

Rebuilding Employment Services

Final Report on
Workforce Australia
Employment Services

RESPONSE OF THE NATIONAL
EMPLOYMENT SERVICES ASSOCIATION
TO RECOMMENDATIONS
IN THE FINAL REPORT



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Overview

NESA supports most of the recommendations in the Final Report, and notes that, collectively, they make up the envisaged system for employment services in Australia. It is therefore important to consider the recommendations as a whole and avoid cherry picking support for some recommendations without supporting related recommendations required for a cohesive and effective system that meets client, employment partner, employer and community needs.

Notwithstanding this, there are some recommendations which NESA does not support, supports in part or conditionally supports. In most cases, these are recommendations: without a strong evidence base; at odds with some of the Inquiry's findings; which do not represent value for money; or may be at odds with public expectations of a fair and effective service system.

Clear Principles Should Guide Government Decision Making

NESA strongly advocates that clear principles should guide the development and implementation of any new employment services system and the government's response to the Inquiry recommendations in the first instance. NESA recommends these include principles that accord with public expectations of government and its stewardship role, including an overarching principle that the best interests of jobseekers should be of paramount concern. Other principles should include: fairness and competitive neutrality; client choice; accountability and transparency; evidence-informed decision making; value for money; merit-based selection; service quality; and avoidance of power imbalances, harm to sectors and markets, and conflicts of interest.

These principles are particularly important in determining the respective roles of government and external providers and their envisaged market share in the delivery of employment services. The report highlights a government mindset that is punitive and transactional with scant regard to the human rights and dignity of jobseekers and little support for, and understanding of, the challenges of those providers and employers that support them.

A Broader Role for Government is Not Supported

While the report is scathing of many aspects of current government systems and actions, other recommendations appear to indicate the best solution for an unemployed person is for government to directly support them, with a government role envisaged for the top and tail of employment services: those most in need and those needing minimal assistance.

NESA strongly advocates against a broader direct service delivery role for government as: the Australian Government does not currently have the capability to support highly vulnerable jobseekers; it is unlikely to accord with any of the principles outlined above; and it is not supported by evidence. Moving forward on recommendations where government capability does not exist could cause harmful, detrimental impacts to jobseekers and a decline in service quality.

NESA notes many external service providers currently have significant expertise in this area, yet also carry significant risk in delivery of services to highly vulnerable jobseekers. NESA considers the Australian Government's role should be focussed on stewardship, coordination, driving innovation, quality and best practice, and workforce support and development.

Transformational Change Needs to be Incremental, Planned and Subject to Genuine Co-Design and Consultation

There is widespread concern in the sector, that the Australian Government currently does not have the capability to successfully oversee the degree of transformational change outlined in the report. NESA recommends that any system change be staged and incremental and underpinned by longer-term strategic and implementation plans developed in consultation with the sector to avoid any harmful unintended impacts. The roll out of Workforce Australia had a significant impact on the financial viability of many providers, the sector's workforce, and the best interests of jobseekers.

Lesson learnt from the implementation of Workforce Australia should not be repeated in any subsequent redesign and roll out. NESA strongly advocates that a roadmap be developed for sector reform, setting out the stages of reform, timeframes, accompanying consultation processes and key government decision making points. NESA strongly urges government to ensure its co-design and consultation processes are authentic and genuine, enabling broader stakeholders to have a role in designing any future new system.

Major System Defects Need Immediate Action

While longer-term planning is supported, there are some fundamental defects in the current employment service system designed by government that require immediate priority action. NESA strongly advocates that Budget 2024 address: core issues relating to the functionality of the Workforce Australia Online for Providers IT system; review of the current performance management framework; establishment of dedicated channels into Services Australia for service partners; and supporting the financial viability of the sector and the viability and support of its workforce.

Government Accountability Needs to be Boosted

The Australian Government is both a steward and a service provider yet there is limited transparency as to its performance in stewarding or directly delivering components of Australia's employment services system. NESA strongly recommends there be service level agreements for the new proposed Employment Services Australia (ESA) and all other Government departments/agencies involved in delivery of employment services to ensure effective operation of the national employment services system. The agreements should align with an overarching system performance framework and include performance indicators, measures and service standards, as well as operational performance reviews, including at a regional level if Government proceeds with the regional hubs.

