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Better linking people to
jobs through responsive
employment services

The Australian Experience

9th Annual Expert Meeting on Employment and
Skills Strategies In South East Asia (ESSA) OECD
Hanoi, Vietnam - **Break out session 1A**

October 2017

About this presentation

A profile of Australian labour market assistance policy, programmes, systems and practice

1) Background

About NESA

About Australian labour markets and labour market assistance

2) Employment Services System

The framework

The principles, capacities and mechanisms that drive effective practice and job matching

3) Future directions

Lessons to consider

Future challenges

Future opportunities

About



- ★ Established 1997 to prepare for the contracting out of employment services
- ★ Our vision is **opportunity for all through employment and inclusion**
- ★ Representative 'peak body' for all employment services providers

“We help people who help people get jobs” - NESA

- ★ Our members assist employers and job seekers - including people with disability, Indigenous people, youth, mature age workers, people with mental health issues, migrants and others
- ★ We advocate for and promote the sector and policy improvements
- ★ We provide capacity and capability building across the sector

About Australia

24 million people

7.6 million km² –
(3 people / km²)

89% live in urban areas

Eight States and
Territories

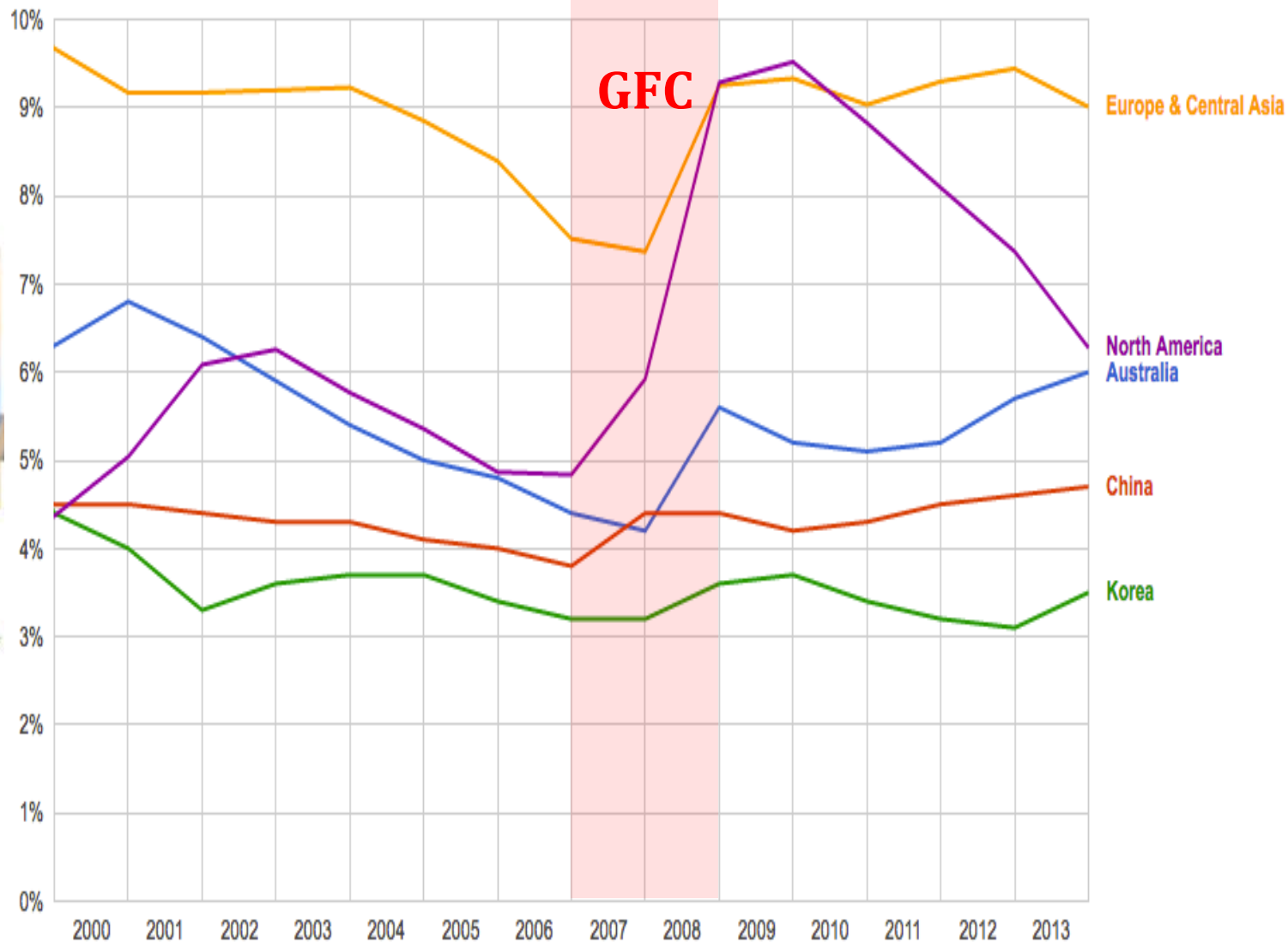
25 consecutive years
of economic growth

Relatively steady
labour market
participation rates
through shocks



Australian Labour Markets

Oct 2017 Participation rate: **64.4%** Unemployment rate: **5.6%**



Comparative Unemployment Rates

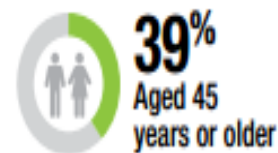
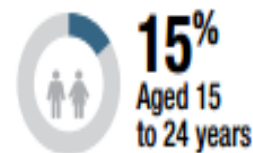
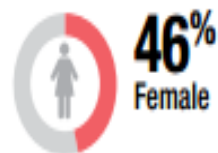


Australian Labour Markets

11,949,300
EMPLOYED AT NOVEMBER 2016

↑0.7% SINCE NOVEMBER 2015

↑6.2% SINCE NOVEMBER 2011



The average rate of increase in employment in the last decade was 1.6%

Part-time employment increasing

Some Australian cohorts do not enjoy equal participation statistics (disability, Indigenous, women, youth, retrenched workers)

Trend of decreasing jobs in manufacturing and agriculture & increasing jobs in the service sector

**we
R4
jobs**
weR4everyone

Australian labour market assistance arrangements

Federal, State and Territory Governments share responsibly for education and training

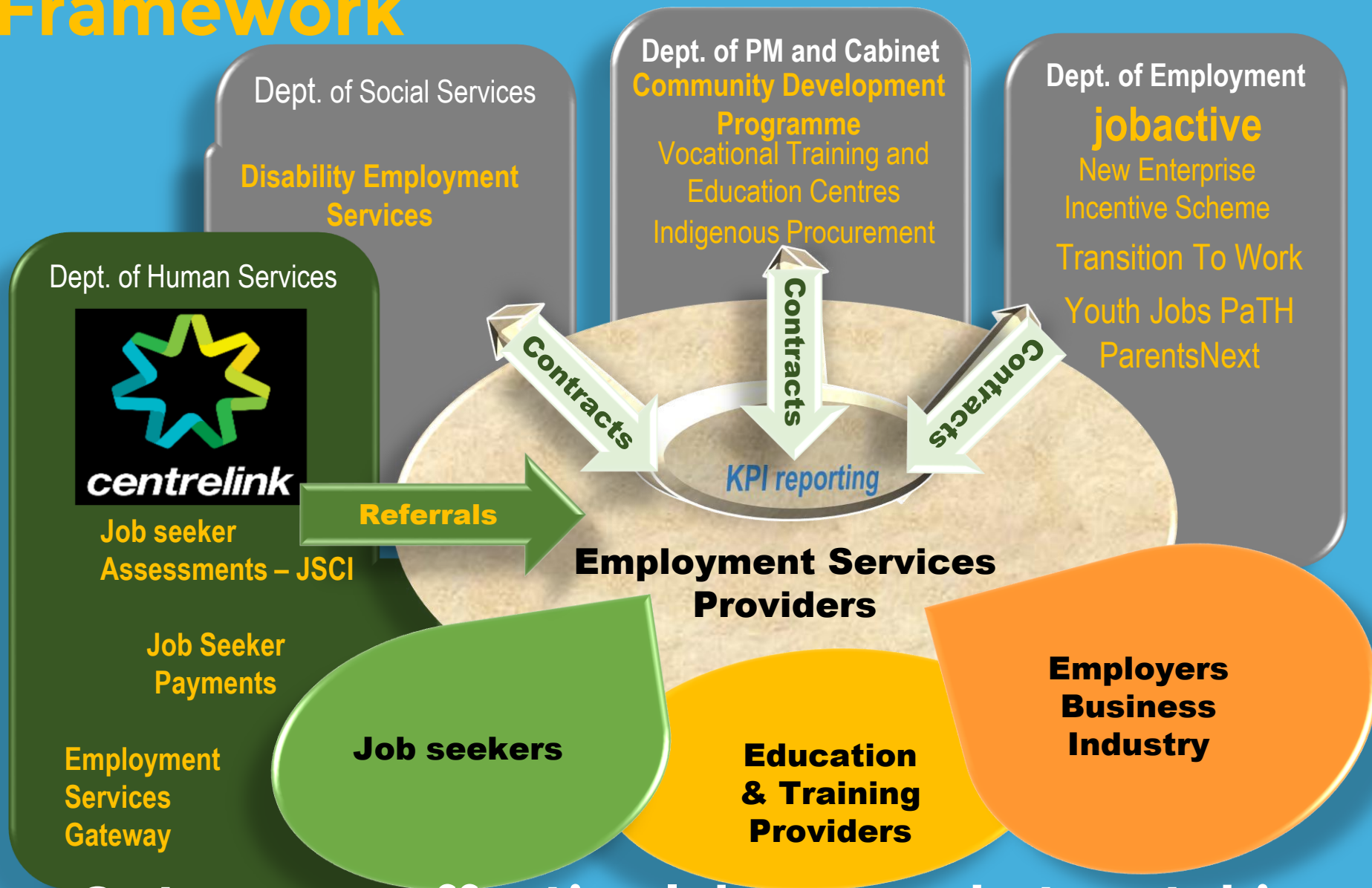
Central government is responsible for social security, employment services and labour market data - this enables integrated and nationally consistent job seeker support

