



**Deputy Secretary
Nathan Smyth**

Dear Chief Executive Officer

Update on jobactive referrals and maximum time transfers

As you are aware, the Department is working closely with Services Australia to progress urgent IT changes to expedite access to income support for people losing their jobs.

In the short term while supporting IT infrastructure changes are being made, since 28 March 2020 new job seekers are being granted a temporary six week exemption from being referred to an Employment Services Provider.

Following the conclusion of this six week period, these new job seekers will be referred to Online Employment Services (or Digital First in the New Employment Services Trial (NEST) regions) to agree to a Job Plan and undertake an online Job Seeker Classification Instrument (Jobseeker Snapshot) before being referred to providers in a streamlined way.

This process is being undertaken to ensure that there are sufficient appointments available and that normal market share and tolerances remain in place. The Department is finalising the temporary Business Rules for the referral of jobseekers noting the plan is to prioritise those at highest risk of long term unemployment (ie: Stream B) while also ensuring relatively job-ready jobseekers (Stream A) can access the assistance of a provider – including those who can be quickly redeployed to areas of critical need.

I understand that some providers have expressed concern that they may not receive referrals for 12 weeks. I assure you this is not the case. After supporting IT changes are made, referrals will commence to Online Employment Services and then quickly on to providers. Where we can bring the original timeline forward, we will make every effort to do so as we understand the impact this temporary arrangement is having on your operations.

I would also like to give you some indication of the number of job seekers who may already be waiting referral to employment services following the first week and a half of these temporary arrangements.

There are up to 140,000 job seekers who are registered for income support that may be referred to employment services. Not all of these job seekers will be referred to jobactive, as some may have their claim for income support rejected, may move instead to the JobKeeper Payment arrangements or be referred to another employment service (such as NEST, Disability Employment Services or Transition to Work). However, these numbers give you an indication of the potential referrals to jobactive. This compares to an average of around 10,000 - 11,000 referrals normally per week.

I also note that the caseload is still increasing despite these temporary arrangements. The number of job seekers being serviced by jobactive providers (excluding online services) increased by around 19,000 job seekers in the last two weeks. This is around the number of referrals that would normally flow into jobactive over a similar period.

I will continue to provide updates including further information about the referral process once new IT arrangements are in place. In the interim, I will keep you updated on the numbers of newly registered job seekers that may be referred to jobactive.

Maximum Time Transfers

In response to the COVID-19 pandemic, the Department will be pausing Maximum Time Transfers until at least the end of September 2020. This additional measure is designed to support both providers and job seekers during these difficult times and ensures provider business share is not adjusted during this period. There will be a final quarterly Business Share Adjustment this month to reflect Maximum Time Transfers that occurred in the first quarter this year, and then no further Maximum Time Transfer Business Share Adjustments for the remainder of this year.

As always, please continue to stay updated on the latest advice from health authorities and I look forward to speaking with you later today at the CEO Livestream event.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Smyth', with a small dot at the end.

Nathan Smyth
7 April 2020