

Submission to the Department of Employment on  
proposals for procuring 'Employability Skills Training'  
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## Executive Summary

### The opportunity with the Youth Job PaTH is to complement and enhance existing services and employer engagement

The achievements of Australia's employment services system could not have been delivered without the effective engagement of employers. However, consultation with employers and industry stakeholders continues to indicate limited awareness of employment services programmes – and that most become aware only through direct approaches by providers. The Jobs PaTH initiative should offer an opportunity to further increase employer engagement and through this achieve better outcomes for young job seekers. It can achieve this if it provides direct benefits to employers and if it has positive engagement with employers in each phase including employability skills training. It is an opportunity to build awareness and engagement of employers of all sizes to better support employment participation and supply the skills required to meet the country's growing productivity needs.

NESA's comments in response to the consultation paper on employability skills training consider how best to achieve the goals of Job PaTH by building on existing programmes and building stronger employer engagement across the board. This approach will work whereas artificially isolating the initiative and attempting to 're-invent the wheel' may be counter-productive.

### Sufficient flexibility in application of Job PaTH is important to ensure existing resources and expertise is harnessed while creating more options

This submission draws on a great deal of experience in the employment services industry which has delivered employability skills training within many different service designs over three decades. The sector knows how to bridge the interface between young disadvantaged job seekers and employers drawing on both youth support expertise and labour market expertise. The design of the employability skills training should be flexible enough to allow employment services to implement the tailored and effective strategies that they know work. The following design recommendations aim to do this, and give the Job PaTH has the best chance of success:

- All the elements of the Jobs PaTH need to coherently fit with the rest of the employment services system. Otherwise, confusion, duplication and lack of clarity will create administrative burdens, inequity and waste precious resources and opportunities. The initiative needs to be understood by key stakeholders implementing it. For example there needs to be a clear articulation of the logic for eligibility and procurement policy for the various forms of employability skills training across youth cohorts.
- The implementation of the employability training skills initiative should build on and enhance existing resources note
- All youth cohorts should be eligible for early employability skills training if deemed useful by the employment services provider. Outcome focussed incentives that providers are driven by will help ensure it is used where appropriate as a component of an effective tailored support package for young job seekers.
- Funding should be provided for the development of relevant practice guidance for employment consultants and related practice evidence. This includes effective techniques for encouraging and building the confidence of highly disadvantaged job seekers so that they volunteer for training and for enforcing mutual obligations and keeping all parties safe

- Additional resources are required to administer and provide non-voluntary training.
- There needs to be a focus on developing quality, skills and best practice at the front line in order to achieve appropriate referrals and positive outcomes, within a flexible guidance framework. This should be instead of a rigid over prescribed process.
- A sufficiently diverse market of training providers will allow job seekers some choice and control about what training providers they go to, informed by those that get the best outcomes. This market pressure, if there are sufficient options, will have a quality impact as the price is set. This can be achieved with the following measures:
  - **jobactive providers should be permitted to refer job seekers to in-house training options if they have been successful panel applicants**
  - the proposed payment should be reviewed to ensure it is viable
  - there should be investment in facilitation of training providers connected to, or embedded with employers for block one training, where this is not sufficient in response to the tender
  - an analysis of gaps could inform targeted investment in, and promotion of, the development of training options in some areas and industries and for particular job seeker cohorts
  - there should be investment in the development of capacity building tools for training providers which they can draw on to ensure cultural competence
  - a quality assessment approach should be used to approve training providers for the panel, not an approach relying on RTO and accreditation regulation.

## Introduction

### About NESA

NESA is dedicated to creating opportunity for all through employment. Our mission is to lead a sustainable, effective and diverse employment and related services industry.

NESA is the peak body for all of Australia's world renowned contracted employment services which provide labour market assistance to improve opportunities and outcomes for disadvantaged job seekers, and employers. Our members include not-for-profit and private organisations that have extensive coverage of jobactive, Disability Employment Services (DES), the Community Development Programme (CDP), and other complementary programmes such as Transition to Work (TTW).

### NESA wants to see the 'Youth Jobs PaTH' succeed through complementing existing services and augmenting the labour market

NESA supports the broad objectives of the Government's 'Prepare, Trial and Hire (PaTH)' package announced in the 2016 Budget. With the right design it has potential to enhance the effectiveness of existing programmes and initiatives. If implemented well it will create opportunities for young people, employers and the economy through effective labour market matching and assistance.