- Claiming income support comes with obligations for most people to be actively looking for work
- Centrelink is the gateway to employment services and they use the **Job Seeker Classification Index (JSCI)** to ensure job seekers are referred appropriately

★ **The Employment Services IT System (ESS)** is key



The Employment Services System Framework



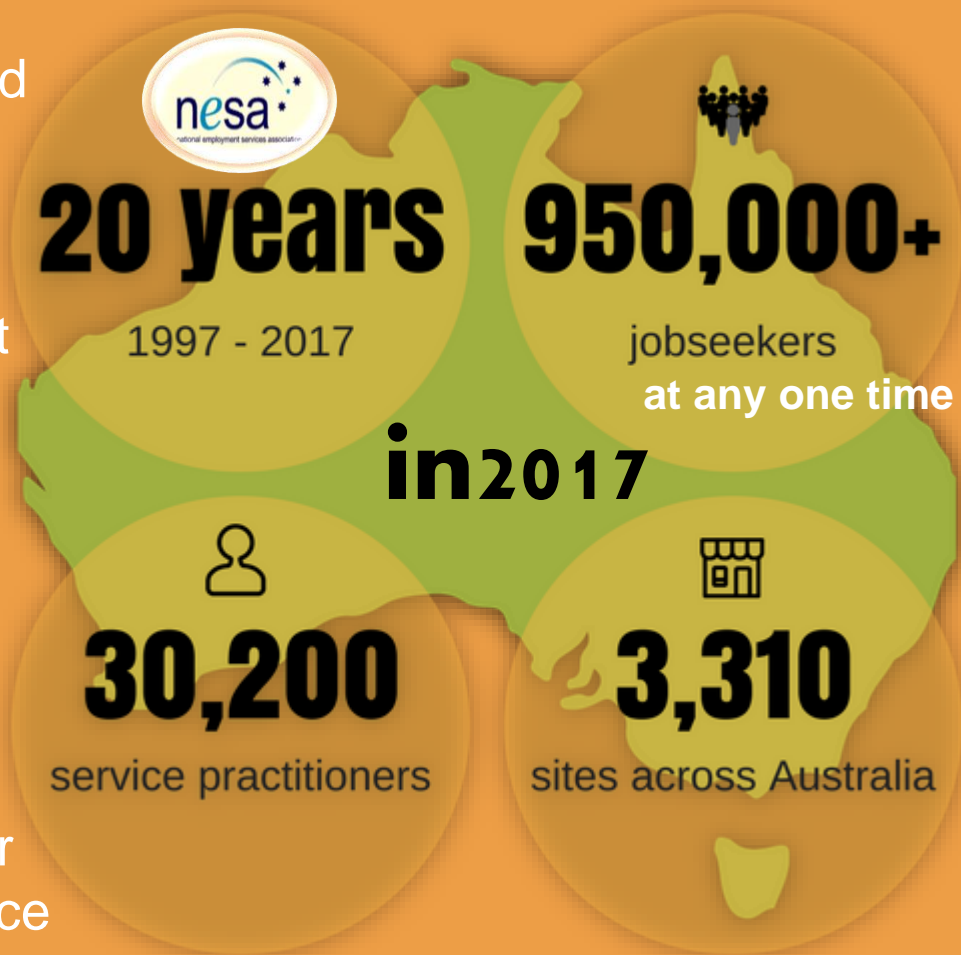
Outcomes: effective labour market matching

