

Job Seeker Compliance Review  
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## **Submission – s 42ZA**

On behalf of the Mersey Natural Resource Management Group Inc (Mersey NRM), I provide the following information in support of the Groups submission on the Job Seeker Compliance Review for consideration by the panel.

**This submission is particularly concerned with section K in the terms of reference.**

### **1. Mersey NRM Background**

The Mersey NRM is a non-profit, community-based, Incorporated Association established in 2000 to undertake works of an environmental nature across Northern Tasmania. As an adjunct to these works and to fill a recognised, need the group has become extensively involved in providing “real world “work experience and training.

In the past 10 years in excess of 1000 on-ground projects have been completed in association and partnership with some 80 organisations, community groups, local governments, State government agencies etc.

#### **Mission Statement:**

**Mersey NRM exists to Implement, Support and Promote community wide efforts to achieve sustainable land and water management**

The Group has utilized Work for the Dole (WFD) Programs to deliver sustainable on-ground works that would not have occurred without the WFD program due to the lack of capacity of the community to pay for works.

For example:

- Weed removal and spraying
- Construction of aggregate paths, beach access paths and walkways
- Willow removal
- Milling of feral trees that would otherwise be pushed up and burnt, allowing recovered timber to produce export pallets, potato bins, street furniture and building materials whilst achieving substantial carbon off-sets
- Riparian and Reserve brush cutting, cut & paste, fencing, propagation and tree planting
- Construction projects on behalf of community groups

The total value of the on-ground works if it had to be funded by the community is in excess of \$8 Million.

None of these works would have taken place because the community does not have the financial capacity to pay.

## 2. Experience with Job Seekers

Mersey NRM has a long association with Job Seeker programs, especially WFD and also as a registered Job Placement Organization (JPO) from 2004–2008. We believe that we are the only sponsor organization to have won 2 Prime Minister’s national awards for our work with WFD.

- Our involvement with community groups, individual land managers, all levels of government, Job Service Agencies, Land Care and other non-government organizations provided job seekers “hands on/mud on the boots” supervised practical experiences that struck a resonance with the needs of local employers.
- This is amply demonstrated by the fact that the local onion processors have told us they always targeted people that had been involved in our projects. This often resulted in our participant numbers dropping from 80 to 10 during the 2 weeks when processors commenced hiring.
- Participants were able to demonstrate competencies and capabilities in operating and maintaining a wide range of equipment, understand and contribute to work ethics, workplace safety and organizational goals in a real world commercial manner that adds value to their resume and are attributes that make job applications ‘stand out’ to prospective employers from other applications.

Unfortunately, since 2009 Mersey NRM has been frustrated in its attempts get Job Service Agencies (JSA) under the Job Services Australia contract to allocate eligible job seekers to any of our identified and stakeholder supported projects or programs, which had previously catered for 120 participants every 6 months.

The Group has undertaken extensive consultation with new Job Service Australia providers in an effort to continue to provide work experience under the new regime.

No job seeker work experience placements have occurred at Mersey NRM since May 2009.

Trainers and supervisors have been required to seek alternative employment, plant and equipment (built up since 2000) such as chainsaws, brush cutters, spraying equipment, power tools, specialized trailers, vehicles, tractor and truck have basically remained idle, despite viable training projects and on-ground works being identified with neighbouring Councils, land managers and community groups.

**From our perspective there appears to be a complete breakdown of any compliance regime! Only lip service is paid to any requirements for activity by JSA clients! There appears to be minimal, if any concerted effort to follow up on client’s activities!**

This complete break down in the compliance regime has 3 effects on the community and the individuals that are the JSA’s clients.

1. The complete loss and disregard for any “Value for money assessment on the communities behalf.”
2. A loss of community capital and resources.
3. A loss of engagement on the part of the JSA’s clients with anything remotely resembling a work culture.

## COMMENT

**1. The complete loss and disregard for any “Value for money assessment on the communities behalf.”** This is the key point that we can find no evidence of being assessed or reported on in any previous study or review process. **Why is this not a factor in any review of DEEWR services?**

Australia has a long established history and tradition of supporting those individuals that for various reasons are not capable of supporting themselves. This approach is supported by the vast majority of citizens, regardless of political persuasion and socio-economic status. The support and assistance for those in need is universally regarded as beneficial to our social cohesion and thereby society as a whole.

Equally important is the belief that each person is responsible for making a contribution to the wider community by seeking to gain employment and become self sufficient and to make any other contributions to building a stronger and more viable community as their capabilities allow.

Under the previous government this was described as “Mutual Obligation” a term attempting to describe this widely held Australian cultural belief or ethos.

This term attempted to describe the concept that those who were supported by other Australians should seek to gain employment, undertake training to increase their opportunity for employment, or do works of community benefit that repaid the community as a whole in return for the community’s ongoing support.

Mutual Obligation compliance regimes are designed to underpin these values, expectations and to encourage people to become self sufficient, and if necessary to enforce this approach.

How does this approach represent value for money to the community that foots the bill?

Where the individual cannot become self supporting within a period, they are expected to contribute value back to the community in some form. This has typically been by taking part in projects of community worth particularly on projects that could not occur otherwise.

How much value is this worth to the Australian community, particularly if unemployment benefits are to be regarded as sunk capital expenditure necessary for the well being of our society as a whole.

This investment does not vary regardless of any requirement for an individual's contribution. **If the individual does not return any value by contribution to community activity all these funds are lost to the community and tax payer dollars used to assist long term un-employed do not generate projects or community benefit!**

If however, the individual is engaged in works on behalf of the community that could not otherwise be undertaken because the community does not have the capacity to fund the labour component of these works (as in the example of Work for the Dole) the value they return to the community that supports them can be considerable.