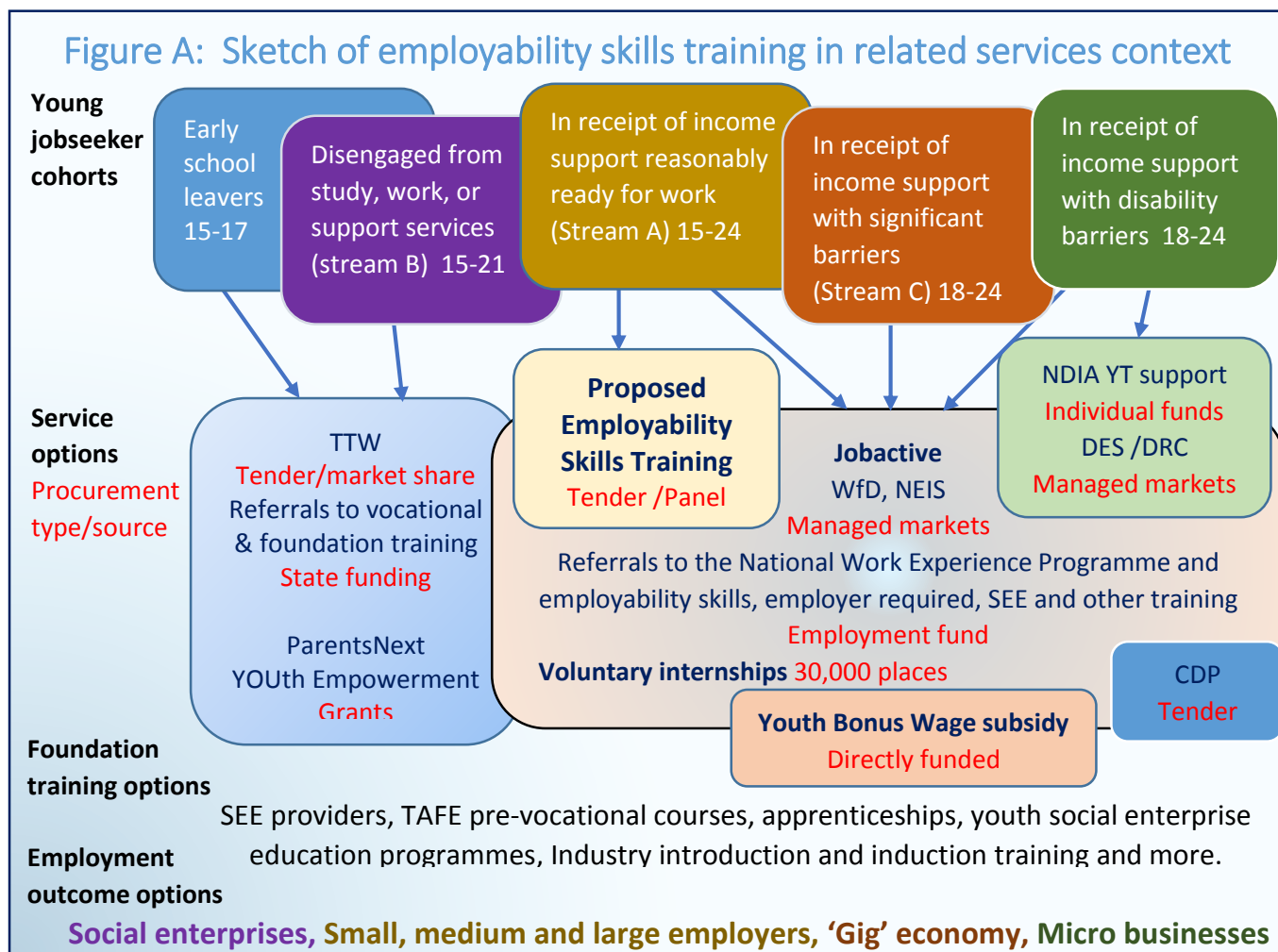
To ensure the components of the PaTH are most successful the perspectives of all stakeholders must be well understood and accommodated in the detailed design. Labour markets are complex

organic systems and where assistance and intervention is required it is important that the role of each component is properly considered. Therefore, NESAs are pleased to have the opportunity to make this submission on the 'Employability Skills Training' Consultation Paper. We provide advice and information drawn from the experience of employment service providers who will not only play a critical role in implementation of the PaTH, but who also have decades of experience delivering many similar initiatives.

