



Improving Outcomes for
Disadvantaged Jobseekers:
The Next Generation of
Employment Services

Response to Discussion Paper

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Improving Outcomes for Disadvantaged Jobseekers: The Next Generation of Employment Services: Response to Discussion paper

Introduction

The Policy Lab welcomes the opportunity to respond to the Australian Government's discussion paper, *The Next Generation of Employment Services*. The University of Melbourne has a long-standing research program on the reform of employment services. Our team and our partners in the UK, the Netherlands and in Denmark have been studying the implementation of public employment service (PES) reforms for the past twenty years. This has included detailed empirical investigations of frontline service delivery, impacts of quasi-markets and the evolution of different regulatory methodologies.

This submission addresses the paper's commitment to developing enhanced employment services for more highly disadvantaged jobseekers, in particular, through enabling more personalised, tailored and user-centred services for jobseekers with complex barriers to employment.

The provision of more flexible and tailored employment services has been a long-standing goal of reforms to the Australian employment services system, and was a key driver behind the partial contracting-out of employment services in the mid-1990s and subsequently full privatisation in the early 2000s. Contracting-out service delivery to community and private-sector agencies was inspired by the belief that contestability could simultaneously improve the efficiency and quality of employment services, as competition would motivate agencies to innovate and become more flexible in how they delivered services. The belief was that this

would result in more personalised and tailored services for jobseekers. This submission draws on our team's longstanding program of research into the impact of welfare-to-work reforms and contracting-out on service delivery at the frontline. This body of research includes four major surveys of the Australian employment services workforce conducted in 1998, 2008, 2012, and 2016 in addition to interviews with agency workers (See Appendix for further details). The data collected explains changes in the priorities, servicing strategies, and reported behaviours of frontline staff over contract periods and provides an understanding of certain structural barriers to realising personalised and tailored services for jobseekers with high levels of disadvantage.

As outlined below, we argue that these structural barriers – growing caseloads, workforce de-skilling, and convergence towards routinized and low-cost servicing strategies – are not only characteristic of how Australia's PES has evolved but are inherent features of quasi-market approaches more broadly. This is evidenced by wider international experience with quasi-market designs in countries such as the UK (see Sainsbury 2017; Fuertes & Lindsay 2015; Bennet 2017), the Netherlands (see van Berkel 2017), and especially Denmark (Larsen & Wright 2014), which has largely lost faith in the possibilities of marketization and where municipalities have increasingly elected *not* to contract-out employment support for disadvantaged jobseekers.

We argue that the provision of enhanced employment services for more disadvantaged jobseekers requires a different policy setting, and that any separate program for harder-to-

help jobseekers should be organised along non-profit lines. This is because investment in their transition back to work will necessarily need to be larger and longer, which the incentive systems of for-profit schemes arguably militate against. This is especially the case because commissioning models are based on payment-by-results (PbR). PbR systems inform the functionality of PES, meaning they tend towards 'debt-driven systems' (Bennett 2017) where the

provision of support is financed by borrowing based on market expectations of future returns. This means that significant proportions of government expenditure on employment services delivery must be redirected by quasi-market actors to service debts and pay dividends to shareholders, putting downward pressure on investments in employment support for clients with complex needs.

SERVICE TAILORING VIA QUASI-MARKETS?

To position our research findings in a policy context we begin by noting that a growing proportion of the jobseekers serviced by Australia's contracted employment services system are long-term unemployed clients with high levels of disadvantage.

As detailed in the Discussion Paper (Appendix E), two-thirds of the *jobactive* caseload are long-term unemployed while more than 45 per cent are very long-term unemployed. The evidence suggests that Australia's contracted-out employment services perform well in efficiently placing many 'job ready' clients into work. But performance is poorer in supporting long-term unemployed and highly disadvantaged jobseekers into work. This has been described as the Australian system's 'Achilles heel' (Davidson, 2014). This is evidenced by the very low number of Stream C jobseekers who have been supported into six-months or more of employment by a *jobactive* providers: 29,310 Stream C outcomes in total since the commencement of *jobactive*. Although the reported Employment Services Outcome data indicates that about a quarter of

Stream C jobseekers enter employment (Department of Jobs and Small Business, 2017), the conversion rate from job placement to 26 weeks of employment is especially low among the Stream C caseload: only 1 out of every 5 Stream C jobseekers placed by a *jobactive* provider has sustained 26 weeks or more of employment. This partially explains why just under half (44.2%) of all Stream C jobseekers have been in the employment services systems for over five years.

