
Sally Sinclair Opening Address NESAs National Conference 2017

I would like to begin the conference by acknowledging and paying my respects to the traditional owners, the Wurundjeri people of the Kulin Nation, whose country we gather on today, and extend my thanks and respect to their Elders, both past and present. And to acknowledge any Indigenous people here with us in the room today

I also would like to express my gratitude to Wurundjeri Elder, Ronald Jones for his warm and gracious welcome and good wishes for our conference.

- Assistant Minister the Hon Jane Prentice**
- Distinguished guests**
- Colleagues from the Department of Prime Minister and Cabinet, Employment, Social Services and Human Services**
- Rowena McNally Independent Chair and NESAs Board members**
- Industry delegates, Members, Sponsors, Exhibitors and Industry Partners**
- And friends of the industry.**

A special welcome to you all.

I would like to take a moment to acknowledge Ron's passionate advocacy for the rights and interests of Aboriginal people since the 1960's. This year Ron and five fellow elders were the first Wurundjeri people to speak from the floor of the parliament at the tabling of the ground breaking Wilip-gin Birrarung Murrumbidgee Bill, also known as the Yarra River Protection Bill which marks

progress on a goal long fought for by generations of the Wurundjeri people –a legislatively-enshrined voice in the formal custodianship of the Birrarung.

NESA and its members are strongly committed to doing our part to Close the Gap and the example of commitment and persistence to realise your goals, is one that will serve us well.

This NESA conference - Forging the Future through Inclusive Employment Services marks 20 years of NESA representation of the sector. The traditional gift for a 20th anniversary is China; China symbolises the beauty, elegance and the fragility of marriage, a reminder not to take your marriage for granted, and continue to care for it. Just as china is fragile, it is also long-lasting, symbolising that twenty years represents withstanding the test of time. Just as a couple may reflect on the life they created this time is an opportune time to take a trip down memory lane and reflect on the distances we have travelled over the last two decades.

You may be surprised how often an historical context is needed while representing the sector. Maintaining our corporate memory, what has worked, what hasn't and why – is important to continue to move us forward. All too often ideas, program elements and strategies already tested and discarded remerge as proposals for the future. As a sector we need to look back and harness the collective wisdom gained from 20 years of facilitating inclusive employment through our support of job seekers and employers alike, to forge our future.

How many of you remember what you were doing 20 years ago? It was at this time in 1997 that organisations were preparing their bid to become Employment Placement Enterprises and deliver FLEX 1 2 & 3; later to be known as Job Network.

The Ministerial Statement Reforming Employment Assistance - Helping Australians Into Real Jobs delivered with the 1996 Budget, hailed the intent for radical reform.

This was one of the largest outsourcings in Australia's history and considered a radical experiment. Building on the demonstrated success of contracted case management services and other programs outsourced during Working Nation, this reform was to see

- Competitively sourced Employment Placement Enterprises
- Greater choice of provider for job seekers and employers
- Cashing out of the numerous existing labour market programs
- Full outsourcing of Australian employment services
- The CES transitioned into Employment National a public provider to compete for business against the non-government sector on an equal basis, and
- The establishment of Centrelink

This was a time of anticipation and trepidation – the opportunities were immense however, it was clear that there would not be a place in this new market for all of the existing players and many commentators were opposed. It was in this backdrop that NESAs were established.

Myself, and a likeminded group of providers wanted a peak body representing the full breadth of the sector. And after consultation we discovered that all segments of the sector desired the same.

It was clear that without an inclusive and unified voice, the interests of job seekers, employers and the sector were at risk, and so, NESAs was established to represent the breadth of the sector – the whole tea set not just the saucers.

This whole system and market perspective enhances NESAs representation and advocacy -to this day - and is envied by international colleagues

I remember attending an early community consultation session on employment reform delivered by then Minister Kemp, the venue was packed to the rafters; with around 1000 people present. In response to a barrage of questions at the end of the presentation, the Minister said ‘get yourselves organised with representation and I will speak with you through them’.

And so we did!

While 20 years ago at this time providers were writing their bids NESAs had been representing the sector and advocating for quality services for job seekers, successfully influencing the design of the framework and terms of trade for providers for many months. A key outcome was ensuring appropriate assistance was available to all unemployed Australians. Under the original proposal, job seekers assessed as having limited capacity to benefit, were excluded from assistance. After much representation by NESAs the Community Support Programme, a precursor to the Personal Support

Programme, was included in the framework. Opportunity for all through inclusive employment services remains NESA's mantra to this day.

Our journey to full outsourcing began with a promise, real jobs for Australians through employment services unencumbered by the bureaucracy and miles of rules, that had proven to be the demise of the CES. The sector was to operate in a streamlined and efficient environment that was conducive to individualised services, innovation and flexibility - enhanced by choice and competition.

We certainly have had competition!

At one stage, it did not look like the reforms would be realised with the Government unable to get passage of the legislation to support reform through the Senate. In July 1997 the Government announced it would push forward using existing legislation and administrative authority to enable contracts to be managed by the then Department of Education, Employment Training – DEET, (DEET would later become DEETYA then DEWR, DEWR, DEEWR and now DoE). I still wonder today, how Australian employment services would have evolved under the stewardship of a regulatory authority.