## The comprehensive context must inform system design

Before answering the consultation questions on the proposals for employability skills training it is important to note the overall context. NESAs would like to see the Department present a strategic picture of how the system is intended to work as a whole for young jobseekers that need labour market assistance. The consultation paper notes three measures (TTW, ParentsNEXT and Empowering YOUTH). There is also Jobactive, DES and CDP that all deliver services to young jobseekers and will interface with the PaTH.

A comprehensive picture is required to ensure coherent decisions about the boundaries, pathways and procurement of all components, including employability skills training. For example, there are assumptions and consequences related to job seeker eligibility that need to be understood in the broader context to avoid gaps, inequity, or unwarranted complexity (see Figure A for an indication of the possible contextual relationships with related services). Furthermore, different geographical, economic and community contexts provide different employment options and require different assistance. Responsiveness is key.



Providers report confusion about how the proposed elements of employability skills training ‘bolt-on’ to an already complex service system. For some it is unclear how it will differ or interface with current skills training offerings including industry based and jobactive programmes. There is concern that an incoherent system design, with duplication, will create administrative burden.

There is also frustration reported that some previously effective models do not appear to have been recognised or drawn from. For example, the Job Search Training and Job Club initiatives were effective at developing employability skills via employment service provider’s in-house training. Resourcing for this kind of programme has been removed.

It is important to carefully paint the proposed design of this new initiative in its service context, with recognition of existing services and the role of all stakeholders. It is also imperative that the public picture presented to job seekers and employers is coherent. They do not need to know all the details of procurement and contract management, but they do need to easily navigate the pathways appropriate for them.

## Comments and responses to the consultation paper questions

### Job Seeker Eligibility

The age range from 15-24 includes early school leavers which overlaps with eligibility for TTW. There should be clarity about when it is appropriate to refer 15 year olds to jobactive rather than TTW. The issue is further complicated by the mix of voluntary and obligated approaches.

Policy consideration is required to determine where the best drivers for the referral pathways should sit. Where a fully voluntary approach is indicated investment is required in ‘recruitment’ and outreach by providers, as is promoted with TTW. Sometimes this TTW outreach will appropriately result in voluntary engagement with Centrelink and jobactive to receive income support and access to the early intervention employability skills training. However, it may also be appropriate for the benefits of early intervention and employability skills training to be reaped for very young job seekers without first seeking income support.

This option is currently not available in the proposals. It may be that early school leavers are deemed to benefit from more intensive intervention and/or reengagement in school, if so it is not clear why the current age range is proposed. [NESAs would like to see a clear articulation of the logic for eligibility policy for the employability skills training across the youth cohorts.](#)

1. Job seekers can participate in employability skills training from their first day in jobactive. What groups of job seeker would benefit most from completing the training before the five-month mark? For example, young Aboriginal and Torres Strait Islander people or young people with disability.

Most young people, from any background, who do not have employment experience will lack some employability skills and could benefit from this training. Early access is often preferable to becoming a frustrated job seeker during their initial experience of being in receipt of income support. However, individual circumstances, capability, ambitions, local employment opportunities and access to other support can make all the difference as to whether it is the best choice for a particular individual. The employment service provider in consultation with the job seeker is in the best position to make this call.

[NESAs recommends that all youth cohorts are eligible for early employability skills training if deemed useful by the employment service provider. It should become one tool in a suite of options that jobactive, DES, TTW or CDP providers can select. This flexibility alongside the](#)

outcome focussed incentives that providers are driven by, will help ensure effective tailored support for young job seekers.

2. What arrangements should be put in place to ensure highly disadvantaged job seekers, such as Aboriginal and Torres Strait Islander job seekers are appropriately represented and referred for training?

As noted above there are already outcome focussed incentives on providers that will motivate them to refer job seekers that can benefit from the training. The most important drivers for appropriate and effective referrals is the skills and practice of provider staff.

NESA recommends funding for the development of relevant practice guidance for employment consultants and related practice evidence, to support providers ensure their frontline staff are clear about what is effective and who for. The practice guidance needs to include effective techniques for encouraging and building the confidence of highly disadvantaged job seekers so that they volunteer for training.

