment of people from disadvantaged cohorts and how that might be supported.

I will just finish on a comment about the new Commonwealth model. The Commonwealth jobactive service is being reviewed. It is going to take a stronger focus on a digital system, and I think the thinking behind that is that it will hopefully put more people into a system that is more efficient and effective for them to be assessed and to potentially find work. I think the long-term aim of the Commonwealth is that should any savings derive from that then that might also free up resources to provide more support for those difficult-to-place people like those JVEN is working with. I think time will tell about what the impact of that will be, but regardless of that, as the pilots are rolling out we are really keen, obviously, to be engaging with the Commonwealth on how we make sure that the Victorian programs are as effective and complementary as they can be. I will leave it there, if that is okay.

**The CHAIR:** Excellent. That is well within time. Thank you, David. I might kick it off. The employers are obviously a major stakeholder in the JVEN program. What is their reaction to it, and have they suggested any improvements to JVEN?

**Mr CLEMENTS:** Yes. So obviously you are not going to get universal positive reactions to anything, but I think overwhelmingly positive to JVEN. I met yesterday with a major employer in Werribee, for example, working in sort of the market garden, fresh produce, industry. He was talking incredibly positively of the support that their company had received to source people through the JVEN program to work in their fields out in the Werribee South area effectively cutting broccoli and cauliflower and various lettuce varieties—incredibly positive about the support that they have received through JVEN, and I think there are a number of stories and I think there are a few case studies perhaps in the back of the submission itself and certainly on our website of employers who have had a really positive experience.

As part of the evaluation, the evaluator, which is the South Australian Centre for Economic Studies, has been talking with many employers as well as jobseekers and service providers to inform the next iteration of the model of this program. The evaluation is still a draft; we will not get it until probably the end of this month in terms of a final completed evaluation, but the feedback we are getting from employers through that process again has been overwhelmingly positive. Yes, there are some suggestions around improvement, and some of those improvements might be building further on the flexible nature of support that might be provided, so there are some opportunities to do that.

We think that also there is a pool of employers out there who have a strong desire and a need to recruit more people but also, perhaps through a corporate social responsibility lens, a desire to contribute more to their community and employ a certain cohort of people as well, but they are not quite sure how to go about it. So we think there is an opportunity to continue to communicate better and also to offer more sort of proactive support to those employers who are contemplating engaging and employing some people from disadvantaged backgrounds and really helping them in preparation before they even employ their first person to understand, ‘Okay, what are some of the implications of that; what are some of the cultural challenges I might face if I am employing a large number of people from a migrant background or refugee background?’, for example. But overwhelmingly it is very positive.

**The CHAIR:** Excellent. Thank you.

**Ms CONNOLLY:** David, you talked about the ongoing support that you offer to the jobseeker and to the employer once they are married up. How long on average is that support that you offer—is it weeks, is it

days—and is that for basically all of that? You have got here the 6,900 that have been helped through JVEN; is that for pretty much every single person?

**Mr CLEMENTS:** So I should say a couple of things. It is probably hard to say on average, but one of the things I emphasise is because of the tailored nature and the sort of assessment-based nature of the service, it will possibly be led a little bit by the jobseeker themselves. I think some will require more intensive support for a longer duration. So to an extent some of that is left up to the provider, the jobseeker and the employer themselves in terms of coming up with an agreement. Some jobseekers perhaps do not like the idea that they are receiving support from an external body and they are sort of keen to be as independent and free of that if possible, so I think that is generally respected. But the way that the funding model is provided is that it is structured in a way that a provider who has supported a person into work receives a payment upon completion of a 26-week period. So there is a tendency for providers to at the very least continue to monitor and support up until roughly that six-month sort of period. It is difficult to then be categorical about it, and partly that is because we do not really collect good data on it, to be honest. Part of that is just how categorical is that support. But ideally people receive the level of support that is appropriate for them for as long as they can to hopefully secure that 26-week outcome in a role that they are really enjoying, which is not to say that if a role they have been placed into breaks down for whatever reason, they will not continue to be supported by that provider—they may well come back and have another attempt at another role.

**Mr BLACKWOOD:** David, thanks for your presentation this morning, mate. Have you got a feel for what the main issues are that our African community faces in terms of getting employment?