Research suggests that jobseekers with high levels of disadvantage benefit from intensive support, coordinated by skilled caseworkers who can tailor support on an individualised and personalised basis (Fuertes & Lindsay, 2015; Lindsay, Pearson, Cullen, & Eadson, 2018). Sainsbury (2017) refers to this as 'substantive personalisation' in that services should not only treat jobseekers as individuals from the perspective of showing greater interactive sensitivity but, more particularly, they should see that actual services are 'tailored to individual needs and the wishes of participants' comprising elements of advice and support that

both match the work goals and aspirations of clients while addressing their individual needs or barriers (Sainsbury 2017: 57).

Importantly, substantive personalisation describes much more than frequent face-to-face appointments and regular labour market counselling by an employment consultant or work coach. On its own, the provision of regular job counselling is unlikely to significantly improve outcomes or enhance the employability of highly disadvantaged jobseekers with multiple and complex barriers (Borland 2014). Rather substantively personalised case management requires a holistic and integrated approach to support ‘that takes account of the full circumstances of the individual’ and enables a coordinated, inter-agency approach to improving outcomes through the capacity to simultaneously address vocational and non-vocational issues (Borland, Tseng, and Wilkins 2013). The intervention model requires that standard employability services are integrated with, and complimented by, a range of other holistic services ‘addressing the full range of barriers to work faced by jobseekers’ (Lindsay, McQuaid and Dutton 2007). Under a substantively personalised model, case managers act as key brokers, coordinating support from multiple services (e.g. vocational training, allied health, housing, and other welfare services) on an individualised basis according to client need. They also play a pivotal role in coordinating this inter-agency support so that vocational and non-vocational goals are aligned and support is complimentary between services. Investments in building relationships with clients and external support services are therefore a critical component of substantively personalised employment support along with a flexible and tailored approach to service delivery (Davidson et al. 2018).

A commitment to ‘substantive personalisation’ is embedded throughout *The Next Generation*

of Employment Service’s discussion of how services could be redesigned to do more to help disadvantaged Australians into work (Chapter 3); for example, in its suggestions that ‘[c]onsideration could be given to measures that enable more personalised and user-centred services’ and that enhanced services providers could be given greater discretion to design ‘diverse approaches that are tailored to job seekers’ needs and local challenges and opportunities’ (p.28). However, our research points to several related factors that have contributed to the poor performance of the system in supporting more highly disadvantaged jobseekers, and which have prevented the delivery of flexible and substantively personalised employment services: growing caseloads, workforce changes (including de-skilling), and an increasing reliance on standardised approaches to working with clients (see Considine et al. 2018b, 2015; Lewis et al. 2016). We argue that these barriers to service tailoring and personalisation are endemic to quasi-markets in employment services more broadly and not just a product of the Australian experience of contracting-out. That said, Australia has not escaped this systemic problem. As such, 2020 presents the ideal opportunity to make positive changes to the system.

Growing caseloads

A key factor inhibiting substantive personalisation of service delivery is the growing size of caseloads. In our most recent survey (2016), frontline employment services staff reported servicing an average caseload of 148 clients per consultant (Lewis et al., 2016) compared with a mean caseload size of 114 jobseekers per consultant in 2012, and 94 jobseekers per consultant in 2008 (Considine et al., 2015). The higher caseloads observed are partly a consequence of the maturation of Australia’s Active Participation model – which

has widened the requirement for welfare recipients to be formally engaged in job services, and more intensively – coupled with profit-maximisation strategies on the part of providers looking to deliver services at lower cost. One way of achieving this is to service more clients per consultant, but at the expense of the time available to spend individually servicing clients and addressing their barriers (Borland, Considine, Kalb, & Ribar, 2016). With larger caseloads, there is also less time available for consultants to coordinate with other support services such as allied health services and to contact employers which, as we have argued, is a critical component of the model of substantively personalised support. This has become a systemic issue that has been further aggravated by the substantial amount of time that frontline employment services staff appear to be spending on administrative and compliance-reporting activities.