The first tender was released on the 4th August 1997 generating 5000 bids from more than 1000 organisations across Australia. Contracts were awarded to 306 organisations involving 1400 sites. Job Network commenced on the 1 of May 1998 accompanied by the Members Information Guide containing a total of 111 pages that encompassed all the principle-based

guidelines for both Job Network and NEIS – the promise of streamlined services was looking good. By January 1999 43 000 vacancies were registered and 16 000 people on benefit placed into work which, was reportedly, 50 per cent better than the outcomes achieved by the CES the year earlier.

Job Network 2 went to tender in 1999. The first star ratings – a rudimentary version of what we have today was released in December 1999 along with announcement of tender outcomes due to start in February 2000. The number of providers again reduced by 30%, with 205 winning contracts.

Guidelines moderately grew in contract 2 of Job Network and then exploded with the introduction of the Active Participation Model in contract 3 of the Job Network as did service prescription. From this time in the development of employment services, there has been a continued focus on inputs negating the original intention to enable flexibility.

A review of the development of Job Network by the Governments Social Policy Section - one of the many reviews of employment services over the years, concluded *the Job Network, has moved from a purely outcomes-focused system to one in which increased attention is paid to inputs... this move has been confined to the stipulation of process by Government, with little attention having been paid to the identification and implementation of effective, evidence-based inputs.*

Despite repeated attempts to reduce red tape – we still have over 3000 pages of guidelines and compliance requirements today that consume around 50% of workers frontline service time – this is truly one of the wicked issues that plague Australian employment services.

Job Network 3 embodied a new framework the Active Participation Model with all of the services combined into a continuum and strengthening of mutual obligation with expanded Work for the Dole delivered by Community Work Coordinators. Job Network 3 was the first time services were uncapped and all job seekers were required to engage with providers. The new model was not just about adequate employment assistance for job seekers - It was also an exercise in tree-shaking, a means of ensuring that job seekers were in regular contact, engaged in job search, and other activities and the role of JSCI in streaming was significantly increased.

The commencement of the APM was fraught with problems and many providers struggled as the Did Not Attend rate sky rocketed – some commentators blamed the computer system, others poorly maintained data and sadly others placed blame on the passive welfare mentality of job seekers. NESA representations to the then Minister Brough, resulted in the introduction of quarterly service fees and an additional \$300M invested by Government into Job Network.

One of the features of the APM was the Job Seeker Account established by quarantining 20% of service fees – a figure the sector argued was too great and removed resources vital to frontline flexibility and responsiveness to

individual need. The Job Seeker Account inspired by good practice undertaken by the sector on its own accord was embedded into the model to ensure all providers invested in their job seekers development.

Good practice is not easily embedded in systems and guidelines – you can't codify the human element of good practice. What we have seen with the Job Seeker Account and its more recent iterations is its effectiveness diminished as it is increasingly bound by compliance. I am repeatedly asked why there is an underspend of the Employment Fund. My response is always the same don't make spending it administratively burdensome, and such a significant compliance risk.

It is a crack in the marital China teapot.

Another feature of Job Network 3 was the introduction of Job Placement Licence Only providers – these providers most of whom were private recruitment agencies, delivered job placement and matching services alongside Job Network. I reflect on this period as akin to a 7 year itch – the Government from our perspective appeared to flirting and looking for other prospects to test if it could get a better bang for its buck.

The 375 JPLO's accounted for 37% of all job placements, but these were largely easy to place job seekers with few highly disadvantaged or diverse job seekers benefiting. The romance only lasted one contract, but so few seem to remember this dalliance, that the idea and others like it, continue to resurface as a new one to consider.

Job Network 3 part 2 started in July 2006 95% of business was awarded through ITT and provider numbers were relatively stable. Work for the Dole became part of the Job Network and Work for the Dole Coordinators ceased. (sound familiar!)

This contract commenced in a more buoyant economic environment than previous services and the then Treasurer Peter Costello used this to rationalise a reduction in Job Network funding as well as changing the threshold at which job seekers were classified as highly disadvantaged reducing the numbers with access to Intensive Assistance . This contract reflected Welfare to Work measures announced in the 2005 Budget and brought with it a much more diverse client group with those with partial capacity such as Parenting Payment Recipients and some that would have previously qualified for the DSP required to participate. As this sector has done, time and time again, we adapted.

At the same time, responsibility for DES moved to the Department of Employment and uncapped contracts were trialled. DES providers had endured a significant reform path moving from block grant to case based funding prior to responsibility shifting to DoE and now faced an entirely new and competitive environment. DES providers have had a strong presence in the NESAs membership since inception with many providers delivering both specialist and generalist services.

This time in the sector was quite intensive with a major theme being calls for greater partnership and balance of power in purchaser – provider relationship. Continued contract variations and changes to the terms of trade needed to cease. NESAs pushed forward the sectors agenda and during this time; a tripartite agreement between NESAs, Centrelink and the Department was established, a charter of contract management, and an agreed process to review and have input on variations before they were issued with daily dialogue occurring with our Government stakeholders to find solutions and foster development.

