



**Mark Considine**

## Taking the Herd to Market

Steering Dilemmas in Quasi-Markets –  
Australia's Job Network.

- New Public Management (NPM)
- Purchaser-provider split
- Flexible delivery
- Efficiency via competition
- Private sector innovation



- Refers to pay-off for risk minimization.
- Indicates desire to emulate strategies of the majority
- Recognizes reduced risk of being an 'outlier'
- Reflects difficulty in 'monopolising proceeds of innovation' for more than a few months
- Impacted by type of regulatory regime



	Government	For-profit agency	Not-for-profit agency	Agency type unknown	Total
1998	273	118	196	38	625
2008	n/a	392	1,056	64	1,512
Total	273	510	1,252	102	2,137



INTERNATIONAL  
EMPLOYMENT  
BUREAU

# Employee Profile Australia, the UK and the Netherlands 2008

## MELBOURNE

	Australia	UK	The Netherlands
Work full-time	90.4%	86.1%	53.8%
Work part-time	9.6%	13.9%	46.2%
Female	73.8%	68.2%	56.4%
Male	26.2%	31.8%	43.6%
Less than 1 year working in the employment sector	17.4%	14.0%	5.6%
1 – 5 years working in the employment sector	51.7%	28.9%	28.8%
More than 5 years working in the employment sector	31.0%	57.1%	65.6%



INTERNATIONAL  
EMPLOYEE PROFILE

# Employee Profile Australia, the UK and the Netherlands 2008 cont.

## MELBOURNE

	Australia	UK	The Netherlands
Employees who are members of a union	6.8%	39.5%	23.7%
Employees who are NOT members of a union	93.2%	60.5%	76.3%
Employees who are ALWAYS logged on and accessing a computer while interviewing job seekers	73.8%	63.0%	43.3%
Employees who are MOST OF THE TIME logged on and accessing a computer while interviewing job seekers	16.9%	18.0%	16.0%
Employees who are SOMETIMES logged on and accessing a computer while interviewing	6.9%	10.4%	23.2%
Employees who are NEVER logged on and accessing a computer while interviewing	2.4%	8.5%	17.5%



# Working with jobseekers Australia, the UK and the Netherlands 2008

MELBOURNE

	Australia	UK	The Netherlands
Current caseload	109.55	81.96	77.16
Number of job seekers seen on an average day	11.62	8.44	5.25
Number of people placed in work in the last year	99.75	55.41	53.1
Percentage of caseload placed	35.31%	32.34%	34.21
Do use a client classification tool when working with jobseekers (not all work with jobseekers in this way)	59.1%	56.2%	43.5%
Do NOT use a client classification tool when working with jobseekers	15.0%	29.1%	56.5%



DEPARTMENT OF SOCIAL SERVICES  
VICTORIA  
JOBSEEKER PROFILE

# Jobseeker Profile Australia, the UK and the Netherlands 2008

## MELBOURNE

	Australia (Mean)	UK (Mean)	The Netherlands (Mean)
Proportion of clients perceived to have a mental health problem	25.65	26.57	38.72
Rather be on benefits than work	40.95	38.33	24.28
Proportion of jobseekers that are easiest to place	18.83	18.26	12.26
Proportion of jobseekers that are easy to place	18.48	17.82	16.67
Proportion of jobseekers that are difficult to place	22.74	21.26	30.93
Proportion of jobseekers that are the most difficult to place	44.04	39.03	45.13
Estimated percentage of jobseekers not complying with their obligations	35.90	26.76	21.97



# Use of Sanctions Australia, the UK and the Netherlands 2008

## MELBOURNE

	Australia	UK	The Netherlands
Sanctions are normally filed when a jobseeker is dismissed from a job or a training program	72.7%	66.8%	85.1%
Sanctions are normally filed when a jobseeker refuses to apply for a suitable job	81.3%	66.1%	83.0%
Sanctions are normally filed when a jobseeker refuses a suitable job offer	89.3%	72.8%	89.5%
Sanctions are normally filed when a jobseeker fails to commence an employment program or training course	84.3%	65.6%	80.0%
Sanctions are normally filed when a jobseeker leaves a training course	72.0%	55.4%	64.7%



# Use of Sanctions Australia, the UK and the Netherlands 2008 cont.

MELBOURNE

	Australia	UK	The Netherlands
Sanctions are normally filed when a jobseeker fails to contact our office	79.7%	57.7%	64.1%
Sanctions are normally filed when a jobseeker fails to attend a job interview	90.7%	66.0%	79.8%
Sanctions are normally filed when a jobseeker voluntarily leaves a job	83.7%	58.7%	76.8%
Sanctions are normally filed when a jobseeker does any of these for a second time	92.9%	80.3%	96.2%