Peak bodies have estimated that as much as 50 per cent of the time that client-facing staff in Australia spend with clients is now taken up with meeting administration and compliance requirements (Queensland Council of Social Service (QCOSS), 2013), and our research suggests that frontline staff spend between a quarter and a third of their total time each week on compliance and administration activities (Considine, O'Sullivan, & Nguyen, 2014; Lewis et al., 2016). This heavy compliance burden reduces the amount of time that frontline employment services staff can spend working one-on-one with clients.

At the same time, the level of contact that case managers have with employers and other support services appears to have declined in recent years and is relatively minimal in comparison to the amount of time spent on compliance and administration. For example, in the 2016 survey, frontline staff reported spending less than 5 per cent of their time each

week on working with other service providers while only 10 per cent of their time was spent contacting employers. Similarly, the proportions of frontline staff who reported being in either daily or weekly contact with employers, welfare agencies, or training providers was also down on our previous 2012 survey (Lewis et al. 2016) indicating a reduction in collaboration across agencies and with employers and training providers.

Workforce changes and de-skilling

Another key trend in Australia's contracted-out employment services system has been the substantial workforce changes that have occurred over the past twenty years. These impact the skill-levels and age profile of those delivering frontline support. Our data point to a de-professionalisation of the employment services sector workforce as the nature of frontline work has become more standardised and routine, with less and less emphasis on the discretionary tailoring of services and tools to enact customised plans. This runs contrary to the goal of substantively personalised employment support, which depends on case managers' professional expertise and capability of working with clients in a holistic way (Lindsay, McQuaid, and Dutton 2007).

There has been a notable shift in the age profile of frontline staff, with a substantial decline in the numbers of workers aged in their mid-30s to mid-50s and a corresponding increase in the employment of much younger workers. While this shift was most pronounced during the 10 years of the Job Network (Considine et al., 2015), it has not reversed, with less than half of frontline workers now aged 35 - 54 years (Lewis et al., 2016) compared to nearly 70 per cent in the late 1990s.

Allied to this has been a marked decrease in the proportion with a university degree from just

under 40 per cent in 1998 to less than 20 per cent in 2012 (Considine et al., 2015), although this increased marginally to just over 25 per cent in 2016 (Lewis et al., 2016). On-the-job training, whether through programs run in-house or informal training by colleagues is by far and away the main form of training that frontline workers report receiving to do their jobs, with a considerable number indicating that they received no training at all. For example, in the 2016 survey, over 12 per cent of respondents reported that they had received no training to do their job whereas a little under half reported receiving informal training from colleagues (Lewis et al., 2016). This suggests that sizeable numbers of frontline employment services staff have limited expert training (for example, qualifications in social work, health sciences etc) in how to work with highly disadvantaged jobseekers in an integrated way.

One explanation for these workforce changes relates to how the nature of frontline work has changed, with workers increasingly relying on highly standardised assessment tools and IT driven systems when deciding how to work with clients. The use of these tools and systems enables contract and agency managers to provide more detailed direction about how workers should do their jobs, while also enabling the employment of less experienced and less qualified staff since they replace part of the skill set that a case manager might otherwise need (Considine et al., 2011). These arrangements promote agency efficiency – particularly in the context of an annual average turnover rate of staff (41.9%) that is more than two and a half times the economy-wide average (NESA 2016) - but make it more likely that complex clients will receive an inadequate ‘stock standard’ service.

Service standardisation

Possibilities for service tailoring and the personalisation of return-to-work support depend on skilled caseworkers having the capacity to act with some level of discretion in order to adapt to the needs of individual clients and match this to the quite specific opportunities provided by local employers. This includes exercising discretionary decision-making about the types of specific support clients should receive. But the research on changes at the frontline of employment services delivery shows that the exercise of discretion by workers at the frontline has been steadily eroded. Instead, our research shows increasing levels of standardisation and routinisation in service delivery. This is evidenced by several trends, including the growing numbers of frontline staff who report using a standard client classification or checklist when deciding how to work with jobseekers, and who say that their computer system tells them what steps to take with jobseekers and when to take them (Considine et al. 2018b, 2015; Lewis et al. 2016).

