



Australian Government
**Department of Education,
Skills and Employment**

Our Ref EC20-000965

**Deputy Secretary
Mr Nathan Smyth**

Dear Chief Executive Officer

Transition to Work CEO letter – April 2020

I would like to acknowledge your efforts supporting Transition to Work participants, both during the difficult bushfire season, as well as the escalation of the COVID-19 pandemic, including efforts to provide services in a virtual way. As well as key COVID-19 messages, this letter provides you with more details about the extension of Transition to Work servicing for up to 18 months, as well as recent developments with Services Australia, IT and the National Customer Service Line (NCSL).

COVID-19 key messages

The Government continues to make adjustments to ensure the employment services system is aligned to respond to the escalating COVID-19 pandemic. We appreciate this situation is evolving quickly.

The department has several sources for key information regarding COVID-19. I urge you to refer to the provider portal, the department's website, my twice weekly addresses as well as my correspondence to Employment service provider CEOs. My most recent correspondence includes a change to the referral process through Services Australia, which will see all jobseekers completing the JSCI online after they have started receiving income support. This will result in Transition to Work providers seeing a change in referral patterns while the Department and Services Australia prepare an appropriate streamlined referral process to deal with the large volume of jobseekers coming to Services Australia. More information on the process will be provided through the provider portal as this develops. You may send queries to EmploymentServicesResponse@dese.gov.au .

Changes to support the 18 month extension policy change – effective 1 July 2020

As outlined in the December 2019 and January 2020 CEO letters, changes to Transition to Work to support the servicing of young people for up to 18 months have been made in recognition that some young people have significant barriers which must be addressed before they can succeed in an education or employment placement. The six month extension will mean young people can continue to receive help from an employment services provider with whom they have an established relationship, and receive the intensive support needed to improve the likelihood of the young person achieving their education

and/or employment goals. While the changes will have minimal effect on provider operations, the Guidelines will be updated to reflect the impact of this six month extension on participation, referrals, exits, and outcome tracking.

Payments to providers

No additional places will be allocated as part of these changes. Up-front service fee payments are not based on an individual's length of time in service, rather the six month review of place allocation is based on place utilisation (average caseloads). However, providers will be eligible to receive Bonus and Sustainability Outcome payments when participants achieve an outcome in their extra six months in service. Annual Funded Places will continue to be reviewed at six-month intervals and allocated to maintain utilisation rates. Upfront payments will continue to be paid in four quarterly instalments.

Ensuring all eligible young people benefit from the change

As part of this policy change, the department has been working with Services Australia to refine the referral processes to ensure all eligible young people have the opportunity to benefit from the intensive servicing offered by providers, even in circumstances where the provider has insufficient numbers of appointments available in the IT system. Once the referral arrangements return to normal after the COVID-19 outbreak abates, Services Australia will contact the Transition to Work provider, at the time of the referral, to request an appointment be created on the spot if there is not a suitable time available on the IT system. Services Australia will undertake this on the proviso that providers will endeavour to have appointments available in the IT system to minimise these calls.

IT Changes as a result of the measure

The extension of the service period will result in a number of IT modifications across both the Department's and Services Australia's systems.

Moving eligible young people from jobactive in exceptional circumstances

In exceptional circumstances, it is now possible to move a young person commenced in jobactive (who is not Group Three eligible) to Transition to Work. This functionality will only be used in very limited circumstances, and is not a function for participants who have changed their minds. It may be used, for example, when the Transition to Work provider has sent a current participant (including Group two participants) on their caseload to Services Australia to update their details/apply for income support and they are then referred to jobactive, or the participant was referred to both Transition to Work and jobactive and has been commenced incorrectly into jobactive.

If a provider believes an eligible young person who has only been on the jobactive provider's caseload for a short period of time has been impacted in this way, and the eligible young person has approached the provider for help, the provider should contact their Account Manager to determine if a transfer to Transition to Work is appropriate.

National Customer Service Line (NCSL)

Following feedback, the NCSL is implementing a process whereby, participants can appoint an authorised nominee to speak and act on their behalf when interacting with the NCSL. Please ensure the option is open to participants. The relevant form is available on the department's website: www.dese.gov.au.

Finally, I would like to acknowledge the significant contribution Transition to Work providers are making under extremely difficult and unusual circumstances. I believe these efforts, as well as the most recent enhancements, build on our previous collective efforts to support young people to achieve their education and employment goals.

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