## Use of Sanctions Private/Public (UK 2008)

MELBOURNE

	Private	Public
Sanctions are normally filed when a jobseeker is dismissed from a job or a training program	50.1%	86.5%
Sanctions are normally filed when a jobseeker refuses to apply for a suitable job	45.3%	90.6%
Sanctions are normally filed when a jobseeker refuses a suitable job offer	58.5%	89.7%
Sanctions are normally filed when a jobseeker fails to commence an employment program or training course	56.2%	76.5%
Sanctions are normally filed when a jobseeker leaves a training course	44.0%	68.5%



## Use of Sanctions (UK 2008) Cont.

### MELBOURNE

	Private	Public
Sanctions are normally filed when a jobseeker fails to contact our office	47.1%	70.3%
Sanctions are normally filed when a jobseeker fails to attend a job interview	51.2%	83.4%
Sanctions are normally filed when a jobseeker voluntarily leaves a job	38.8%	82.3%
Sanctions are normally filed when a jobseeker doesn't turn up for a meeting at this office	44.1%	82.0%
Sanctions are normally filed when a jobseeker does any of these for a second time	74.4%	87.5%



# Jobseeker Profile Australia, the UK and the Netherlands 2008

MELBOURNE

	Australia (Mean)	UK (Mean)	The Netherlands (Mean)
Proportion of clients perceived to have a mental health problem	25.65	26.57	38.72
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## Proportion of time spent on various tasks: Australia, the UK and the Netherlands 2008

MELBOURNE

	Australia (Mean)	UK (Mean)	The Netherlands* (Mean)
In direct contact with job seekers	45.77	59.76	39.69
Working with other service providers	3.72	4.43	11.91
Working with employers	14.32	6.73	9.72
On contract compliance (Neth: incl other admin)	28.07	10.70	12.15 (33.2)
On internal staff meetings	7.41	5.75	9.51
On other tasks	12.36	10.42	11.70



## Where Australian frontline staff source their information about the local labour market, 2008

### MELBOURNE

	Women	Men
From within my own organisation	86.3%	83.2%
From government departments or organisations	50.1%	60.0%
My own experience	69.2%	83.2%
Newspapers (hard copy)	84.3%	87.7%
Direct contact with employers	65.3%	76.8%
From another organisation	25.6%	32.6%
From online sources such as seek.com	68.9%	71.2%
Other	11.4%	11.2%
I have no such information	1.7%	0.4%



DEPARTMENT OF  
EDUCATION AND TRAINING

## Education levels of Australians at the frontline of employment services in 2008

MELBOURNE

	Women	Men
Year 11 or below	14.6%	12.6%
Year 12	14.9%	16.8%
A TAFE or vocational certificate	37.8%	24.9%
An undergraduate diploma	8.0%	16.8%
A bachelor or undergraduate degree	17.5%	20.0%
A postgraduate degree	5.4%	6.3%
Other	1.8%	2.5%
Total	100%	100%



REPORT

## Length of service of Australians at the frontline of employment services in 2008

### MELBOURNE

	Women	Men
Less than 1 year employment in the sector	17.9%	15.1%
1 to 5 years employment in the sector	53.4%	47.2%
More than 5 years employment in the sector	28.8%	37.3%
Less than 1 year employment with current agency	28.9%	29.1%
1 to 5 years employment with current agency	55.2%	51.9%
More than 5 years employment with current agency	15.9%	18.9%
Respondents who had previously worked for Centrelink	14.9%	17.9%



## Use of standard classification tools by survey period

### MELBOURNE

	1998	2008
Yes I use a standard client classification or checklist when deciding how to work with jobseekers <b>Australia</b>	29.5%	59.1%
No I do not use a standard client classification or checklist when deciding how to work with jobseekers <b>Australia</b>	70.5%	15.0%
Not relevant to my job <b>Australia</b>	n/a	25.9%
<b>Total Australia</b>	100%	100%
Yes I use a standard client classification or checklist when deciding how to work with jobseekers <b>UK</b>	57.6%	56.2%
No I do not use a standard client classification or checklist when deciding how to work with jobseekers <b>UK</b>	42.4%	29.1%
Not relevant to my job <b>UK</b>	n/a	14.8%
<b>Total UK</b>	100%	100%