3. Participation in employability skills training will become compulsory once a job seeker has been in jobactive for five months subject to extenuating circumstances. How will job seekers, jobactive providers and training providers respond to the compulsory nature of the training? Are there any other extenuating circumstances not covered in the above examples?

Providers sometimes find that facilitating non voluntary participation in activities is more challenging, time consuming and resource intensive than voluntary participation. This is true for the trainers also. While providers are compensated for these resource requirements in their overall contract outcome fees, this is not the case for trainers who are not guaranteed any business or market share.

Furthermore, there are particular practice skills involved in ensuring mutual obligations are fulfilled in the most constructive way. Skilled practitioners will be most effective at ensuring the best activities for job seekers and the best outcomes. As noted above this includes building the confidence and motivation of job seekers, ideally, so that participation becomes voluntary.

It also needs to be recognised that providers must have the ability and flexibility to make good judgements about when it would be better for a young job seeker to engage in an activity. While the extenuating circumstances outlined in the consultation paper provide guidance to providers there may always be other legitimate personal reasons that a different approach is warranted.

We believe the proposed limits to repetition of the training in short timeframes are appropriate.

NESA urges recognition of the additional resources required to administer and provide non-voluntary training.

NESA would like to emphasise the need to fund the development of best practice guidance and related evidence around enforcing mutual obligations and keeping all parties safe.

NESA recommends focusing on developing quality, skills and best practice at the front line for achieving appropriate referrals and positive outcomes, within a flexible guidance framework. This should be instead of a rigid over prescribed process.

## Training Providers

NESA is very concerned that some of the proposed restrictions will significantly reduce the best options for some job seekers. In particular, it will be important that jobactive providers are able to refer job seekers from their own caseload to their own training facility if they successfully tender to be on a panel. In some locations a jobactive RTO is the best and potentially only appropriate training option. This can be related to geography, resources and links with employers.

There is a need for safeguards around this approach as is the norm with contracting and related entities. However, the risks of inappropriate referrals can be managed. On balance, the risks are outweighed by the advantages of allowing job seekers the full range of options.

Furthermore, there are significant advantages in some of the training being delivered in-house by employment service providers. This is particularly the case for the proposed block two where providers have significant expertise. If an in-house approach is allowed it can be much more streamlined and integrated with real job search and work experience leading towards employment outcomes.

Employment service providers have identified a risk that if they refer a job seeker from their case load to an RTO in a different jobactive provider, the job seeker may transfer. This might be because they are encouraged by the RTO, or simply because the job seeker can see the benefit and convenience of the streamlining. If this transfer is disallowed it would undermine the choices of jobseekers and the competitive model of the jobactive programme.

**NESA strongly recommends jobactive providers are permitted to refer job seekers to in-house training options if they have been appointed to a panel. This will help to ensure the best range of options are available to job seekers. This less restrictive approach should be complemented with risk-based safeguards around related party contracting.**

Another major concern with the proposals is the price which will likely significantly restrict the size and quality of the market. Providers that currently successfully provide this sort of training have reported it is not financially viable and they will not tender at that price and under the proposed conditions.

Evidence for this concern is found in a simple calculation of the allocated fees per hour of training with the maximum number being trained of 12 (which is at risk in some areas) which does not match the cost of an accredited trainer never mind any overhead or other costs. Evidence is also found in comparing with the fees paid by State Government for similar courses.

**The proposed payment should be reviewed. NESA recommends consultation with existing training providers to get a realistic sense of costs.**

6. Should there be an upper limit on the number of training providers per Employment Region? If so, what should that limit be?

It is not sensible to develop an artificial limit on the number of training providers on a panel. Assuming the providers meet the tender requirements, and can therefore deliver employability skills training, that at least some job seekers will benefit from, then they should be available on the panel. There is no proposed guarantee of business and the approach is demand led which lends itself to a broad and diverse market approach. Some employers or social enterprises might for example offer a few places for block one training within existing training that they deliver. At the other end of the spectrum some industries may set up training expressly for the purpose of this tender. Both of these options can be ideal in different circumstances and areas.

We acknowledge that in some locations three RTO's may not be easy to achieve or sustain. Within a regional context, some providers might only have sufficient job seekers to engage with one RTO. More policy consideration needs to be given to how this model is intended to work and be viable. Is the vision for places to open up within existing training? Or is the Department hoping that large RTO programmes are developed for the purpose of this training (which may require some sense of a secure market share)? We note that the latter idea provides less options which lends itself to more generic and less industry linked training, as compelling jobseekers to engage in a specific industry's employability skills will be problematic. A variety of training provider options is best to cater to the range of different industries, locations and job seeker strengths.

