

NESA welcomes the government's ongoing commitment to Transition to Work and the role it will play as the specialist 'youth service' in the New Employment Services Model. NESA has assessed the TTW Consultation Paper and consulted with members and is broadly supportive of the proposed model.

The key to the future success of TTW will be in ensuring that the features which have made TTW such a successful program are built upon and further improved in the new model.

NESA believes that young people who look to TTW do so with the hope and anticipation that TTW will make a difference to their lives and help them forge a new and fulfilling direction. At the centre of this is the expectation that both TTW and the local community will be able to meet these expectations. Young people will be wanting the opportunity to engage with a case manager/support person/TTW organisation who has the capability and capacity to really assist them. They will be hoping that the things they are looking for to make a difference in their lives will be available to them when they are ready to commit. One of major risks to assisting disadvantaged and disconnected young people is that the necessary services - counseling, education and training, drug and alcohol support, real work experience with real job opportunities and stable housing etc. are sometimes not available when needed. DESE needs to ensure that TTW funding reflects that some of the young people entering the program will require significant assistance to access a range of services over an extended period of time.

Providing meaningful support and opportunity for our most vulnerable young people requires a whole of government and whole of community commitment - with great importance placed on local collaboration and solutions.

The importance of local collaboration is supported by the findings of the National Youth Employment Body, led by the Brotherhood of St Laurence, which shows the benefits of local Community Investment Committees in bringing together local stakeholders to develop local responses.

NESA is, however, broadly supportive of the proposed model, and welcomes the retention of some of the most successful elements of the existing program, in particular:

- A non-competitive service delivery arrangement that supports sharing and collaboration.
- Exclusion of the Targeted Compliance Framework.
- Continued eligibility for those not on income support.
- Demand driven funding to ensure that places are available for all eligible young people.
- Retention of Upfront Payments and the equal value placed upon employment and education outcomes.
- A continuing commitment to Youth Advisory Sessions for digital participants.

NESA endorses a number of the new elements, in some cases with qualification:

- The expansion of the eligibility criteria and a commitment to demand driven funding will ensure all young people with complex non-vocational issues have the opportunity to participate.

Providers welcome the opportunity to identify risk factors around disengagement (Question 4.1) but feel that the current JSCI has limitations in assessing some of the risk factors that young people face. NESA members look forward to working with the Department to develop a 'fit-for-purpose' assessment tool. Providers are concerned about the reluctance of young people to disclose information in an assessment process that they feel may be used to their detriment. One of our major TTW providers would like to see an opportunity for youth workers to assist young people through the assessment and referral process. Similarly, there is support for a form of 'post-transfer support', where TTW providers can provide some form of ongoing assistance and guidance to those young people who have transferred to digital servicing (5.3). This might be in addition to the Youth Advisory Sessions which may be targeted to those who have been exclusively in the digital service.

- The proposal for a 'one-off' income support suspension mechanism' (6.1. 6.2) as a tool to maximise initial engagement with young people has qualified support. It will be important to build in protections that allow for fairness and discretion.
- The Department seeks feedback on the circumstances in which participants might receive the maximum 24-month service period (5.1). NESA believes that TTW providers are best qualified to determine the period of assistance. This is consistent with DESE's ongoing commitment to 'flexible servicing'. NESA believes that, subject to guidance and consideration, length of assistance should be determined by providers on a case-by-case basis.
- The Department is proposing a more robust Performance Management Framework, in part with the objective of identifying 'poor' performers. NESA agrees that that a fair and robust framework will help ensure quality and therefore confidence in the program. The Department is proposing a series of performance measures and invites feedback from intending providers (7.2 and 7.3). NESA agrees that a robust performance framework should comprise of measures around effectiveness, efficiency, and quality. NESA notes in particular the following quality measures in the paper:
 - 'participant experiences on their progress to employment'
 - 'participant satisfaction'
 - 'employer satisfaction'
 - 'Account Manager assessment of the quality of services provided on the ground'.

NESA believes that significant provider consultation will be required to ensure that quality measures are fair, valid, flexible, and reliable.

NESA members have identified some areas of concern:

- Members are concerned by the lack of detail around Outcome Payment rates. Their omission means it is not possible for providers to assess the proposal to de-link Outcome Payments from the Outcome Performance Target/Bonus payment model. Providers need to know the value of an Outcome Payment to do the necessary modeling required to determine the 1) number of outcomes and 2) value of Outcome Payments necessary to compensate for the removal of the Outcome Bonus Payment. The Outcome Bonus Payment is currently \$3619 (ex GST) and is paid for each outcome that exceeds the Quarterly Outcome Performance Target.

Details around Outcome Payment rates will allow providers to undertake the financial modelling necessary to assure themselves that the funding model supports:

- the continuation of relatively small caseloads in an environment where DESE estimates that average point of time caseloads will remain at approximately 40,000 into the future.
- The possibility that a higher proportion of the caseload may require more intensive servicing on the basis that a higher proportion of the caseload may present with complex non-vocational barriers.
- Members are also concerned that the Department has limited the scope of consultation to areas unrelated to TTW policy, which the Department says is 'fixed and not subject to change'.
- Of additional concern is the short 16-day timeframe for response, which NESA believes limits the ability for providers to make more detailed responses.