Whereas, in the 1998 survey, only 17.4 per cent of frontline workers ‘agreed’ or ‘strongly agreed’ that their computer system tells them what steps to take with jobseekers and when to take them, this proportion increased to over 50 per cent by the 2012 survey (Considine et al., 2015) and has remained at about this level in the most recent survey (Lewis et al., 2016). Since 2008, about two-thirds of those surveyed have consistently indicated that they feel the IT system they use strongly dictates how they do their job. There has also been a sizeable increase in the proportions who report that the decisions they make about jobseekers are determined to a ‘good’ or a ‘great deal’ by standardised program rules and regulations, from just under 57 per cent in the 1998 survey to just below 82 per cent in our 2016 survey.

Taken together, these findings indicate that consultants working in Australia's out-sourced employment services sector previously enjoyed a higher degree to autonomy to tailor services, but this has been displaced by an increased routinisation and automation of service delivery - especially over the 10 years of the Job Network - but it has remained a defining feature of service delivery even under subsequent contracts. This development has been driven by the move towards a stronger regulatory and performance monitoring framework as Australia's commissioning model has evolved from a 'radical experiment' to an 'established institution' (Finn, 2010, p. 294). In particular, governments have taken an increasingly 'hands-on' approach to regulating the market, reigning in providers' discretion over servicing and intensifying not only post-hoc monitoring of outcomes but also in-program scrutiny of frontline case-management decisions.

The extent of this intensification of performance monitoring has been described as amounting to an effective 're-bureaucratisation' (Bredgaard & Larsen, 2008) of Australia's employment services system - driven partly by concerns about the 'creaming' and 'parking' of clients by providers. This is where agencies respond to the incentive structures embedded in payment-by-results funding models by focusing their resources and services on clients with whom they perceive performance targets (and profits) will be 'easy to realise' (van Berkel & Knies, 2014) while only minimally servicing ('parking') those 'with the greatest employment barriers' (Finn, 2014).

Defending against practices of 'creaming' and 'parking' remains a 'perennial design challenge' (Carter & Whitworth, 2015) for outcome-based commissioning models. This includes the Australian system, where our research indicates that the risk that providers will use

opportunistic behaviours to survive or prosper 'is understandable and real' (see Considine et al. 2018b). One approach is to use differential payment structures, as is the case in Australia where providers receive higher payments for placing and sustaining jobseekers in employment from higher service streams and who have been unemployed for longer. However, the effectiveness of these differential payment structures critically depends on two factors: firstly, the extent to which financial differences in the value of outcome payments accurately capture the relative difficulty of assisting different categories of clients into employment (Rees, Whitworth, & Carter, 2015); and, secondly, the capacity of assessment and client-classification tools to accurately capture and measure the full range and magnitude of individual claimants' barriers to employment so as to stream them into the appropriate service stream and payment category (Considine, Nguyen, & O'Sullivan, 2018a). Meeting both conditions has largely eluded contract managers and policy designers to date.

In the initial years of Job Network, the government largely took a 'black box' approach to commissioning providers. Agencies were overwhelmingly left free to decide what requirements should be imposed upon jobseekers, and what level of services should be offered to individual clients. However, agencies and frontline staff used this discretion to target their most job-ready clients, moving them quickly into job search activities - which was seen as a low-cost strategy of helping those with minimal barriers get a job - while more highly disadvantaged jobseekers received often only very cursory attention (Considine et al., 2015). Practices of 'creaming' and 'parking' became endemic during the first two Job Network contracts (Fowkes, 2011; Thomas, 2007), and the government responded by moving towards a stronger regulatory regime

with greater powers to recover payments from providers deemed to have breached contractual requirements or misspent allocated funding in Jobseeker accounts. More detailed regulations about minimum servicing standards were added into subsequent contracts, along with prescriptive guidelines about how Jobseeker account funding could be spent. Departmental contract managers began to monitor providers more closely in relation to various aspects of service delivery such as the ratio of clients to case managers and the frequency of contact with clients.