About Australian Employment Services

Fully outsourced
since 1998

More than 217
non-government
service provider
organisations
for-profit and
not-for-profit

Contracted by
government to
offer local labour
market assistance
to job seekers and
employers



Australian Employment Services Programmes

Evolution



About the Australian Employment Services

Underlying design
principles that remain valid

‘Quasi-Market’

- ★ **A managed use of market drivers** – with tenders + rewards or sanctions based on comparative outcome performance (Star Ratings)
- ★ **Local contracts** - place based local knowledge and networks
- ★ **Outcome based funding** – incentives for tailored practice that ‘does what it takes’ to overcome barriers to work– decisions about training and support options informed by local labour markets and individual circumstances
- ★ **Responsive** - the contracted network of organisations, expertise and infrastructure can be relatively quickly reoriented in response to new evidence, inevitable change and economic shocks – mediated by the peak body



Employment Services systems and experience

- ★ Contracted employment services providers are closely and constantly monitored and held accountable to a strict compliance framework (using the ESS IT system and platform)
- ★ There is a risk that overly stringent compliance monitoring might undermine the capacity to tailor support (a good balance must be struck between industry led best practice standards and government monitored regulation)
- ★ The Star Ratings System drives performance builds based on millions of data points and calculations (good labour market information as seen on the LMIP portal is critical to this)

www.lmip.gov.au

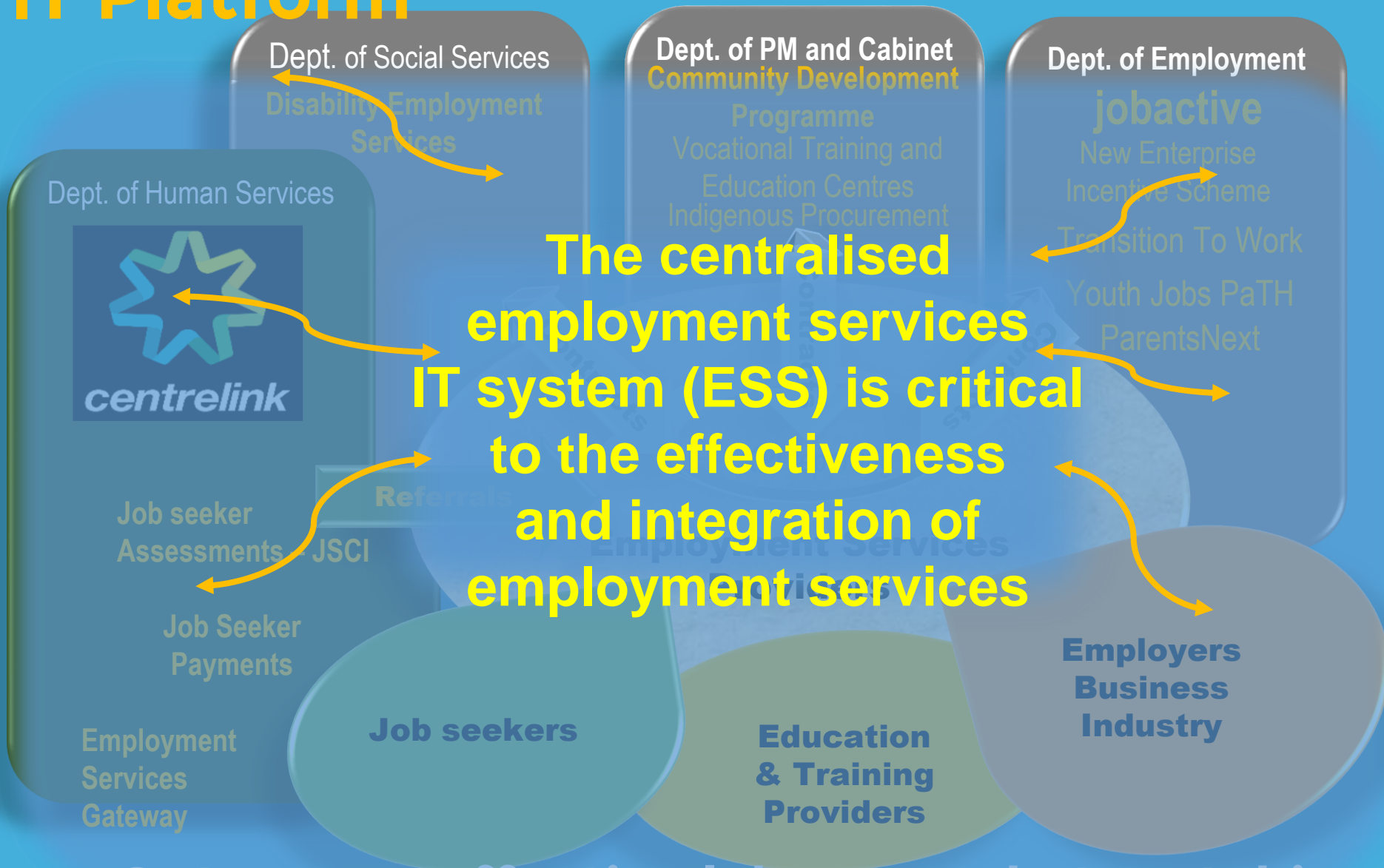
Effective Practice in Employment Services