**Mr CLEMENTS:** A little bit. I would expect that you will probably hear from some other people during the course of the Inquiry who will have a much more intimate knowledge than me of it, but certainly from what I have heard from some of the African community members is that in some instances they do feel that there is a sense of perhaps unconscious bias at times towards employing people, and it is not necessarily only those of African background but perhaps others as well. That is in fact one of the things in one of those more detailed slides we threw up there about that notion of unconscious bias and how that is one of the challenges that we need to try to help employers with.

By way of example, I was at a presentation recently at the Flemington Community Centre, where a young man of African origin who grew up in the high-rise flats there in Flemington, if you are familiar with those, had actually successfully completed a university course. He found himself with his peers—his friends from uni—all in jobs, none of whom had done any better than him academically, and he was not even getting an interview. What happened in that instance was that he did partner with one of the services down there, and they were able to engage with employers and sort of overcome that. Now, I am not saying that is an outright deliberate decision necessarily on the part of those employers who he might have been submitting to, but there is an element of that that applies. It is that sort of sense of difference and overcoming that, and I think what we find overwhelmingly is that when those sorts of barriers are broken down, employers very quickly realise the value—certainly this young man was incredibly impressive in what he has brought to his employer.

**Ms ADDISON:** David, you made mention of the social procurement framework. How effective is it?

**Mr CLEMENTS:** Well, in terms of giving you a categorical sort of numeric number, the Department of Treasury and Finance have responsibility for actually tracking, if you like, the impact and the numeric value of that, but I would say in a sort of very strong anecdotal sense it has been incredibly effective in opening up that conversation both within government departments but then with those organisations that government departments focus on that basically says: when government is spending billions of dollars on whatever it might be in addition to obviously a good value-for-money process that we go through in any procurement, part of the assessment of that value for money is what is the social contribution that goes beyond the simple transaction that might be created through purchasing goods perhaps through a social enterprise that employs some of the people that we have been talking about here or does work in a very environmentally sensitive way that brings environmental benefits with it as well.

Increasingly those organisations that contract from government are very aware of the social procurement requirements, and I have to say as well that the feedback we get is not that they feel that is an impost on them; most organisations are embracing that, and again—a bit like what I said before about the example of giving a

person an employment opportunity—they are actually seeing the value in their own organisations of ensuring that the work they do brings a social benefit. Many organisations are motivated by that beyond the desire to get a contract. So it is still early days for that framework. It is actually quite a significant cultural change that we are trying to bring in. Victoria is, if not the only, certainly one of very, very few jurisdictions around the world that have brought in a framework of that nature that is quite so clear about the stated intent behind it, and it is an incredibly powerful lever. I think it is going to take a period of time. Like with any significant cultural change, it is going to take a period of time to really embed it, but I think the early signs after a relatively brief period are incredibly positive.

**Mr ROWSWELL:** David, I am interested in just exploring and teasing out a little bit the benchmark that has been set around 26 weeks of continuous work and 15 hours minimum per week. How was that reached?

**Mr CLEMENTS:** There might be a couple of minor points of complete detail that I am not completely over, but it is my understanding that it sort of reflected the Commonwealth position—is that correct?

**Ms McANALLEY:** The Commonwealth has various points, which are at 12 weeks, 16 weeks and 26. If I may, do you want me to—

**The CHAIR:** Yes, come up. If you can just state your name and your position.

**Ms McANALLEY:** I am Kathryn McAnalley. I am the Manager of Employment Policy in the Department. I was involved in the early development of the thing. So in the past in employment programs in Victoria the benchmark for a very long time was 16 weeks. That is going back into kind of 2007 and 2008, so 16 weeks. And at that time there was post-program monitoring that showed that if somebody got to 16 weeks—and this was in the days when there was a formal probation period that often went for around about 16 weeks—the finding was that if people got to that point, there was a very good chance that they would still be in employment afterwards.

I think at the time of putting up the case for this Jobs Victoria suite of programs there was a strong feeling to take it even further and say, ‘Look, 16 weeks is great, but really we want to make sure that people maintain that employment for as long as possible’. I think it was based partly on the Commonwealth had points at the 12 and 16 and 26 weeks and we wanted to align with that. Because the payments are also linked to the achievement of that 26 weeks you have got to balance out how long you make a service provider wait for a reward, and the feeling was that if you get to 26 weeks, it is a pretty high benchmark, and then to ask a provider to wait—they get payments to let them get on with doing the support and then they get payments when someone starts a job, but to wait for a percentage of that funding for 26 weeks is quite a long way. So it is kind of a balancing, I think, of the chances of that person still being in employment beyond 26 weeks, and some of the early work we are doing as part of the evaluation indicates that quite a high number of people are sustaining that employment. There is nothing magic about 26 weeks in a way, but it is about as far as you can stretch a benchmark to be fair to the service providers while also giving the jobseekers the maximum chance of ongoing employment.