For example:

- If a participant provides 400 hours to the community in projects with the appropriate level of equipment and infrastructure (i.e. The resources are similar to the work being done on a commercial basis): the value to the community is probably in the vicinity of **\$25/hour or \$10,000 over the course of the projects undertaken.** (*this figure is reduced from the \$35 such work would normally cost on a contract basis to reflect the lower productivity of the client base*)
- If the community sponsor organization is paid **\$1800** per participant as has been the case since 2002 (this sum needs to be increased) **the community recovers \$10,000 in value for an additional \$1800 investment. This means that the return from these programs is in the order of \$5.55 for each additional dollar invested.**
- If the figures as reported in the Australian Newspaper on the 27<sup>th</sup> April 2010 are correct and this organization has real doubts as to the veracity of the 2010 figures for reason to be explained\* (Note 1).

The report stated that on:

April 7<sup>th</sup> 2005 there were **22,362 participants engaged in WFD**

April 7<sup>th</sup> 2010 there were **12,695 participants engaged in WFD**

Because WFD traditionally runs on a 6 monthly cycle the total figure for the year is double the number at any point in time.

The difference between the 2 year comparisons over the course of a full year is 19,334 participants.

## **2. A loss of community capital and resources.**

The lack of a stringent compliance regime (if the figures in the Australian Newspaper are correct) has resulted in a tremendous loss to the taxpayer of community capital and resources.

**This equates to \$193 million dollars of community resources that have simply been lost due to a failing compliance regime. If our estimation based on our local experience is correct the losses are actually higher!**

*\*Note 1 Mersey NRM doubts the veracity of the figures released for 2010 on the basis of what we know of the Tasmanian local experience for the past year.*

*We have no means of knowing if our experience is duplicated across the whole country but suspect that it is.*

*In 2005 this organization had 80-125 participants at any point of time on a continuous basis. This organization has not had any new participants since May 2009. The organization has maintained continuous contact with JSA's across 2 employment service areas with the same result.*

*Discussions with Job Service Australia providers and DEEWR personnel highlighted to Mersey NRM that consultants are not placing job seekers into work experience /activities*

*This organization is only aware of 1 activity for 24 participants that has been started in the past 12 months rarely has this activity had any participants attend. This is in contrast to the past when Tasmania's 3 ESA's combined had in excess of 2000 people annually involved in WFD activities.*

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### **Why has this occurred?**

The previous DEEWR computer system automatically flagged job seekers who required placement on work experience/mutual obligation activities. The changes made to the DEEWR computer system appear to make it much more difficult to identify these individuals thereby weakening the compliance system and controls to an extent that it is questionable whether any compliance exists?

JSA consultants have no organizational incentive to ensure that compliance occurs.

Additionally, JSA's in order to retain income streams may facilitate training 'in-house' but is the training offered meaningful to job seekers and enhance their potential to secure employment over and above training/activities offered by Mersey NRM or similar practical on-ground projects?

**3. A loss of engagement on the part of the JSA's clients with anything remotely resembling a work culture does not improve employment prospects or inter/intra personal skills of people who want to work.**

**How do individuals benefit from engagement in a work culture?**

Reasons why people are un-employed are myriad and vary from individual to individual however the impacts to the individual tend to be similar.

Long term un-employment has greater ramifications to the individual than simply economic. CentreLink assistance for some long term un-employed place them in a position where they are only marginally if at all worse off than people in low paid employment, resulting in comments like – “Why should I work and lose benefits?”

***Where they suffer is more in terms of social isolation:***

- Lack of social interaction with other people that occurs in a workplace
  - This leads to the loss of the important soft social skills such as
    - Ability to work in a team.
    - Tolerance of diversity in individuals.
    - The opportunity and stimulation to discuss issues that affect them personally or those of the wider world.
    - The opportunity to form friendships outside their current circle.
- Lack of purpose, each day is the same
  - When each day is the same there is little stimulation to motivate an individual to undertake any activity.
  - There is a lack of motivation for personal development or training as they lack the ability to use the training they might receive which in their eyes tends to make training worthless.
- Lack of identity in our society, we tend to identify ourselves by what we do.
  - This leads to loss of self esteem and confidence
    - Individuals often try to compensate for this by becoming aggressive and developing a “chip on the shoulder attitude”
    - The loss of confidence makes it difficult for these people to present well when seeking entrance to the job market.
  - The inability to identify a positive role in the community leads to disengagement from the community. This often leads to anti-social behavior.
- Lack of opportunity to take pride in their achievements
  - With limited finances, networks and other resources individuals lack the opportunity to point to any thing and say “I did that!”
- Lack of networks, advisor/mentors and resources that they can access often makes it difficult for them to improve their lot.

**All these impediments lead to general loss of moral, isolation and lack of community engagement by individuals in this situation.**

The Mersey NRM model uses Natural Resource Management activities as a vehicle to both **assist the community by providing human and capital resources.**

Our model also **assists the community and the individual by providing a workplace** that addresses the issues that face these people.

**This model that we have been successfully developing for the past 10 years has been completely undermined by the lack of an effective compliance regime.**

### **Conclusion**

- **DEEWR computer changes do not appear to flag or require JSA's to place "Mutual Obligation/Work Experience" participants with organizations such as Mersey NRM which can deliver community projects as well as 'hands on' training.**
- **Why have there been no 'work for the dole' type placements in our region since May 2009?**
- **Why do JSA's appear to have all the power and what is DEEWR role to ensure compliance?**
- **What are ramifications of JSA's failure to comply?**
- **Mersey NRM has the plant, equipment, trainers, supervisors and projects but no placements despite statistics indicating long term un-employment levels have not changed?**
- **How effective is the alternative training or work experience allocated by JSA's in comparison to the previous models?**

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