The China was shared and well used

However, such arrangements are fragile – every new Minister, machinery of Government change and Departmental leadership movement require rebuilding of relationships and consultative processes.

The sector has decades of frontline experience under its belt, it has adapted in an ever changing environment and withstood the test of time. The sector has much to offer about what actually works to assist Australians to transform their lives through employment, much more than can be gleaned from data sets alone.

This sector is committed to doing itself out of a job and seeing every Australian have opportunity through meaningful employment – NESAs continues to advocate for stronger sustained engagement of the sector in the development of the employment services framework. We want a

relationship in which we can help to develop and forge the future of employment services - Not just opportunities to respond to proposals and papers.

The need to consolidate the wide range of labour market services was amongst the rationale for the initial reform of employment services. But by 2008, we saw a re-emergence of bolt on programs with 9 nine major employment programmes in place each with its own set of contractual obligations and guidelines. The system had again, become fragmented, stretching funding and resulting in inefficiencies with job seekers bouncing between programs.

A change of Government; new perspectives – discussion paper and Job Services Australia was launched in 2009. Key drivers underpinning JSA was focus on addressing disadvantage and social inclusion through employment. While the intent of consolidating 9 programs into 1, was to streamline services and administration we ended up with the guidelines of all 9 programs embedded in their various forms in JSA. And I reflect on where we are today, we seem to go through cycles of consolidation and fragmentation and are once again seeing a re-emergence in the growth of target specific programmes and complementary services.

JSA was designed in a time of economic buoyancy but was implemented amidst the onset of the Global Financial Crisis. NESAs worked closely with its members and Government and was able to quantify the trends in job seeker placements ending before widespread redundancies became apparent,

enabling the introduction of early intervention provisions for redundant workers.

The introduction of jobactive at the conclusion of the second JSA contract in 2015 has seen a further reduction in provider numbers, regions replacing ESA and a complex transition.

The tea set is not all the original marital gift anymore – but it hangs together

As always, NESAs and its members have and continue to work closely with the Department of employment in implementation. With numerous revisions over its first two years.

At the same time NESAs have been working closely with the Department of Social Services as it prepares for the reform of Disability Employment Services – And we are delighted that the Assistant Minister is with us today

This reform will see job seeker choice and control at the centre of DES and a level of competition never seen before in employment services with removal of all market share arrangements.

This like the beginning of Job Network is another time of anticipation and trepidation. Anticipation because of the promise of being able to genuinely engage with people living with a disability, and individualise services in partnership with them. The opportunity to return to practice rather than follow process – where the person - not ticking the box is what counts most. Trepidation – can the promise be maintained, will programme assurance

grow over time and negate providers capacity to genuinely individualise services. There are many unknowns moving into this next iteration of DES but what I do know is that NESAs members are committed, have proven their capacity to adapt and deliver and their commitment to realising employment opportunity for all will underpin their determination to make it work.

I could spend another half hour discussing history of services in remote regions and focussed on achieving better outcomes for Indigenous people: -which mirror many of the processes we have gone through in mainstream and disability employment services - and of course we are embarking on another reform process which we will continue to actively engage with members on to inform our representation and advocacy.

The frontline workforce is the engine room of all employment services. There has been corresponding changes in the profile of the workforce as employment services has evolved. NESAs understands the pace and demands at the frontline makes it hard for practitioners, to get the professional development they need and they tell us they want. I am very proud today to announce that NESAs in conjunction with its Industry partnership with ALFFIE, is taking our practitioners toolkit to the next level –
Video

Our thanks to Paul Licuria and his team at Alffie who are so dedicated and excited about this project – With NESAs sector knowledge and Alffies IT expertise and leading learning platform we know members will not be disappointed and the result worth waiting for.

Before we get on with it - I would like to thank the Department of Employment for sponsoring the Achiever of the Year the Champion Employer of the Year and Award for Excellence in Indigenous Employment. Thank you also to the Department of Social Services for their sponsorship of the Innovation in Disability Employment Award. And appreciation to all the presenters and facilitators for their generous contributions to workshops and the Rapid Knowledge Exchange.

Of note this year we celebrate Kinetic Super's 7th year sponsorship of the coveted Discovery Grant and the winner, who will be announced at the Gala Award Dinner tonight will join me at the OECD LEED Forum next year.

Finally I want to express gratitude to all of the other sponsors and exhibitors who always bring a lot of enthusiasm and energy to their exhibits. We encourage you to meet them, they are passionate about their products and services and the opportunity to share and be involved in the NESAs conference, and for that, we do sincerely appreciate their valuable presence. Take time to join with exhibitors and Damien in the conversation pit an exciting addition to the conference format that will be held during breaks in the exhibitor's area.

Enjoy the next two days and I trust you will be reenergised by your colleagues and by the strategic insights you gather from our presenters. Before I finish I would like to especially acknowledge those of you who have been with us on the journey for the past twenty years

Thank you all for being here and being part of this Industry -I am looking forward to catching up with you over the next 2 days.