**Mr ROWSWELL:** How many jobseekers maintain employment after that 26-week period?

**Ms McANALLEY:** We have just got the early evaluation findings coming now. I probably should not say, but the indications are that the majority of people are sustaining employment for beyond 26 weeks, that they are still in employment at the point at which we are surveying them. Not all of them, and the more disadvantaged cohorts you are working with the more likely something will go wrong—someone who has got family violence happening in their life, for example, and we have had lots of instances where people start a job, sustain it and then something goes wrong. What I guess we hope is that they have now got work experience on their CV and that they have had the experience of going about finding a job and they have got that employer who can vouch for them.

**Ms THEOPHANOUS:** So how long after the 26-week mark do you survey them?

**Ms McANALLEY:** In the evaluation there is not one particular point where we try to survey everybody. I have to say it is quite difficult to get jobseekers to respond. In the past, pre-mobile phones, you could ring people on their home phone and somebody would pick up the phone and say, ‘Yeah, yeah, they’re still

working'. It does not happen that well anymore. We use an SMS thing which is three questions that say: 'Are you working?', 'Are you studying?', 'Are you something else?', 'Are you still working where you are?'.

It is at various points. We are doing waves of those surveys but because people get jobs at different times some of it might be at three months, some of it might be at six months; there is no particular point at which we have data on everybody about whether they are working or not. But the evaluation will give us a sense of that, and the reports are coming through this month.

**Ms CONNOLLY:** So is it true to say then that there is actually no data to say that after 26 weeks people are still in employment, that you are not able to collect the data to concretely say people are in employment one year after starting through this program?

**Ms McANALLEY:** We are doing our best to survey all participants who have been placed into employment. Whether or not they respond at that point I guess is up to them.

**Ms CONNOLLY:** What is the response rate? I just get the feeling the response rate is not high.

**Ms McANALLEY:** Well, it is difficult to collect, that is for sure. I mean the evaluators have got a formal evaluation going on at the moment and that is part of it. They are doing wave after wave of surveying of those participants to find out and we have not got the final report yet. We perhaps will be able to share that.

**Mr ROWSWELL:** There is an opportunity to take questions on notice, Chair, is there?

**The CHAIR:** Yes.

**Mr ROWSWELL:** If there is an opportunity to take questions on notice, if you cannot provide the responses now, then that is perhaps something you could furnish the Committee with once that data is available.

**Mr CLEMENTS:** I think what might be the important point to note is the 26-week outcome being a relatively strong one and difficult to compare directly with the Commonwealth service. They are dealing with a different group of people, but we would suggest that given the complexity of the people that the Jobs Victoria services deal with, the fairly high rate of 26-week outcomes at the very least is very positive in comparison to a similar cohort maybe through the jobactive service, reflecting the model and reflecting the level of support. The other thing to remember is as a voluntary service people often vote with their feet to not engage further with some of these services as well. It is not as if their future benefits depend on responding to a survey or whatever the case might be, so that adds to some of the complexity of continuing to get data from individuals who might have moved off into the labour market in other roles as well.

**Mr ROWSWELL:** A final question just on that 26 weeks. Is that 26 weeks about right? Are we underselling the potential here, or would you see an aspiration to increase that to a larger amount of work?

**Mr CLEMENTS:** It is a really good question. We often get pressure, more so to actually reduce it, to actually pull it back to a shorter time, because—

**Mr ROWSWELL:** From who?

**Mr CLEMENTS:** From the providers who are actually providing the support because of some of the complexities with the people they are working with. Again, we talk to providers all the time, and there will be some that might well make that case. In fact in some instances we have been a little bit flexible with some providers dealing with particularly difficult cohorts of people. So for some of them, given the barriers this individual is facing, to even be employed for 16 weeks is a major achievement and should be reflected in some way.

**Mr ROWSWELL:** And 15 hours per week.

**Mr CLEMENTS:** Yes, correct.

**Mr ROWSWELL:** Even at that reduced rate?

**Mr CLEMENTS:** That is right, because some people might face very significant mental health issues. For example, I think there is a case study about a person who had not worked for 13 years. I mean, getting work is, I think, quite a remarkable change in that person's life circumstances, even 15 hours of work; I am not quite sure what that person worked. So it is that balancing act between how ambitious we want to be, and of course we would hope that all of these jobs lead on to lifetime employment and security. We know that that is not the case, but we do think that there is a really strong foundation being achieved with the 26-week measure.