Cultural Change is Needed at Every Level

The underlying issue at the heart of the Inquiry's findings was a major issue relating to culture within the bureaucracy and a lack of awareness of what diligent government stewardship entails. Robodebt highlighted the shocking impacts of poor government stewardship on Australia's most vulnerable. Any transformational change of employment services will not succeed unless there is major cultural change across agencies and departments.

Responses to Recommendations

| Subject | Recommendations | NESA's Response | Further Submissions and Comments by NESA |
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| <p>New Commonwealth Employment Services System R1,2,3</p> | <p>A new Commonwealth Employment Services System be developed and implemented in line with the recommendations of this report and informed by close and ongoing consultation with experts, stakeholders, and service users.</p> | <p>Supported in Principle</p> | <p>NESA strongly supports the co-design of the new system with all stakeholders and the development of a clear and cohesive strategic plan with clearly articulated goals, strategies and an accompanying performance framework by which government can measure the effectiveness of the overall system.</p> <p>NESA expresses a strong interest in being a member of the proposed Employment Services Coordinating Council, responsible for providing stakeholder and expert advice to support continuous improvement to policy and program design and delivery.</p> |
| <p>Employment Services Australia R4</p> | <p>Establish Employment Services Australia (ESA) as a new entity within the Department of Employment and Workplace Relations to undertake specified activities including core enabling functions in regions, be a large hybrid provider for those closest to the labour market, and some case management activities as outlined in this report.</p> <p>Establish a network of regional hubs and service gateways delivered by ESA. The regional hubs should be co-located where</p> | <p>Supported in Part</p> | <p>NESA strongly supports that ESA, while sitting in the portfolio of the Employment Minister, enjoy some degree of autonomy from DEWR with its own entity head and legislated functions, powers, governance, and reporting arrangements. Critical success factors for the new ESA are an enabling: culture, structure, accountabilities (including a rigorous internal performance framework) and governance arrangements and the new operating model should support excellence in all these areas. ESA's performance framework should reflect its coordination role and be informed by consultation with stakeholders including jobseekers and providers. There is an opportunity for the new ESA to be an exemplar in best practice in government stewardship.</p> |

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| | <p>possible with existing services and include core-enabling functions.</p> | | <p>NESA also recommends there be a service level agreement for ESA and all other Government departments/agencies involved in delivery of employment services to ensure effective operation of the national employment services system. The service level agreement should include performance indicators, measures and service standards.</p> <p>NESA also supports the establishment of the regional hubs and considers they should operate under a charter with the core role of enabling and coordinating regional service delivery excellence with an accompanying operational performance framework that supports a broader strategic plan for ESA. The regional operational performance reviews could be similar to that used in state government service delivery agencies (ie health, emergency services, police and child protection) to ensure government policy and service design is not adversely impacting system performance and local issues are resolved in a timely and practical manner.</p> |
| <p>Social Procurement Framework R5, 6, 7</p> | <p>The Australian Government develop and implement a Commonwealth Social Procurement Framework to leverage Commonwealth spending on major projects and large service contracts to create more employment and training opportunities for long-term unemployed and disadvantaged jobseekers.</p> | <p>Supported</p> | <p>NESA welcomes measures by the Australian Government to use Commonwealth’s contractual levers to contribute to employment outcomes for disadvantaged Australians. NESA would welcome the opportunity to work closely with Government on this recommendation, if supported, to explore practical ways the Government could work with employment service providers in providing a pipeline of suitable workers for Government-funded projects. A lesson learnt from previous government efforts in social procurement is the need for government to provide sufficient lead time, in partnership with</p> |