Australian Bureau of Statistics

# How influential is your own judgement when deciding how to work with jobseekers by survey period

**MELBOURNE**

	1998	2008
My own judgement is not influential at all <b>Australia</b>	1.4%	1.8%
My own judgement is somewhat influential <b>Australia</b>	7.9%	25.1%
My own judgement is quite influential <b>Australia</b>	35.7%	46.8%
My own judgement is very influential <b>Australia</b>	55.1%	26.3%
<b>Total Australia</b>	100.1%	100%
My own judgement is not influential at all <b>UK</b>	0	1.9%
My own judgement is somewhat influential <b>UK</b>	12.0%	16.3%
My own judgement is quite influential <b>UK</b>	44.0%	43.1%
My own judgement is very influential <b>UK</b>	44.0%	38.7%
<b>Total UK</b>	100%	100%



STATISTICS  
AUSTRALIA

# How influential is your own judgement when deciding how to work with jobseekers by agency type

## MELBOURNE

	For-profit in 2008	Not-for-profit in 2008	Government in 2008
My own judgement is not influential at all <b>Australia</b>	2.4%	1.7%	n/a
My own judgement is somewhat influential <b>Australia</b>	29.8%	23.2%	n/a
My own judgement is quite influential <b>Australia</b>	45.4%	47.1%	n/a
My own judgement is very influential <b>Australia</b>	22.4%	28.0%	n/a
<b>Total Australia</b>	100%	100%	n/a
My own judgement is not influential at all <b>UK</b>	1.5%	1.5%	2.7%
My own judgement is somewhat influential <b>UK</b>	9.4%	19.5%	20.5%
My own judgement is quite influential <b>UK</b>	43.0%	43.4%	42.6%
My own judgement is very influential <b>UK</b>	46.2%	35.6%	34.2%
<b>Total UK</b>	100.1%	100%	100%



# Use of standard classification tools by agency type

**MELBOURNE**

	For-profit 2008	Not-for-profit 2008	Government 2008
Yes I use a standard client classification or checklist when deciding how to work with jobseekers <b>Australia</b>	59.1%	58.9%	n/a
No I do not use a standard client classification or checklist when deciding how to work with jobseekers <b>Australia</b>	16.7%	14.4%	n/a
Not relevant to my job <b>Australia</b>	24.1%	26.7%	n/a
<b>Total Australia</b>	99.9%	100%	n/a
Yes I use a standard client classification or checklist when deciding how to work with jobseekers <b>UK</b>	40.3%	68.3%	62.4%
No I do not use a standard client classification or checklist when deciding how to work with jobseekers <b>UK</b>	32.4%	17.2%	35.2%
Not relevant to my job <b>UK</b>	27.3%	14.5%	2.3%
<b>Total UK</b>	100%	100%	99.9%



# ‘Our computer system tells me what steps to take with jobseekers and when to take them’ by agency type

## MELBOURNE

	For-profit 2008	Not-for-profit 2008	Government 2008
Strongly agree <b>Australia</b>	4.1%	5.4%	n/a
Agree <b>Australia</b>	41.1%	42.7%	n/a
Neither agree nor disagree <b>Australia</b>	26.6%	22.5%	n/a
Disagree <b>Australia</b>	22.0%	23.8%	n/a
Strongly disagree <b>Australia</b>	6.2%	5.6%	n/a
<b>Total Australia</b>	100%	100%	n/a
Strongly agree <b>UK</b>	4.4%	15.9%	6.4%
Agree <b>UK</b>	20.4%	36.9%	37.4%
Neither agree nor disagree <b>UK</b>	23.5%	17.6%	19.6%
Disagree <b>UK</b>	31.0%	17.2%	28.7%
Strongly disagree <b>UK</b>	20.7%	12.4%	7.9%
<b>Total UK</b>	100%	100%	100%



# How much say do you actually have in how you do your job (Aust)?

## MELBOURNE

	No say at all	Some say	Moderate say	A good deal of say	A very great deal of say
<b>1998</b>	0.4%	5.8%	11.6%	45.0%	37.2%
<b>2008</b>	3.5%	22.0%	24.9%	38.3%	11.4%
	No say at all	Some say	Moderate say	A good deal of say	A very great deal of say
<b>For-profit in 2008</b>	5.6%	22.7%	25.9%	35.3%	10.5%
<b>Not-for-profit in 2008</b>	2.9%	22.2%	24.3%	39.0%	11.6%



### MELBOURNE

- Copies of the Australian and UK industry reports are available online, go to:  
<http://www.ssps.unimelb.edu.au/research/projects/activating-states>
- To speak to the research team contact Siobhan O'Sullivan at: [siobhano@unimelb.edu.au](mailto:siobhano@unimelb.edu.au)
- For background to this project see: Considine, M. (2001), *Enterprising States: the public management of welfare-to-work*, Cambridge: Cambridge University Press.