**Ms THEOPHANOUS:** David, does Jobs Victoria have a breakdown of the industries that employees are going into?

**Mr CLEMENTS:** We do, yes.

**Ms THEOPHANOUS:** And the level of employment?

**Mr CLEMENTS:** Yes, I have got a little bit of information here I think about some of the major employing industries. A lot of the employment roles are entry-level jobs, as you might expect when you are dealing with this cohort, which is not to say all of them are. I will not rattle them all off, and I will be happy to give this to the Committee. In terms of placement numbers, I will give you the top five maybe.

**Ms THEOPHANOUS:** Yes.

**Mr CLEMENTS:** Manufacturing, administrative and support services, health care and social assistance, construction and accommodation and food services are the top five. Then you have got retail, transport, agriculture and education and training. But that gives you a sense. It is quite a broad range of industries.

**Ms THEOPHANOUS:** Yes. If you could provide that to the Committee, that would be great.

**Mr CLEMENTS:** I would be more than happy to, yes.

**Ms CONNOLLY:** Can I just ask another question around the evaluation? You SMS the jobseekers. What about the employers?

**Mr CLEMENTS:** There has been quite extensive surveying of employers, and interviews and case studies with employers as well, as part of the formal evaluation. I mentioned the South Australian Centre for Economic Studies is doing that, and yes, absolutely, employers are a major part of that evaluation.

**Ms CONNOLLY:** So you are checking that 26 weeks after a person started they are still there? I am just looking for the data collection. How do you know?

**Ms McANALLEY:** It is not part of the evaluation, but what we require is evidence from our service providers. Because the funding is partially provided based on performance—so on getting someone into a job and then sustaining that employment—we actually, before we make that payment, have a whole lot of evidence requirements. So in fact our service providers have to upload copies of appointment of someone to a job, sometimes their payslips, group certificates, and if that is not possible, in fact a declaration by an employer that this person is working with them and has worked with them for an average number of this many hours for this much time, so we get physical evidence of that. That is assessed prior to any payment.

**Mr CLEMENTS:** Prior to any payment for the 26-week outcome.

**Ms McANALLEY:** So there is a very robust evidence collection of that person being in a job with a bona fide employer.

**Ms CONNOLLY:** But there is no communication with the employer that someone has stayed post 26 weeks. So if I said, 'Well, how many stay 12 months on?'—there is no contact with the employers?

**Mr CLEMENTS:** Yes, in terms of the response to that previously, that is right.

**Ms CONNOLLY:** Okay.



**Mr CLEMENTS:** The focus in terms of evidence is on the 26-week outcome, and then beyond that it is predominantly with employers. Having said that, there are, again, anecdotal examples we know because some employers continue to come back. They forge a relationship with the local Jobs Victoria provider, like the example I gave yesterday in my discussion about people in Werribee South, and they effectively become a recruitment service for them and continue to work with them in partnership.

**Ms McANALLEY:** May I just make one point about the contact with employers, which is that some jobseekers—for example, clients of our Orygen Youth Health, who have had significant mental health issues—often do not want it revealed to their employer that they have had mental health issues. So the organisation may assist them to become job ready, to do interview preparation and to apply for jobs at every point of the way. They then gain employment. That person does not want Orygen or us contacting their employer and saying, ‘This person was part of an employment program because they had a mental health issue’. So there are definitely some issues around confidentiality in relation to contacting employers. Somebody may have been in trouble with the police. Maybe they have not got a criminal record but they were referred by the police. They do not want someone turning up to their employer and saying, ‘Can you tell us whether so and so is still working with you, because we were working with them and we’re from Whitelion that helps troubled kids’. So there needs just to be a little bit of caution around direct contact with employers because that jobseeker may not want to reveal how they have come to that role.

**The CHAIR:** Can I just ask: in your submission you mention that fewer than 50% of the unemployed youth have access to the Federal Government’s jobactive scheme. Why do you think that is so restrictive, or the eligibility is restrictive on particularly youth?

**Mr CLEMENTS:** In some instances young people continue to live perhaps at home. They are unemployed. They might have struggled with school or whatever it might be. Perhaps they are living with family who have an income level that sort of precludes them from support from jobactive. That is probably a major reason for that. As for the policy, that is obviously something for the Commonwealth Government to consider there. But that would be a major contributor.