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| | | | employers, to design the pre-employment programs and supports accompanying any social procurement strategies. |
| <p>Case management, tailored, flexible, cohort-specific support R 8, 9, 10</p> | <p>Tailored and flexible support, with tailored Participation and Jobs Plans.</p> <p>A digital-hybrid employment service delivered by ESA for those able to effectively self-manage online.</p> <p>Case management services:</p> <ul style="list-style-type: none"> • A 'low intensity' advisory and support service and 'medium intensity' case management service provided by contracted service partners. • A 'high intensity' service for people furthest from the labour market, including in-depth and wrap-around support, most likely delivered by the public sector or community based not-for-profit service partners • Referral and access to other human services that address substantial non-vocational barriers to employment. | <p>Supported in Part</p> | <p>NESA welcomes moves to more tailored Participation and Jobs Plans and a digital hybrid service delivered by ESA; however, NESA does not support the suggestion in the report that the 'high intensity service for people furthest from the labour market, should most likely be delivered by government or community-based not-for-profit partners.'</p> <p>The Australian Government does not have the capability to deliver intensive case management services to highly vulnerable jobseekers and proceeding on this aspect of the recommendation could result in harmful impacts on jobseekers.</p> <p>Suitability of service provider should not be determined by legal entity status. It should be based on merit from the broad suite of entities which can demonstrate an ability to achieve sustainable outcomes for those needing intensive case management. As a guiding principle, NESA also considers that jobseekers should be provided with choice and the ability to select a provider that is best suited to their individual needs.</p> <p>NESA considers that cohort specific specialist support should not only be based on experience and competency in working with particular cohorts but also be accompanied by experience and competencies in delivering employment services.</p> |

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| | <ul style="list-style-type: none"> • Cohort-specific specialist support delivered by organisations with relevant expertise and competency, with priority cohorts including First Nations peoples, people from culturally and linguistically diverse backgrounds and people with significant disabilities. • Social and community participation goals for people who are unlikely to benefit from other assistance for whom employment is simply not a realistic outcome in the short term. <p>Develop, trial, and implement measures to embed pre-employment and vocational supports within a person’s primary human service.</p> | | <p>NESA recommends that a key component of any case management system is robust, evidence-informed and comprehensive assessment processes. Further good case management should not ‘write people off’ for employment, but looks at their individual circumstances and individual goals towards employment and broader economic participation.</p> <p>Social and community participation goals for people who are unlikely to benefit from other assistance and for whom employment is not a realistic outcome in the shorter term, need to be accompanied by a comprehensive and robust assessment process undertaken on a reasonably regular process.</p> |
| <p>Youth R11</p> | <p>A youth-specific service, open to all people under the age of 25 years. The Youth Employment Service should retain the existing Transition to Work program as a more intensive option while also providing less intensive support options that vary according to individual circumstances and Participation</p> | <p>Supported</p> | <p>NESA also recommends, for practical reasons, that some choice of provider be retained for youth who don’t have significant barriers; for example, where a young person has a local generalist provider a short distance from where they live that is easier to visit than a specialist provider a greater distance away.</p> |

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| | and Jobs Plans. Commissioning and procurement should preference youth specialist providers with proven track records in delivering services to young people, as well as providers which are co-located with other youth services in youth hubs where possible. | | Co-location with other youth services, in principle, is highly regarded; however, there are significant obstacles in the Government’s current Right Fit For Risk requirements that work against information sharing and collaboration with other youth services. This will also be an issue for the proposed Regional Hubs. Best interests of jobseekers should be a paramount principle in working through these issues. NESA urges the Government to consult with providers to identify ways that these obstacles can be overcome, that don’t increase the existing administrative burden on providers. |
| Older people in workforce R 12 | Promote and encourage employers to deliver training to improve attitudes towards older people in the workforce; and strongly encourage providers—and service partners, to work with employers to change attitudes towards older people in the workforce and to develop more inclusive recruitment and work practices. | Supported | NESA also considers a workforce diversity strategy is required to ensure the ability to understand and meet the needs and preferences of a broader range of cohorts and to increase workforce diversity. |
| Ex-offenders R 13 | Commonwealth and State and Territory Employment and Corrections Ministers develop a refreshed intergovernmental commitment and agreement to reform, design, delivery and funding of employment services for ex-offenders pre-release, on-release and post-release. States and Territories should be | Supported | NESA welcomes a refreshed inter-governmental commitment to government reform as the current system is individual prison dependent, piecemeal and poorly planned. |

