

Australia day greetings government style

The Government's recently announced "activity test crackdown" will require most unemployed people to increase the amount of job search activity they undertake each week or risk having harsh penalties imposed on them for six months.

In a 26 January media release, the Minister for Community Services, Mr Larry Anthony stated that "to encourage vigorous job search, most job seekers now need to increase the number of job applications they make each fortnight" as part of the Government's "Preparing for Work" framework.

Although no figures were included, the Minister subsequently indicated that the increase would be from 2 to 4 for those in low employment areas, and from 8 to 10 for those in high employment areas like Sydney.

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Although these "welfare crackdown" stories usually pay very well for the Government in political terms, regardless of their merits, the appalling Australia Day timing (when most employed Australians were having a holiday to celebrate all those decent and good things about the country – and high on the list is actually having a job) meant that on this occasion there was something of a backlash. For once, the proposals were seen as a bit of an ill-considered stunt, overly harsh, impractical and most likely to be counter-productive.

The justification for the increased job search requirement is "to ensure that job seekers on Newstart Allowance receive a better share of the increased number of jobs becoming available". The measure should therefore be judged on whether or not it can actually achieve this and, regrettably, it is on this score that all the evidence would suggest that it will not only fail but will actually be counter-productive.

There are several reasons for this:

- The real issue is that for every one job available in Australia today, there are at least seven unemployed people. Most of these remain keen for a job and actively search, despite the fact that this average masks the reality of a 15 to 1 ratio in many regions. In this context, all the job search in the world - even 20 applications a week - cannot possibly result in them all getting a job.
- Looking for four or five jobs a week in the first week of unemployment, perhaps even in the second or third, may well be a reasonable ask. But after a month or so, the soul-sapping impact of continually being knocked back means that imposing increased job search requirements is insensitive and often cruel. It can also be counter-productive as it simply leads to shattered self-esteem and reduces a person's job search capacity and interview ability. A far more targeted approach to job search is needed.
- In practical terms the proposed measures are ill conceived. Experience shows that such "crackdowns" result in employers being flooded with thousands of applications many of which are simply intended to get the numbers up so that the unemployed person doesn't get breached. Centrelink staff with no additional resources then have to check on all the extra applications to see if they were in fact made and if they were genuine. Employers then get flooded once again with another series of unwanted inquiries so it's not hard to see why these measures are opposed by employers and business groups.

- Job search can be an expensive business. Purchasing papers, making phone calls, applying for selection criteria, preparing and sending off applications all cost money of which most unemployed people have precious little. It is clear that these proposals were drawn up by people who have no appreciation of what it is like to live on between \$87 and \$163 per week.

These flaws in the proposal are obviously significant and should have been understood by the Government and its bureaucracy. However the fundamental flaw is that, for most unemployed people, especially long term unemployed people, the major obstacle to regaining employment is the simple fact that they are unemployed. They are therefore unattractive to most employers who want qualified people with recent, relevant experience.

No amount of job search activity, no matter how vigorous, will overcome this perceived deficiency. And nor will participation in a "work for the dole scheme" either. The very thing that is needed is the very thing that the Government has defended and refuses to provide ie wage subsidy and training programs. This is what makes long term unemployed people attractive to employers and in this context, and the Government's refusal to refund these programs, the Australia Day announcement stands condemned as little more than an unfortunate political stunt. Thankfully, for once, it backfired just a little. ▲