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	1998	2008
<b>Current caseload</b>		
<b>N</b>	488	602
<b>Mean</b>	119.4	98.5
<b>Standard deviation</b>	50.4	49.1
<b>Number of jobseekers seen in an average day</b>		
<b>N</b>	198	1365
<b>Mean</b>	8.2	10.2
<i>Standard deviation</i>	5.2	8.1



## Gender in Australia

MELBOURNE

	Total number of survey respondents	Percentage that are female	Percentage that are male
Australia 1998	612	61.8%	38.2%
Australia 2008	1512	73.8%	26.2%



## Gender in Australia in 2008 by agency type

MELBOURNE

	Total number of survey respondents	Percentage that are female	Percentage that are male
For-profit agencies Australia 2008	392	83.7%	16.3%
Not-for-profit agencies Australia 2008	1056	69.6%	30.4%



# Distribution of responses by survey period, country and agency type

## MELBOURNE

	Government	For-profit	Not-for-profit	Agency type unknown	Total
Australia 1998	273	118	196	38	625
Australia 2008	n/a	392	1,056	64	1,512
UK 1998	155	n/a	n/a	n/a	155
UK 2008	420	443	323	10	1,196
Total	848	953	1,575	112	3,488



# Use of Sanctions Australia, the UK and the Netherlands 2008

MELBOURNE

	Australia	UK	The Netherlands
Sanctions are normally filed when a jobseeker is dismissed from a job or a training program	72.7%	66.8%	85.1%
Sanctions are normally filed when a jobseeker refuses to apply for a suitable job	81.3%	66.1%	83.0%
Sanctions are normally filed when a jobseeker refuses a suitable job offer	89.3%	72.8%	89.5%
Sanctions are normally filed when a jobseeker fails to commence an employment program or training course	84.3%	65.6%	80.0%
Sanctions are normally filed when a jobseeker leaves a training course	72.0%	55.4%	64.7%



# Working with Jobseekers UK 2008

MELBOURNE

	Private Mean	Public Mean
Current caseload	66.18	109.23
Current active caseload	76.49	73.08
Number of job seekers seen on an average day	7.93	9.29
Number of people placed in work in the last month	6.01	4.42
Percentage of caseload	15.94	11.39
Number of people placed in work in the last year	63.66	43.29
Percentage of caseload	38.06	22.27
Do use a client classification tool when working with jobseekers (not all respondents work with jobseekers in this way)	52.6 %	62.4%
Do NOT use a client classification tool when working with jobseekers	25.8 %	35.2%

## MELBOURNE

- 1994 – Keating; 1997 – Howard; Rudd – 2007.
- National tender – 2-3 year contracts
- National bureaucracy as purchaser – 262 to 109 agents
- Centrelink as payment and referral point
- No public provider
- One single tender round.



## Outcome Payments

MELBOURNE

- Clients profiled into 2, 3 or 4 groups or streams
- Payments to agents vary according to 'degree of difficulty'
- Payments split between commencement and 13 weeks in work
- Job Seeker Account for some extra services



- Contractors assessed via 5-star rating
- 'Roll-overs' for those with 3.5 stars
- Mid-term reallocations for low performers
- Creaming, parking, herding
- Poor outcomes for most disadvantaged
- Moral hazard in first two contracts.



### MELBOURNE

- Stars awarded out of 5 and based on performance data in like-to-like markets
- Under the 'revised' Star Ratings, a JSA provider whose performance in an ESA or site is:
  - more than 50 per cent below the average will receive 1 Star;
  - between 20 and 50 per cent below the average will receive 2 Stars;
  - between 20 per cent below and 20 per cent above the average, will receive 3 Stars;
  - between 20 per cent and 40 per cent above the average, will receive 4 Stars; and
  - 40 per cent or more above the average will receive 5 Stars.



- “In a contract such as JSA which requires huge investment from providers in the first year just to facilitate cash flow, the model clearly favors’ large and / or wealthy providers over small/ non cash rich providers.”
- Remote/precarious labour markets can expect big fluctuations from rather small changes in vacancies.



## And they say....

### MELBOURNE

- “The impact of a poor performing Site Manager... can be significant and it can take some time to pick up on it. Once identified it should be rectified immediately in line with kosher industrial relations disciplinary processes. However the damage is already done (to Star Ratings).
- “Similarly if there is sudden death of a site manager the impact on performance can be significant. It can then take some time to turn the performance around. So I think at the Site Manager level it should be seen as a mitigating factor.”