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| | <p>encouraged to co-invest and there be at least one specialist provider available in each jurisdiction and no more than one in each place, supported by cohort based and place-based programs which integrate with the corrections system and provide holistic support and access to other human services.</p> | | |
| <p>Workforce Support and Capability R 14, 15, 16</p> | <p>The Government support appropriate short-term actions to help stabilise the workforce, and link medium-and longer-term arrangements for pay and conditions in a rebuilt system focused on quality and re-professionalisation including ensuring ratio of jobseekers to staff is sufficiently low that staff are able to deliver effective, person-centred services to clients.</p> <p>The Government work with the sector and key stakeholders to co-design a professional framework of skills, capabilities, and qualifications for frontline staff consistent with this report led by the new Employment Services Quality Commission. The framework should include:</p> | <p>Supported</p> | <p>Parity of pay and conditions across sectors, including Government, should be explored given the existing and proposed greater role of government as a provider. Government service delivery is significantly more costly than outsourced delivery and parity of pay and conditions across sector providers should be a core consideration and reflected in funding models moving forward.</p> <p>NESA reiterates the importance of genuine co-design of a professional framework of skills, capabilities, and qualifications for frontline staff. Support for professional development and qualifications should also be reflected in contracts with providers, with sufficient dedicated funding provided to enable professionalisation and skills and capability development of the sector.</p> <p>Regarding the recommendation that measures to ensure competencies can be adjusted to account for regional variations, NESA considers there needs to be minimum foundational qualifications, skills and competencies to deliver quality employment services and this should be an initial focus in implementing this recommendation.</p> |

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| | <p>a typology of skills, qualifications, and competencies that frontline staff must hold;</p> <p>measures to ensure frontline staff possess competencies to support a diverse cohort of clients, including First Nations peoples, older people, and people with disability;</p> <p>measures to ensure competencies can be adjusted to account for regional variations and labour market contexts;</p> <p>measures to enable service partners to recruit and retain staff who do not possess formal qualifications where appropriate, including measures to enable service partners to:</p> <p>recruit staff with lived experience in or experience delivering pre-employment or employment services; and</p> <p>support staff to gain formal qualifications post-commencement.</p> <p>Australian Government work with the sector and key stakeholders to co-design a new approach to support ongoing capability</p> | | |
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| | <p>development of frontline staff in the employment services system. This should include establishing an Employment Services Capability Fund.</p> | | |
| <p>IT System R 17, 18</p> | <p>Australian Government address issues impacting the functionality of employment services IT systems as a matter of urgency. A continuous improvement fund and program should be implemented with priorities determined collaboratively with providers including:</p> <ul style="list-style-type: none"> • streamline reporting and other information requirements; • improve accuracy, reliability, and consistency in information available to providers, and other key stakeholders; • ensure providers have access to up-to-date information on participants on their caseloads; • allow providers to make changes to the information in the system regarding participants on their caseloads; • ensure significant changes to IT systems are rigorously tested with providers and other key stakeholders before rolled out; | <p style="text-align: center;">Supported</p> | <p>IT functionality to support employment services should prioritise those changes that support providers in delivering efficient employment services and be included for priority action in Government’s 2024 Budget.</p> <p>NESA’s IT and Workforce Australia Online Special Interest Groups of providers have prioritised the following IT changes as a matter of urgency:</p> <ul style="list-style-type: none"> • Restoration of resume functionality • Restoration of functionality allowing providers to view and update job matching and career profile data: • Job and industry choice, skills, work history, education, transport and driver’s licence, work tickets and licences, availability for graduate and Indigenous positions, availability for shift work and FIFO positions • Restoration of a basic vacancy and applicant based matching tools • Restoration of Provider Events - functionality allowing consultants to record times when they are unavailable for appointments (eg due to leave, training courses) • Restoration of Tags (allowing providers to assign additional characteristics to client records and retrieve the information through searches and reporting |

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| | <ul style="list-style-type: none"> provide ongoing funding to DEWR to enable it to undertake minor and periodic changes to IT systems to avoid the current situation arising again. <p>Government adopt a clear 'tell government once' principle for employment service clients.</p> | | <ul style="list-style-type: none"> Redesign of Activation and PBAS WAOP functionality – current designs are extremely inefficient. <p>NESA also recommends that dedicated funding be set aside to progress the above and other provider-recommended IT changes and that a provider training area be re-instated with dummy data to simulate training in the IT system for new employment services staff.</p> <p>NESA recommends an IT advisory group be established with representation from peaks and providers to develop a forward plan of IT reforms.</p> |
| <p>Single touch payroll R 19</p> | <p>Government expedite work between DEWR and ATO to fully integrate Single Touch Payroll data into the management and administration of employment services and make it available for broader research and evaluation purposes.</p> | <p>Supported</p> | <p>Single touch payroll would reduce the administrative burden of the high number of payment recoveries and improve the integrity of the payment system. NESA urges the Government to provide strong central leadership and a clear high-level intention to implement this recommendation to ensure the three relevant agencies (DEWR, ATO and Services Australia) find an agreed way forward in bringing this recommendation to fruition.</p> |
| <p>Services Australia dedicated channels R 20</p> | <p>Dedicated channels (email and telephone) into Services Australia be re-established for service delivery partners and DEWR; and more collaborative arrangements between Services Australia, DEWR and providers to address servicing and participant issues and experiences.</p> | <p>Supported</p> | <p>NESA calls for this recommendation to be progressed as a matter of priority.</p> |