NESA recommends promotion of a sufficiently sized market of training providers so that job seekers have a degree of choice and control about which training providers they refer to, informed by those that get the best outcomes. This market pressure, if there are sufficient options, will have a quality impact as the price is set.

7. What practical limitations might there be on providing training to all job seekers in an Employment Region within 90 minutes travel time?

The travel time challenge is another reason there that there should not be a limit on the number of providers on a panel, and less restrictions on who jobactive providers can refer to generally as noted above. It is desirable to have close connections between industry and the training providers which will be more difficult in some areas. Industry and local labour market options vary considerably across the country and the panels should accommodate this diversity as best as possible.

NESA recommends investment in facilitation of training providers connected to, or embedded with employers for block one training, where this is not automatically occurring in response to the tender and related challenges. An analysis of gaps could inform targeted investment in, and promotion of, the development of training options in some, areas, and industries and for particular job seeker cohorts.

8. How can training providers be encouraged to form partnerships or consortia to deliver both blocks of training which also meets the needs of a diverse range of young people?

While there will be benefits in encouraging collaboration between two training providers to cover the separate blocks of training it is unhelpful to restrict the tender to only those that offer two blocks. Again there is a variety of options available across the country and there should be scope for other models in some circumstances. Where there are close connections between the training provider and an industry (such as construction) or a specific employer (such as a national fast food outlet) they may be ideal for providing the first block, which may be linked with an internship option, but they may not be equipped to provide the second block of training.

Furthermore, a pre-tender collaboration between providers for the first and second block of training in some cases will reduce effectiveness and options unnecessarily. It would be better for the jobactive provider to have sufficient flexibility to make tailored decisions about where each block of training is provided for job seekers on their case load. These decisions could for example accommodate local community opportunities, help address language or other non-vocational barriers to work, or simply be sensible from a travel distance perspective.

The most important collaborations that need to be encouraged are those between employers and training providers, which in some cases may be the same organisation.



As noted above NESAs recommends investment in facilitation of training providers connected, or embedded with employers. Where jobactive providers identify gaps in appropriate training for particular job seeker cohorts there should be access to investment in training business development and promotion. This employer engagement has been core business for jobactive providers and their expertise should be drawn on. We also envisage a sub-contracting approach will be a key strategy for industry's seeking industry specific but youth effective training.

9. How could the Department best ensure Aboriginal and Torres Strait Islander and other diversity groups have access to training providers with appropriate cultural competence?

NESA is very pleased to see the proposals aimed at addressing both diversity and the specific cultural needs of Aboriginal and Torres Strait Islander Youth. Requirements to indicate reasonable endeavours to employ Indigenous staff, develop and implement a Reconciliation Action Plan and the application of the Indigenous Procurement policy will be a valuable contribution if enforced.

NESA recommends investment in the development of capacity building tools for training providers which they can draw on to ensure cultural competence.

10. Should the employability skills training include accredited units and be delivered by RTOs? What are the advantages and disadvantages to the job seeker, the training industry, jobactive providers and employers?

NESA supports the proposal that much of the training should be delivered by RTOs. However, again this should not be a rigid requirement as it will restrict options unnecessarily. The costs and regulation associated with being an RTO would preclude some good quality small initiatives from being available. We also note that it is not at all possible under the current proposed price.

Further in line with the general need for flexibility, we are reluctant to put any hard and fast rules around whether the training must include accredited units. It would be useful however, to encourage this approach especially where it is linked with the potential for apprenticeships and other industry based vocational training over the longer run.

However, there are practical challenges with trying to get an accredited unit out of a three week course and it is not sensible to combine the two blocks. The proposal is that a job seeker could move directly from the first block of training into a job or an internship. It would be a perverse incentive for a job seeker to forgo a work opportunity in order to complete an 'employability skills' training unit.

Given the very early phase in a job seekers career, and the overarching goals of the programme, it would be unfortunate if accreditation requirements drove the training design rather than employer and job seeker needs.

NESA recommends a quality assessment approach to approval of training providers for the panel, rather than an approach that relies on RTO and accreditation regulation. The latter would replicate the existing training system and preclude good tailored options.

13. What are the advantages and disadvantages of specialist youth or community organisations being involved in delivery of the training?

