

Budget 2020 – Social Services: jobactive

jobactive Overview

Women were already over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments prior to the COVID-19 pandemic and its attendant effects on the Australian economy. The recession and the overwhelming focus on male-dominated industries for stimulus support means Australia is facing a ‘she-cession.’ Our analysis and primary recommendations within this portfolio are:

jobactive should be re-designed to provide meaningful supports back into employment for women. This includes monitoring the client experience rather than employer ratings of service quality, transferring responsibility for the TCF to Centrelink, and providing more flexible options for engagement.

jobactive

The Budget

The Employment Services system has the following key objectives: to help job seekers find and keep a job; to help job seekers move from welfare to work; to help job seekers meet their mutual obligations; that jobactive providers deliver quality services; to help young people move into work or education; and to support parents to build their work readiness to help them on a pathway to education or work.

Performance criteria:

- Fund jobactive providers to connect job seekers to employment, including providing tools (such as wage subsidies and the Employment Fund) and offering a range of services and support to employers.
- Help job seekers find and keep a job.
- Help job seekers move from welfare to work.
- Help job seekers meet their mutual obligation requirements.
- jobactive organisations deliver quality services. [Editor’s note: The quality service in this instance is measured by employers that interact with jobactive providers, rather than clients; see page 78.]

Payment (\$m) 2019-20	2020-21	2021-22	2022-23	2023-24
jobactive	1,479,464	2,073,655	2,154,591	2,193,257
				2,146,406

Source: 2020 Dept. of Education, Skills and Employment Portfolio, [Budget Related Paper No. 1.4](#), p. 73, table 2.4.1.

Gender implications

Why is this an issue for women?

Women's career development is generally different from men. It is often more complex (for example, conflict between work and family) and is often characterised by different career stages or patterns (for example, intervals away from full time employment to assume care responsibilities).

The Australian labour market is also highly gender-segregated by both industry and occupation, a pattern that has persisted over the past few decades and the level of segregation has increased ([WGGEA, April 2019](#)). This is despite substantial growth in women's labour supply, growth in educational attainment, and growth in combining work with raising families.

COVID-19's impact on unemployment levels needs to take into account gendered impacts. Research into the impact of the pandemic on Victorian employment, where containment measures have been in place much longer than in other parts of Australia, find that women have lost more jobs, resulting in the highest levels of female unemployment recorded ([McKell, 2020](#)). Jobactive services will be crucial to unemployed women in the face of growing and sustained unemployment.

This Budget jobactive providers have received a substantial boost in funding, due to a number of COVID-19 initiatives -- the large increase in the number of people on JobSeeker, the JobMaker hiring credit initiative, and also funding for relocation assistance and incentives to take up seasonal work.

NFAW is concerned the additional large new revenue stream may bias providers' assistance towards young unemployed if providers believe they will receive greater payments for placements under JobMaker, given the size of the program.

In addition, Budget savings of \$1.4 billion will be achieved through the continued rollout of the online employment services platform on the jobactive website. The online facility was created in April 2020 in response to the increased demand for Centrelink payments and employment services due to COVID. NFAW is concerned that there is no facility for an opt-out option in order to receive direct assistance. This is particularly important for those who do not have online access or are not familiar with online platforms.

Prior to COVID, long-term unemployment had been growing faster for women and older people. Between 2007 and 2019 the share of female recipients on JobSeeker for more than one year or more rose from 48% to 71%. Half of the people receiving unemployment benefits were over 45. Women over 60 and women over 45 years of age made up the largest groups on the payment. ([Parliamentary Budget Office, 2020](#), figure 2-7, p.16). Much of the increase for older women has been due to the closure of the partner allowance, wife pension, widow pension and the widow allowance, with the largest increase due to rise in the age eligibility for the age pension ([Morris, 2019](#)). Despite this, Government data shows that, rather than

workforce participation tapering off for older women, it is nearly level with women of prime working age: 58.8% compared to 59.2% ([Australian Government, 2017](#)). Nearly 70% of employed older women expressed experiencing financial pressure to continue in the workforce, with 300,000 women requiring multiple jobs ([Price, 2019](#)).

Older people suffer significant disadvantage in the labour market, with older women more disadvantaged ([AHRC, 2018](#)). Their prospects for recovery are poor and they will need to be able to rely on jobactive to be able to tailor its assistance appropriately.

Jobactive is largely responsible for the implementation of the Targeted Compliance Framework (TCF) which covers the JobSeeker, Disability employment services and ParentsNext programs. The framework is part of what was a growing list of damaging policies that negatively impacted on people on low incomes. These include robodebt, income maintenance, ParentsNext, drug and alcohol testing, the demerit system, payment suspensions and the national rollout of the cashless debit card as part of the “compassionate conservatism” the Prime Minister cited when he was the Minister for Social Services. The TCF utilizes what is known as ‘mutual obligations,’ in which individuals are obligated to specific activities – generally reporting, jobseeking, and attending meetings – in exchange for receiving their benefit payment.

According to the TCF Public Data Report – 1 July 2019 to 31 December 2019 ([Department of Education, Skills and Employment, 2020](#)), the latest report available, suspensions and penalties have increased substantially under the TCF. Suspensions can result in non-payment of benefits for four to six weeks, and penalties can result in cancellation of payments. Fifty percent of women using jobactive are required to undertake job search. Data in the TCF report are not disaggregated by program or gender but the report indicates around 40% of people received suspensions or penalties.

Given the growing number of women in these programs, and the return to mutual obligations, this is a serious concern.

Prior to COVID many women had a partial exemption from job seeking because they worked part time. Because many of these jobs were contractual and short-term, many women lost their jobs but were not eligible for JobKeeper ([MacDermott, 2020](#)). As job opportunities open up, these women may now have to compete with young people eligible for the JobMaker wage subsidy.

The percentage of employers using jobactive to source new employees is low; some estimates put the rate at about 5%. The department’s annual reports from 2015 to 2018 indicate that over a third of job placements were not for secure or ongoing employment ([Department of Education, Skills and Employment](#)).

What are the 2020 Budget impacts on women?

Because women have lost employment at higher numbers than men, and stimulus measures are almost exclusively targeting male-dominated industries, it is anticipated that Australia is on the brink of a ‘she-cession’ ([Risse, 2020](#)). Women have reported interacting with jobactive providers as demeaning, stressful, and controlling but seldom helpful ([McLaren, Maury & Squire, 2018](#)). The high number of unemployed or underemployed women will mean they are disproportionately impacted by the punitive and controlling TCF, and may be shut out of meaningful employment for years.

Recommendations

1. The JobSeeker coronavirus supplement should be retained for JobSeeker, Parenting Payment and Youth Allowance recipients.
2. Jobactive provider's provision of 'quality services' should be measured based on client experience, rather than employer experience.
3. Savings from the online facility should be directed to greater tailored assistance for the most disadvantaged.
4. Participants should have an opt-out option from online services.
5. The TCF should remove the automated function that immediately marks an individual as out of compliance, as it appears to be too hasty and leads to an unacceptably high number of no-fault suspensions.
6. Responsibility for the TCF framework should be transferred from contracted service providers to Centrelink, with discretion introduced over the imposition of penalties and suspensions.
7. TCF data should be published more quickly and should be disaggregated by gender and program.
8. Given the large number of older women with no recent work experience due to caring or long-term unemployment, career counselling and support services should be boosted for this group.
9. Women who have left the labour force should be provided access to jobactive services.