**The CHAIR:** The ones that fall through the cracks, do we as a state have policies to be mindful of the inadequacy potentially of another tier of government?

**Mr CLEMENTS:** That example that I gave is in fact one of the groups of people identified as saying, ‘Well, there is a group of people, like the young people that you identified, who are not getting served by the current jobactive program. Is there a case for a state government to step in and provide support to some of those groups?’. That is an example of one of the cohorts of people that we felt built a strong case for some state support, yes.

**Mr BLACKWOOD:** Given that the current state budget has not funded your program beyond July 2020, what do you think might happen after that?

**Mr CLEMENTS:** Obviously it is a matter for the responsible minister to decide what sort of budget bids that he puts forward and then obviously for him and his colleagues to determine what does and does not get funded beyond this year.

**Mr BLACKWOOD:** You would be hopeful that it would be funded again.

**Mr CLEMENTS:** I certainly think, should the minister wish to do so, there is a strong case for the continuation of programs like this.

**Mr BLACKWOOD:** There is a good case.

**Mr CLEMENTS:** I think, as with every program, we would continue to refine it and improve it. Our view, from what we already know through the case studies, the organisations and the jobseekers we speak with but also from what we are now hopefully very soon going to find through the formal evaluation, we think there is a very strong case for a program like this.

**Mr BLACKWOOD:** Maybe a recommendation from this Committee that it continue?

**Mr CLEMENTS:** That would be one for the Committee to determine, yes.

**Ms CONNOLLY:** I have one last question, David and Kathryn: based on that obviously you have been in the industry for a long time and are quite experienced, what would be your top three things that you want to tell us that are currently not happening that in your experience you think is something the Committee should—

**Mr CLEMENTS:** I am actually not a long experienced person in the employment service industry. I have been in the public service for a while and I have sort of seen these programs from afar. I have actually been directly involved only for the last few months, but in that time I have probably formed some views. My view is that there is absolutely a step. People fall through gaps in Commonwealth services, and I think you can look at that in every service, and any state government then needs to make a decision do they or do they not fill that gap. As I already suggested in response to Mr Blackwood's question, I think there is some strong evidence that the programs that have been offered have been really positive, so I think that is an important thing; really maintaining that flexible sort of approach that I mentioned in the model, I think that is really important, that sense of tailoring it. It even goes so far as there is no fixed unit price in this model like there often is in government services. It is tailored to the complexity of working with the people, so a person who is much, much, much harder to place into work than another, the payment to that provider upon success is understandably higher, and I think that is a great thing.

Maintaining that level of flexibility with some flexible funding to sort of smooth the way for a person into work, whether it is through helping them get a particular ticket to a site or those types of things, I think they are really important things to maintain. Also I think what is really important is that continued focus on working with employers to vitally support the jobseeker themselves—absolutely vital. But there is an uncapped potential there of employers who want workers and/or want to support their communities. As I said before, I think it is really important that we come up with new ways to support employers to offer opportunities to people who are missing out in the current model. Certainly that is a strong focus going forward, I think.

**The CHAIR:** Can I just ask a question on the place-based approach? Jobs Victoria uses a place-based approach to tailor services to local labour market needs and opportunities. How does this work in areas with few training and job options?

**Mr CLEMENTS:** It is obviously challenging when you are working in those areas. I think the key to that is actually tapping into and really mining what are those opportunities that exist and to be really realistic in partnering up with industries and in partnering up with training bodies and in partnering up with other support services that are in the local area to get as much wraparound support for the jobseekers as you possibly can. Now, there are some parts of the state where things like transport can be a big barrier—even places on the urban fringe where transport is a big barrier. So I think there is often a role that Jobs Victoria plays also in advocacy with other government departments, with other levels of government around how we start to fill some of those gaps in this local area, for example.

There are also some examples of quite innovative programs emerging from some of the needs in local areas where a group of providers might come together and self-fund—not necessarily just Jobs Victoria providers but a group of organisations might come together and say, 'Okay, how do we try some new ways of working here to make employment outcomes more likely?'. So it is a difficult one to answer on a specific basis; it really is determined a little bit on the needs of those local areas and the partnerships that often form. If you go to an area like, for example, down in the Latrobe Valley, there is some fantastic work happening down there with incredibly strong networks between employment agencies and other social service organisations that have really formed very strong partnerships. They sort of break down those boundaries of the departmental and portfolio silos, if you like, and think very much about, 'How do we join up resources to these people to help them find the roles that are available to them?'.