As Australia moved towards an Active Participation model, under Minister Abbott, prefaced on enhanced job searching and other behavioural requirements - backed by the threat of sanctions for non-compliance - the government also became increasingly interested in monitoring providers to ensure such conditionality requirements were being enforced. This scrutiny of providers was facilitated by the development of more sophisticated IT-based data sharing information systems. An example is the current ESS Web interface that frontline workers use to record multiple dimensions of their work - from client-meetings, to activity agreements, to jobseeker account (employment fund) spending, to clients' job-searching and compliance history - and which enables the decisions of individual frontline staff to be reviewed by agency and contract managers (Marston & McDonald, 2008). Agencies risked disqualification from future business, both through periodic business reallocations and subsequent contracting rounds, if they were judged to have breached contractual requirements or misused funds.

In a context 'where every transaction is visible' (Fowkes, 2011), coupled with greater contract compliance scrutiny and 'recovery activities' to reclaim payments from non-compliant agencies, our research indicates that agencies

and their staff became gripped by a fear of non-compliance. They responded by embracing new forms of service standardisation 'as a way to minimise risks' and of ensuring organisational viability within the market (Considine et al., 2011, pp. 826, 827). This is reflected in the larger proportions of frontline staff who reported that they used a standardised client classification tool or checklist when deciding how to work with jobseekers, from less than 30 per cent in 1998 to almost 80 per cent in 2008, and in the rise in the number of survey respondents reporting that answers to standard questions are 'quite or 'very influential' in determining what activities they recommend for jobseekers: from just over 20 per cent of respondents in 1998 to well over half of those surveyed by 2008 (Considine et al., 2015). Although this use of standardised tools has declined somewhat in subsequent contracts, it remains a strong feature of Australian frontline work. For instance, over 60 per cent of those surveyed in 2016 reported that they use standard client classification tools and checklists when deciding how to work with jobseekers, and 42 per cent reported that the answers to standard sets of assessment questions were 'quite' or 'very' influential in determining what activities are recommended for their clients (Lewis et al., 2016).

This embrace of new forms of service standardisation had two effects. Firstly, it reduced flexibility in the provision of service delivery but, secondly, it also eroded diversity between agencies. Our research indicates a decline in the number of significant differences between agency types over time in relation to their service delivery methods and organizational activities (Considine et al., 2015). It also shows an increasing orientation towards activating jobseekers through 'work first' strategies and enforcing compliance through the threat of sanctions. This has persisted well

beyond the Job Network model. For example, 68 per cent of respondents in the 2016 survey reported agreeing or strongly agreeing that ‘to get jobseekers to pay attention, I often remind them that enforcing compliance is part of my job’. Almost all indicated that they would report clients for non-compliance if they refused a suitable job offer or failed to attend a job interview, while 80 per cent said that they would typically report clients for refusing to apply for a suitable job (Lewis et al., 2016).

The dual trends documented in our research toward deepening service standardisation and the dominance of ‘work first’ activation strategies are significant because they militate against the possibilities for personalisation through individually tailored support (Fuentes & Lindsay, 2015). The challenge that governments face in designing a system that is simultaneously flexible and responsive to the

individual needs of highly disadvantaged jobseekers is how to find the optimal level of intervention in, and regulation of the market. As the experience of the early Job Network contract shows, but also similar ‘black box’ approaches such as the UK Work Programme (Considine, O’Sullivan, & Nguyen, 2018; National Audit Office, 2014), a minimal ‘hands-off’ approach to specifying service standards and monitoring agencies generates the risk that agencies will under-serve more disadvantaged jobseekers by ‘creaming’ those jobseekers who are closest to the labour market. But, as other elements of our research shows, intensive regulation and compliance scrutiny of providers by the government also undermines the policy goals of tailored and substantively personalised support for disadvantaged jobseekers through producing patterns of deepening standardisation and inflexibility.