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| <p>Assurance and Accreditation R 21</p> | <p>Australian Government, working with key stakeholders, simplify and streamline the approach to assurance and accreditation for employment services including:</p> <ul style="list-style-type: none"> • removal of duplicative and redundant accreditation requirements; • framework for mutual recognition of accreditation across the employment services and broader human services ecosystem; • implementation of a risk-based approach to assurance, incorporating clear recognition of provider accreditation and a focus on demonstrated risk indicators; • providing timely feedback to providers after an audit or assurance process, including implementation of standard timeframes; • identification of future opportunities to leverage data to support payment and process compliance; and • the Australian Government or a suitable intermediary becoming a supplier of Right Fit For Risk compliant IT security services for smaller organisations | <p>Supported in Part</p> | <p>NESA supports most of this recommendation; however, queries how a single intermediary could become a supplier for RFFR compliant IT security services for smaller agencies.</p> <p>In relation to the removal of redundant and duplicative accreditation requirements, NESA strongly supports streamlining assurance and accreditation requirements using a risk management- based approach. NESA encourages Government to look at better aligning current Disability Standards and ISO requirements to further reduce the administrative burden on jobseekers.</p> <p>NESA also urges the Australian Government to work with state and territory governments on their registration requirements to align requirements and reduce administrative burden on providers.</p> |
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| <p>Quality Commission R 22, 71</p> | <p>Government establish an Employment Services Quality Commission as an independent regulator for the sector with functions including:</p> <ul style="list-style-type: none"> • establishing quality framework and licensing standards; • workforce standards, sector professional development; • provider licensing and accreditation; • advising on pricing, high quality services, commissioning and payment models; • complaints management; • data collection, analysis, release, champion transparency • research, evaluation, continuous learning, quality improvement. | <p>Supported</p> | <p>NESA supports the Quality Commission being established as an independent statutory authority reporting to a Minister with its own Commissioner and supports all the functions proposed in the recommendation for the Commission.</p> <p>In developing the complaint handling function of the Commission, NESA strongly recommends that the Commission be empowered to receive and investigate complaints from providers as well as jobseekers and also receive complaints relating to government delivered services.</p> |
| <p>Data Transparency, Evaluation and Research R 23, 24, 25, 26</p> | <p>Australian Government: Adopt a clear default principle of transparency where all data is published as matter of course unless there is a compelling reason not to do so; and implement a comprehensive and structured program of data release to support research and evidence-based improvements to the sector, including:</p> | <p>Supported</p> | <p>NESA proposes that the recommendation that the Australian Government ensure all service partners can access information they enter into the department’s IT systems unless there are clear, defensible reasons for not making that data available, be included in the suite of IT reforms for immediate priority action.</p> <p>NESA further recommends that the Quality Commission be charged with administering a research fund to enable realisation of the</p> |

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| | <ul style="list-style-type: none"> • identification and schedule for public release of data assets; • data protection framework; training and ongoing support in the use of data; • service level requirement that administrative and survey data will be released no less than 12 months after it is collected unless collected for an evaluation; and • policy framework and IT system changes to support the integration of data from other sources. <p>This program should be finalised and published within 12–18 months of the tabling of this report.</p> <p>Australian Government implement a new evaluation framework for employment services, including:</p> <ul style="list-style-type: none"> • maximum 18-month period release date for evaluation reports following the end of the period analysed. • Release of data used for the purposes of the evaluation for external scrutiny and analysis at time of publication | | <p>recommendation that the new Employment Services Quality Commission be responsible for continuous research and learning regarding service delivery and quality improvement and sharing of good practice.</p> |
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| | <ul style="list-style-type: none"> • Inclusion of a broader range of metrics of effectiveness, including measures which assess the success of the system in building a jobseeker’s capacity for social and economic participation and meeting the needs of employers. • Consideration of the satisfaction of service users including unemployed people and employers. <p>Australian Government establish a unit within the new Employment Services Quality Commission responsible for continuous research and learning regarding service delivery and quality improvement and sharing of good practice.</p> <p>Australian Government ensure all service partners can access information they enter into the department’s IT systems unless there are clear, defensible reasons for not making that data available.</p> | | |
| <p>Trials R 27</p> | <p>Australian Government experiment with innovative service delivery approaches with trials subject to rigorous co-design with stakeholders including participants, providers,</p> | <p>Supported</p> | <p>Government trials have a poor track record of longevity and broader roll out with limited dissemination of findings and using lessons learnt to modify service design. NESAs recommends the Government consider pilots rather than trials supported by a transparent evaluation framework and public dissemination of findings in a timely manner.</p> |