- ★ centres around a 'Job Plan' & mutual obligations
- ★ well-tailored assistance
- ★ skilled practitioners
- ★ funding for job seeker training and career development
- ★ referrals by providers to appropriate support, skills development or training options that meet real labour market needs

Referral options include:

- ★ "Employability skills training"
- ★ "Employer required training"
- ★ Subsidised internships and work experience
- ★ Referral to apprenticeships
- ★ The Skills for Education and Employment (SEE) scheme
- ★ Work for the Dole
- ★ New Enterprise Incentive Scheme
- ★ Community Development Programme

The Employment Services System IT Platform



Outcomes: effective labour market matching

Constantly evolving use of technology to assist with job matching - including Apps, webb plaforms, automatic CV populating, direct employer access to job seeker databases etc

https://jobactive.gov.au

Employment login Australia's free online jobactive | Department Home -

Australian Government jobactive powered by JobSearch Employers Job seekers Change contrast Advertise a job Sign in / Register

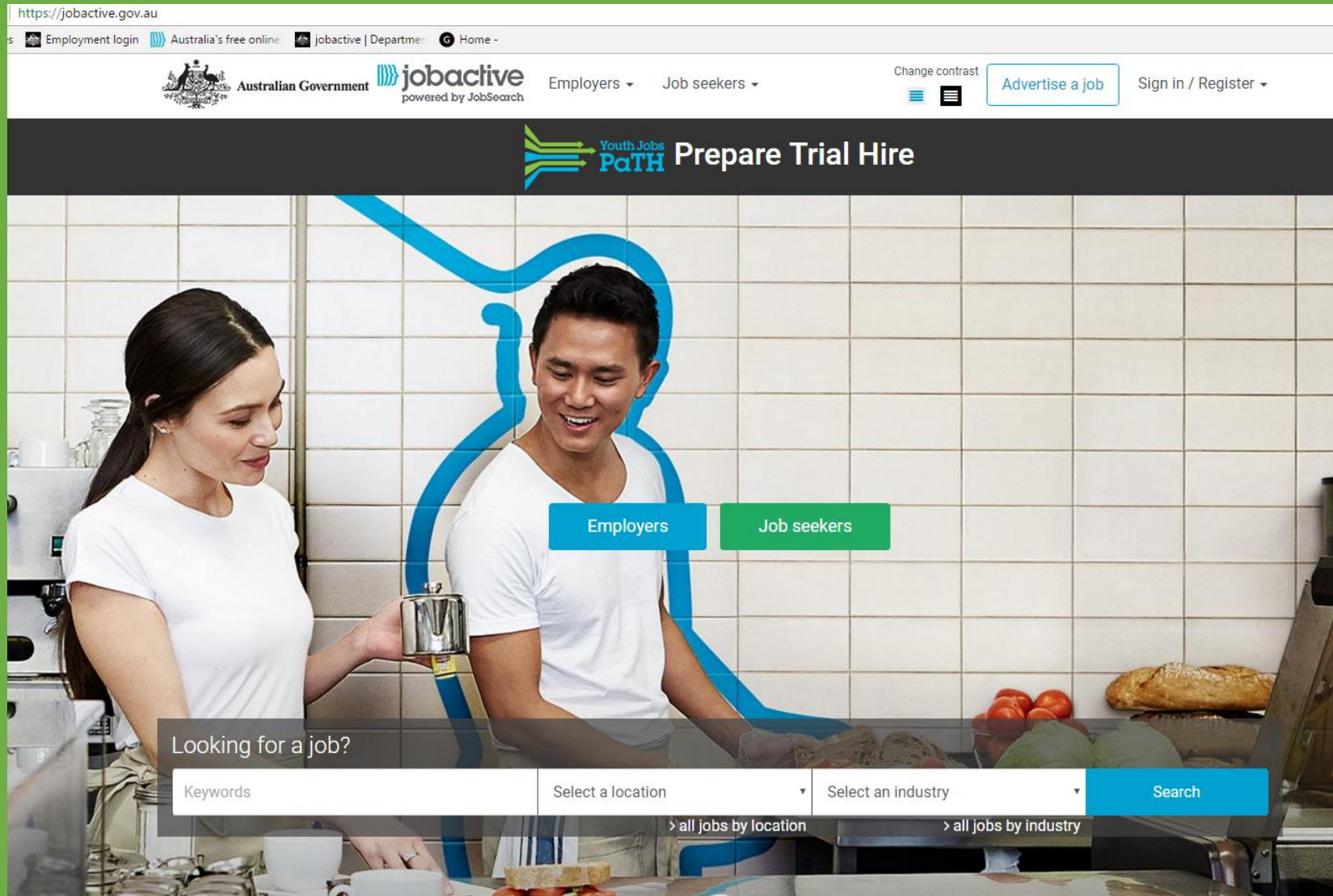
Youth Jobs PaTH Prepare Trial Hire

Employers Job seekers

Looking for a job?

Keywords Select a location Select an industry Search

> all jobs by location > all jobs by industry

The image is a screenshot of the jobactive.gov.au website. At the top, there's a navigation bar with the URL, login options, and government branding. Below this is a banner for 'Youth Jobs PaTH Prepare Trial Hire'. The main content area features a large background image of a woman and a man in a kitchen, with a blue outline of a person overlaid. Two buttons, 'Employers' and 'Job seekers', are positioned over the image. At the bottom, there's a search bar with fields for 'Keywords', 'Select a location', and 'Select an industry', followed by a 'Search' button. Below the search bar are links for 'all jobs by location' and 'all jobs by industry'.

Future Directions: Lessons to Consider

Contracted services (public and private) - consider strategic long-term policy implications, contract procurement and performance framework