POLICY DESIGN IMPLICATIONS

Australia now has a highly efficient public employment system, among the most efficient systems in the world. Australia also boasts an innovative procurement system for these services with a range of unique elements. Our research indicates that these innovations have tended to improve the throughput of clients who are easier to place into work or whose barriers are relatively simple to address. The steady refashioning of the frontline workforce reflects this tilt towards faster processing of easier to help clients as does the use of more routinized forms of classification and ‘work first’ techniques.

Certainly a percentage of more disadvantaged clients can be found jobs by these same routine methods and that is evident in the official

statistics. But the percentage remains low and the durability of placements remains fragile without a more customised approach.

In our view the more disadvantaged jobseekers require a different policy setting because investment in their transition back to work will be larger and the incentive systems of a for-profit scheme will not be suitable to enabling the sort of holistic, inter-agency support that they are likely to require. Profit-maximising motives necessarily require agencies to favour easier to help clients. This is especially the case under outcome-based commissioning models that incentivise agencies to focus their resources on achieving rapid labour market attachment with clients. Longer-term investments in building the employability of

harder-to-help clients through, for example, housing support or drug and alcohol recovery services, carry too much financial risk for providers in cases where they cannot reliably predict that these investments will result in job outcomes within the duration of the contract. Given that, for nearly half of Stream C jobseekers, the average duration that they have been in employment services (more than five years) exceeds the duration of service delivery contracts, the risk of investments not leading to a return in terms of payable employment outcomes to providers is high for this cohort. While addressing non-vocational barriers such as homelessness, poor mental health, and drug addiction promote employability and lead to positive individual outcomes in the long-run, employment services providers only receive payments for employment and educational outcomes. Accordingly, there are few incentives for providers to invest time or money in addressing complex non-vocational barriers beyond referring clients to external support services that are funded by local or state governments (Olney 2016).

A further danger is that poor performance with harder-to-help clients will lead to a circular path dependence whereby initially low rates of performance breed strategic under-investment in supporting the hardest-to-help clients. This has been the experience of the UK Work Programme, despite its innovative trailing commission model.

The Work Programme funding model included several incentive structures designed to motivate provider-investment in supporting claimants from harder-to-help payment groups such as the Employment and Support Allowance (ESA). Outcome payments were differentially structured so that providers received higher payments for placing more highly disadvantaged jobseekers. But the funding model also enabled providers to claim

up to two years of sustainment payments (every four weeks) if they successfully supported participants to remain in employment (DWP 2012). The period and amount of sustainment payments that providers could earn was higher for jobseekers from more highly disadvantaged claimant groups. Even so, the overall performance of the program in supporting more highly disadvantaged jobseekers such as ESA claimants was lower than expected – and no greater than previous programmes - especially during the first three years (Bivand and Melville, 2016; National Audit Office 2014). Although providers' performance exceeded minimum performance expectations in later years, this followed a downward revision of performance expectations by the commissioning department (DWP). Moreover, a review by the UK Auditor General found that low performance levels in the program's early years caused providers to reduce the amount they planned to spend on supporting the hardest-to-help participants by more than half compared to what they initially bid (National Audit Office 2014). In interviews for the evaluation of the program's finance and commissioning model, primes and sub-contractors repeatedly reported that their support decisions were based on perceptions of jobseekers' proximity to employment rather than which claimant group they belonged to, or whether they attracted higher payment fees (DWP 2014). This lack of investment in supporting harder-to-help jobseekers was further evidenced by low referrals to specialist providers among end-to-end service providers (Dar 2016).

Our research on outcome-based commissioning models and the marketisation of employment services in Australia, coupled with the recent experience of the UK Work Programme, illustrate that the funding models and performance frameworks of quasi-market

approaches lead to the prioritisation of those closest to employment. This comes at the expense of building inter-agency networks and investing in substantively personalised and holistic support (see also van Berkel and Borghi 2008). The latter is perceived as too fraught with risk, especially when the provision of support is funded on the basis of expected job outcome payments or financed by borrowing against future commissions. Our research clearly shows that even non-profit providers are not immune from the short term rational incentives embedded in quasi-market designs towards orienting service delivery around those clients closest to employment. Community-based agencies and non-profit providers have either fallen by the wayside as the market share of third-sector organisations has diminished, or competitive funding pressures have caused them to adopt the business models and servicing strategies of their for-profit counterparts. Other research suggests that this has also been an experience of third sector organisations delivering employability services in the UK (Lindsay et al. 2014).