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| | <p>peak bodies, and academic and policy experts, and should be subject to robust monitoring and evaluation. 'Innovation zones' should be considered along with exclusion of approved trials of new initiatives from performance metrics so as not to discourage or punish providers and services which try new approaches.</p> | | |
| <p>Jobseeker Messaging and Assessment Service R 28, 29</p> | <p>Australian Government reframe its initial contact with and messaging to jobseekers as quickly as possible including:</p> <ul style="list-style-type: none"> • Clear, consistent information on relevant government websites about the roles, functions, operation, and benefits of employment services • Jobseekers are able to contact responsible agencies directly for advice on employment services and income support within a reasonable timeframe • Avoiding conduct/language that reinforces shame with accessing income or employment support • Ensuring communications use plain, sensitive language | <p>Supported</p> | <p>NESA supports the Australian Government testing its messaging with jobseekers to ensure it is sufficiently clear and non-stigmatising. Testing should be robust, of sufficient sample size and include cognitive testing.</p> |

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| | <ul style="list-style-type: none"> • Communications notifying jobseekers of their Participation Interview are unambiguous as to reasons for the contact and clearly explain purpose of interview • If possible, outbound calls show a dedicated phone number, so recipients know who the contact is from. | | |
| <p>Jobseeker Assessment Service R 29, 30</p> | <p>Australian Government co-design a new jobseeker assessment service, including:</p> <p>Retention of Job Seeker Snapshot (JSS), subject to amendments to ensure it accurately identifies jobseekers who are best suited to online-hybrid services. The amendments should be trialled ahead of national rollout and should be subject to robust monitoring and evaluation.</p> <p>All jobseekers, except those determined via the JSS to be suited to online services, are rapidly referred to ESA for comprehensive assessment of jobseekers' aspirations and barriers</p> | <p>Supported</p> | <p>NESA also recommends that the JSS be revised to better measure job readiness and identify disadvantage.</p> <p>DEWR's supplementary submission to the Inquiry identified that some cohorts were less likely to be successful in online services, yet 40% of the online caseload comprised these cohorts.</p> <p>NESA further recommends expansion of the recommendation that performance measures for ESA focus on the appropriateness of services to which jobseekers are allocated to also include outcome performance, quality and timeliness measures.</p> |

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| | <p>Following assessment, Employment Services Australia (via Regional Hubs):</p> <ul style="list-style-type: none">• Provides details of services/providers in area;• Recommends service(s) that would be most beneficial; identifies people who have little to no short-term prospects of securing employment, who have other barriers that should be addressed before referral to a provider or who would be better supported by a non-provider service, and prepares a Participation and Jobs Plan for those clients that underpins their mutual obligations; and• Identifies people who should be referred to a provider for case management and support with job search, providing the jobseeker up to a week to select their provider and supports a handover.• A client who shows commitment and meaningfully engages with ESA during the assessment process fully meets their mutual accountability requirements for that period.• Performance measures for ESA focus on the appropriateness of services to which jobseekers are allocated. | | |
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| | <p>Australian Government develop, implement measures to:</p> <ul style="list-style-type: none"> • Enable providers to refer jobseekers back to Employment Services Australia for re-assessment; • Enable jobseekers to self-initiate transfers between providers and services with minimal administrative burden, subject to the provider or service having been identified as appropriate during their assessment; • Allow jobseekers to seek re-assessment by Employment Services Australia; and • Require re-assessment by Employment Services Australia of jobseekers being supported by a provider who have not secured work within a defined period. | | |
| <p>Community Development Program R 31</p> | <p>Australian Government review boundaries of Community Development Program (CDP) regions with a view to incorporating clearly urban areas (such as the southern area of Darwin) into mainstream employment services while allowing a 'buffer' or 'overlap' zone where</p> | <p>Conditional Support</p> | <p>Consideration should be given to local conditions including the remote status of town camps and whether the new program to replace CDP may be better placed to service those in town camps. Town camps have many of the same barriers to employment experienced by remote communities, and may require a more specialised, community led response.</p> |