Aligning welfare and employment policy to complement approach and delivery

Importance of a clear activation model across employment, education and training, supported by government policy

Government investing in contract stability through outsourcing provider capacity development to reduce contract turnover

Measures for inclusive employment including youth, people with disability and long-term unemployed

Value and importance of staff training and capacity building


Value of industry endorsed standards focussed on high performance not compliance – and risks with not mandating their use

Future Challenges

Technology and globalisation is changing jobs and the structure of employment and organisations.



Some businesses may struggle to adapt and gain the skills and labour required to compete in new economic landscapes
Some job seekers may not have access to new economic opportunities



Free-lance, contract, casual and flexible work options are increasing – supported by digital technology


Job mobility, adaptability, entrepreneurship and life long learning is increasingly part of the labour market dynamics

Future opportunities



Integrating
employment,
training and
industry demand

**Employment
services** help
employers to
meet their
evolving labour
and skills needs
– they bring
labour market
participant goals
together



Inclusive economic development
Responsive, tailored, local and
community based **employment
services** can help ensure labour
market productivity growth is
inclusive of all people

Future Directions in Australia

ParentsNext

Tailored and targeted support (an investment approach) - less red-tape

Disability Employment Services

More consumer choice

Community Development Programme

Contracted to Indigenous owned organisations
Capacity building

Retrenched and mature worker support

Early intervention

Connect with us



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National Employment
Services Association



NESA Ltd
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20 YEARS**
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weR4everyone

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