Quasi-market designs have unintendedly produced new forms of service standardisation and 'herding' around 'work first' strategies, illustrating the acute tension between contractual and funding pressures to secure immediate job entries and program goals of enhancing the longer-term employability of those furthest from the labour market (Finn 2003).

Differential payment structures have, to date, been the preferred mechanism for incentivising commercially oriented providers to prioritise the hardest-to-help. But the success of these payment models in guarding against practices of creaming and parking has so far been limited. Ultimately it remains agencies' choice whether to respond to these higher incentives or continue with the higher-volume activation of

clients closer to employment. Increasing the monetary incentives to help very disadvantaged clients also increases the potential for goal-displacement and gaming by the agencies. This in turn requires higher surveillance and increased regulatory costs.

In our view a separate program for the most disadvantaged job seekers should be organised along non-profit lines with an employer-based system for work retention and an integrated approach to rehabilitation, health support and appropriate training. This will require an inter-agency approach to coordinating case management and holistic support around client and employer needs that is most likely to be achieved via localised service delivery partnerships working in close cooperation with employers (see, for example, Borland et al. 2016). There are a number of such programs in North America and Europe, including the Making it Work program for lone parent families with complex needs delivered in five local government areas in Scotland through local partnership-working as a means of organising services (see Lindsay et al. 2018). We believe this is a good moment for the Australian system to re-align the core value of the mainstream system towards job matching and motivation, and to design a further program for the most disadvantaged jobseekers based on higher levels of individualisation, coordination with employers and relevant service providers, smaller caseloads, and a more highly qualified employment services workforce.

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APPENDIX

The University of Melbourne, in conjunction with our colleagues at the University of New South Wales and La Trobe University, has a long-standing research program on the reform of employment services which began in 1998 with surveys of frontline staff working in the employment sector in Australia, the UK, the Netherlands and New Zealand. Since 2008, in partnership with Jobs Australia (JA), the National Employment Services Association (NESA) and Westgate Community Initiatives Group (WCIG), we have been closely monitoring reforms in Australia and other countries, using surveys and interviews. A selection of publications from these research projects are listed below, several of which are available via our website:

<https://arts.unimelb.edu.au/ssps/research/further-research-projects/employment-services>.

Books

- Considine, M., Lewis, J. M., O'Sullivan, S., & Sol, E. (2015). *Getting welfare to work: street-level governance in Australia, the UK, and the Netherlands*. New York: Oxford University Press.
- Considine, M. and O'Sullivan, S., (eds.) (2015), *Contracting-out Welfare Services: Comparing National Policy Designs for Unemployment Assistance*, Oxford: Wiley Blackwell

Journal Articles

- Considine, M., Nguyen, P., & O'Sullivan, S. (2018). New public management and the rule of economic incentives: Australian welfare-to-work from job

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Industry Reports

- Lewis, J.M., Considine, M. O'Sullivan, S., Nguyen, P, & McGann, M. (2017) *From Entitlement to Experiment: The New Governance of Welfare to Work: UK Report back to Industry Partners*. Melbourne: The University of Melbourne.
- Lewis, J.M., Considine, M., O'Sullivan, S., Nguyen, P. and McGann, M. (2016), *From Entitlement to Experiment: The new governance of*

welfare to work - Australian Report back to Industry Partners (660kb pdf)
The University of Melbourne

- Considine, M., O'Sullivan, S., Nguyen, P. and Toso, F. (2013), *Increasing Innovation and Flexibility in Social Service Delivery. Comparative Australia and UK Report*, The University of Melbourne.
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- Considine, M., Lewis, J.M, and O'Sullivan, S., (2009), *Activating States: transforming the delivery of 'welfare to work' services in Australia, the UK and the Netherlands. Report to UK Providers*. The University of Melbourne.
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