In some instances it is giving a person support to get the training and the qualifications—there is a good and bad side to this—enables them to actually move from where they are and move to an area where employment opportunities are more significant. So there are also those really strong links with education that give a young person or an older person that opportunity to perhaps have social mobility and move into areas where there are greater employment prospects available to them, coming with that sort of pre-employment training and support that you need to secure a job.

**Ms THEOPHANOUS:** David, you mentioned the new Commonwealth model for employment services which will replace jobactive from July 2022. Do you expect that you will have to then adjust your employment services in relation to their adjustments?

**Mr CLEMENTS:** Yes. I think it will always be really important to make sure that we continue to be complementary and gap filling, assuming that the program is in fact still operating. I think it is really important to continue to be complementary and not duplicative. So yes, inevitably we are going to need to see what the Commonwealth model eventually does. The early signs—it is very early days in terms of the trials that they are doing—as I said before, are a stronger focus on, for example, digital assessment of roles. Immediately when you say that you probably would think, ‘Well, some of the cohorts that we’re dealing with perhaps may not engage particularly efficiently with that sort of computer-based, if you like, digital world of job application and assessment of need and so forth’. Some will, but some will not. That is not necessarily a bad thing at all to be focusing on from the Commonwealth, but will it fit everybody and will it fit all of the people that the Jobs Victoria programs are working with? Probably not. So we think there is going to be a need to continue to refine it and to absolutely work with the Commonwealth on it, and we are very keen to work, particularly at a local level, where there are some opportunities for partnerships between Commonwealth-funded employment services and state-funded employment services as well.

**Ms ADDISON:** Can I just continue on with Kat’s question? We know from your submission that almost 50% of JVEN participants are registered with the Australian Government’s jobactive. How do we ensure that duplication is not happening now? We have talked about what we are going to do into the future, but I am just interested in: currently how do we prevent duplication?

**Mr CLEMENTS:** Often there might be registration which does not necessarily then translate into service delivery. Part of the way we prevent duplication is by simply making JVEN a voluntary participation thing. Typically if a jobseeker is involved heavily with their Jobs Victoria worker, almost by definition they will have detached a little bit from any engagement with the jobactive-type function. So to an extent it is the voluntary nature of the model that supports that absence of duplication.

Having said that, in a practical sense, as I said before, particularly in some local areas there is quite a strong relationship between a JVEN provider and a jobactive provider. And often individuals or families are known to these providers, and there is often that sort of clear, ‘I’m working with Fred Smith at the moment’, and there is that sense that there is not a protectiveness always around clients. If a jobactive provider has been unsuccessful, and we know that most of the people involved with our service have been unemployed for a couple of years, in their engagement with the jobactive, often those jobactive providers are more than happy for the JVEN provider to try to have some success for that individual.

**The CHAIR:** Okay. Thank you.

**Mr BLACKWOOD:** One more.

**The CHAIR:** One more?

**Ms ADDISON:** Every time they think they are almost out of the woods, there is just one more.

**Mr CLEMENTS:** It is not hard.

**Mr BLACKWOOD:** There has been some comment in the media this morning suggesting that only 30% of those who enrol in TAFE actually finish their course, and some further comment linked to that which is suggesting that it is because a lot of those who enrol in free TAFE in particular are from disadvantaged backgrounds. Have you got any comment on that or any light you could shed on that?

**Mr CLEMENTS:** Look, I saw the media. It would be remiss of me to say that I would be definitive at all about those observations. I would say that for a very long time non-completion of qualifications, even at university level as well as at TAFE, has been a common factor. Sometimes that is because people find the skills they need from perhaps partially completing a qualification. That can be a positive thing. Whilst it might be a negative thing to not have the piece of paper and have the qualification, if doing four units out of an eight-unit Certificate III or something is in fact enough to give you the skills that create some opportunity for

employment, I think it is understandable that some people perhaps do not complete. Having said that, there are also always opportunities to support particularly disadvantaged groups to complete studies and to succeed in studies, and I am sure that is that is very much something that TAFE organisations and that department are focusing very clearly on.

**The CHAIR:** Excellent. Thank you, David. Thank you, Kathryn.

**Mr CLEMENTS:** Absolute pleasure. Thank you.

**Witnesses withdrew.**