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| | <p>people can choose to be allocated to CDP or mainstream services; and</p> <p>simplify the process for jobseekers who move regularly between remote and non-remote regions and give consideration to allowing a person to nominate one program through which they will be primarily serviced and stay attached to that service.</p> | | <p>In other cases, allowing a jobseeker choice between mainstream or remote service where boundaries are blurred is supported, however, this requires a simplified way to give effect to this change. NESAs recommends further consultation be undertaken with CDP providers and NIAA regarding this recommendation.</p> |
| <p>Sickness Benefit, Subsidised Medical Appointments and Disability Support Pension R 32, 33, 34</p> | <p>Australian Government consider reinstating the Sickness Allowance and extending eligibility for the Allowance to people with sustained, medium, or longer-term medical conditions that preclude them from seeking employment in the foreseeable future and allow medical certificates for longer than three months where appropriate.</p> <p>Government consider possible minor adjustments to better identify jobseekers who are extremely-long-term unemployed and are eligible for and should be granted a Disability Support Pension. This should be done without revising the impairment tables or creating a perverse incentive to become extremely long-term unemployed.</p> | <p>Supported</p> | |

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| | <p>Government develop and implement measures to reduce cost of obtaining medical evidence relating to employment services, including offering subsidised medical appointments.</p> | | |
| <p>Digital Literacy R 35, 36</p> | <p>Government ensure that all participants in employment services have access to training and supports to improve their digital literacy.</p> <p>Australian Government ensure digital tools for employment services and the primary government websites for employment services are available in, at a minimum, the languages in which reporting is available via the Centrelink Express Plus app, as well as in those languages most commonly used by jobseekers on the employment services caseload, develop and implement a strategy for increasing the number of languages in which online information and reporting tools are available, ensure major updates to digital tools and user interfaces are fully tested with target cohorts and develop a Digital Protections Framework to provide robust safeguards for clients and other stakeholders</p> | <p>Supported</p> | <p>NESA also recommends that providers have access to digital literacy tools to enable them to guide jobseekers in their use of the tool. Currently, providers have no line of sight as to the quality of the tools and their effectiveness and further recommends that DEWR provide webinars to Jobseekers and other stakeholders on how to use the tools.</p> |

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| | against the adverse impacts of increasing digitalisation and automation of services. | | |
| DEWR Resourcing R 37 | Government should properly resource DEWR to support its transformation into a hybrid provider with a spectrum of online services and more intensive supports, with a robust evidence base established via use of data analytics and randomised control trials including proactive outreach. | Supported in Principle | NESA considers resourcing should focus on the establishment of ESA rather than DEWR as a whole, noting the recommendation that ESA be established as a new entity. NESA also recommends resourcing for public reporting on ESA’s service performance including service quality against an agreed performance framework should also be accommodated in any funding model for ESA. |
| Participants Time in Online Services R 38 | <p>With respect to the optimal default time(s) that a client remains in online services:</p> <ul style="list-style-type: none"> • Australian Government review and establish a firmer evidence based through Service Improvement Trials using randomised control trial methodology, with a view to determining an optimal default time for participation in an enhanced online or hybrid service. and assessing outcomes for various cohorts of people, expecting that the optimal time may vary depending on a person’s characteristics, geographic location, and variations in the labour market. | Supported | <p>NESA strongly supports the use of evidence to establish an optimal time that a participant is in online services. We also recommend further mapping of different cohorts having regard to the job readiness assessment tool as there may be different optimum times for different groups of cohorts.</p> <p>Notwithstanding the above, NESA considers that allowing a person to reach long-term unemployment is not beneficial to a person’s wellbeing nor the economy.</p> |