Starting from the premise that labour market matching between young job seekers and employers is not working as well as we want, we can assume that some things need to change and learning is required. Success for this programme will inevitably require learning by trainers, industries and employers about how to best engage and bring young employees on-board. Similarly learning is

required by community and youth focussed organisations about what employers and industries need and how best to ensure young job seekers can get recruited and meet these needs. One of the best ways to encourage this learning is through partnerships between industries and organisations that know how to engage, motivate and effectively communicate with young people, across diverse communities.

NESA notes that the employment services sector has considerable experience in bridging the interface between disadvantaged job seekers and employers drawing on both community support expertise and labour market expertise. The job PaTH initiative should ensure it draws on this knowledge and encourages employment service provider participation in collaborative partnerships.

## Training Content

14. Employability skills can be defined and categorised in different ways, and stakeholders will have differing views on the relative importance of particular employability skills. What skills should be included in an employability skills training course specifically designed for young job seekers?

It is recognised that the most direct and effective way to acquire employability skills is through employment. The complex array of soft skills, competencies, values and behaviours that employers want to see is best transmitted through hands-on activities in real or quasi real work environments. Employers have done a good job of describing and categorising these skills as outlined in the consultation document however, measuring and transmitting them should not lend itself to an overly prescribed formula.

Furthermore, individual job seekers and industries are best served by different practical knowledge and learning environments.

NESA notes that several useful frameworks describing employability skills exist. A common sense and not overly restrictive approach should be applied to the tender. The key requirements should focus on demonstrating effective models for transmitting the skills to job seekers. This requires knowledge of young people, learning methods and the skills themselves.

15. What elements of employability skills training would give an employer the confidence to provide a young job seeker with a job or a work experience opportunity?

It is our experience that whatever training and experience is completed, many employers want to witness for themselves some demonstrably positive behaviour, attitudes and knowledge by the job seeker. Providers report that employers are not interested in certificates or accreditation around 'employability skills'.

Employers want to be able to hear directly from a job seeker that they are keen to work, will take instruction, are open to learning new skills and have a basic understanding of what the industry does. In many cases this presentation is not just about the employability skills transferred in block one but is very much about the proposed content of block two.

There is considerable demand for some 'pre-employment' or 'employer-required' training such as licences and cards that are critical for the industry. There is also an appetite for elements that address specific employer induction issues such health and safety issues specific to the construction industry.

We note that if an industry benefits from a very specific pathway of training into their industry, via vocationally focussed training this can occur independent of government funding. Indeed it does

already. The first block needs to be more than subsidised training for an industry it should also be a catalyst for job seekers, and an opportunity for them to better understand the world of work as well as preparing them to be good employees.

#### 16. What subject matter should be included in the second block of training?

As noted above, presentation of skills, attitudes and knowledge to employers is critical. Similarly, knowing what opportunities there are in labour market and realistic assessments of job seekers' own employability are important.

The proposed content in the consultation paper is appropriate and consistent with some existing practice. However, many jobactive providers have recognised that more is required, given the rapidly changing world of work and have invested in the development of information and tools for jobseekers consistent with contemporary digital business models, such as the 'gig' economy. This should be transmitted to young job seekers. Indeed learning models themselves benefit from new approaches informed by 'gamification' for example.

NESA notes that many jobactive providers have already developed effective and contemporary employability skills training in line with block two proposals. The Job PaTH should provide opportunities for more young job seekers, classified as Stream A, to access this from their jobactive provider as soon as they referred.

#### 17. What form should industry awareness experiences take and what might the implementation issues be?

Practical, hands on, environmental approaches are key. Many job seekers also benefit from speaking with employees, ambassadors and peers (i.e. people from similar backgrounds). Hearing stories from real people about what it is really like is critical.

## Delivery Issues

#### 20. What are most effective modes of delivery for this type of training?

Extensive provider experience indicates the value of face-to-face group based learning for the transfer of employability skills. Attending training face to face provides job seekers with real experience, accountabilities and soft skill development, i.e. punctuality, presentation, attitude, networking amongst peers.

#### 21. How could employers play a role in assessing young job seeker's employability skills in a way that provides maximum value to the job seeker without unduly imposing on the employer?

Interview processes, that involve real feedback and which may lead to real opportunities for employment are an opportunity for job seekers to hear from employers and for employers to identify potential recruits.