



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

25 February 2004

Regional Job Network Providers Need Revamp Of Current Model

The Independent Member for New England, Mr Tony Windsor, is raising concerns over the regional funding formula of the active participation employment model introduced in July last year.

Mr Windsor said, "I have no issue with the intent of the active participation model, there is no doubt that it has allowed the building up of vocational profiles and reinvented the long term unemployed in processes that are more likely to lead to employment."

"The concerns I raise are that the payment structures and schedules for service providers are more applicable to the suburbs, being suited to small geographical distances with high volume job markets with the likelihood of long term employment."

"For regional Job Network service providers these market conditions generally do not exist. As such the current payment schedules with an up front payment at referral, and then very little funding till job placement, can leave the provider dipping into their financial reserves for years as they continue to service the client. The locational supplement is an aid in moving long term unemployed into work, however it provides scant financial relief to the actual employment provider and we must ensure that both viability for the provider as well as job placements for the clients are considered in the financial formula."

"Despite this financial risk our regional employment services are persisting with the more difficult to place clients. However the financial risk to them will grow as they progress further into the three year contract signed last July. I am urging some changes to the policy before damage is caused to both the viability of regional employment providers and the creation of job prospects for the long term unemployed."

"There needs to be recognition of the increased costs associated with providing employment services over large geographical areas. The efficiencies of our service providers are compared to metropolitan service providers who operate within small distances and within local call areas. Typically, regional service providers travel hundreds of kilometres servicing clients and this skews their costs out of context of a city based average."

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“Another concern for regional providers is the cost of servicing small turnover labor pools and an issue that is emerging is that the new active employment model has activated a ‘one off’ influx of new clients for regional service providers. The service fee for the long term unemployed amongst this influx of clients will not be sustained by new referrals as the influx was a once only event and the burden of servicing this large group of long term unemployed will become a greater and greater financial concern to the providers.”

“I feel the active participation policy, while well motivated, needs to take into account distance and isolation if we are to achieve a viable and sustainable model for both regional service providers and the long term unemployed.”