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| | <ul style="list-style-type: none"> • DEWR be provided with ability to require re-assessment of a person in online services, and to mandate referral to face-to-face provider services where there is clear evidence a person is not faring well and is unlikely to succeed without more intensive support. | | |
| <p>Commercial Digital Marketplace Integration into Employment Services R 39</p> | <p>Australian Government seriously consider implementation of a policy framework to integrate commercial digital jobs marketplaces into the employment services system including:</p> <p>Competitive neutrality and open access to all providers subject to meeting robust cybersecurity, privacy, and service standards</p> <p>Safeguards and transparency relating to the use of artificial intelligence, including to prevent algorithmic discrimination against disadvantaged jobseekers</p> <p>Jobseekers being able to automatically report activities through commercial marketplace partners to the employment services system</p> | <p>Conditional Support</p> | <p>Considerations relating to this recommendation should include: the need to maintain jobseeker and employer access to a universal and free service; the need to streamline employer service experience (ie negating the need to log on with MyGov); job matching capability should also be a feature. NESAs strongly recommends that Government look at the functionality inherent in the Germany and Belgium public employment services systems, which enable jobseekers entering the system to undertake their own self-assessment as well as facilitating proactive referrals.</p> <p>NESA also advocates the need to retain moderation by humans in any AI initiated system and the ability for stakeholders to easily raise concerns relating to any outputs or outcomes of AI technology.</p> |

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| | <p>Regular sharing of data on jobseeker activity with the employment services system, to enable program-level accountability and inform future policy direction</p> <p>Relevant content is promoted on behalf of businesses and industries using in-flow and adjacent marketing channels.</p> <p>Clients have regular access to a wide range of job opportunities and recommendations based on their candidate profile and/or job preferences.</p> <p>Eventual retirement of the online jobs board in Workforce Australia once commercial partnerships are established and working well.</p> | | |
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| <p>Employment Pathway Plan R 40</p> | <p>Australian Government design and implement a new policy framework to give effect to the legislative requirement for an Employment Pathway Plan, including:</p> <ul style="list-style-type: none"> • An acknowledgement of the requirement to show commitment and engage meaningfully with the employment services system and a broad explanation of mutual obligations which apply. This includes the preparation of a Participation and Jobs Plan within a default timeline and that a payment is provisional until the plan is approved. • A new Participation and Jobs Plan is developed: by the participant— online if in hybrid services; with Employment Services Australia if being case managed there; or with a contracted partner Job Coach provider if referred for outsourced case management. This would be a goal-based plan which should include, at a minimum: <ul style="list-style-type: none"> • An overview of the participant’s aspirations, needs, and circumstances; • The support the provider will deliver to help the jobseeker address their needs and achieve their aspirations; | <p>Conditional Support</p> | <p>Clear guidance is required on the focus and use of any Employment Pathway Plan. There is a risk that it will continue to be primarily used for compliance purposes rather than to support service delivery. This is likely to dissuade jobseekers from openly discussing their aspirations, needs and circumstances. NESAs support a focus on using the plan to assess the quality of services to jobseekers. Activity and engagement are the basis of the compliance system, and it is important to untie this from the Plan which should be a service contract between a provider and a jobseeker.</p> |
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| | <ul style="list-style-type: none"> • activities in which the participant commits to engage, including how these will contribute to building capacity and moving toward employment; • Timeframes for completing expected activities; • Agreed requirements for regular appointments (the timeframe for which may vary depending on individual circumstances) • The Participation and Jobs Plan is a result of genuine negotiation between jobseeker and provider • The Participation and Jobs Plan is regularly reviewed and updated to ensure that it aligns with the current needs and circumstances of the jobseeker. | | |
| <p>Job Quality R 41</p> | <p>Australian Government develop and articulate:</p> <p>guiding principles for job quality informed by international experience and approaches, including a typology of ‘lower’ and ‘higher’ quality jobs, to set out an Australian view as to what constitutes decent work which the system should aspire to help people secure; and</p> | <p>Supported</p> | <p>In addition, NESAs recommends that after determining what is decent work, Government review the effectiveness of the new Employment Services System to ensure it supports attainment of decent work, having regard to the system’s settings, operating model and resourcing.</p> |

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| | develop metrics to evaluate the success of the employment services system in supporting jobseekers to obtain 'quality' employment. | | |
| Career Progression Assistance Program R 42 | Australian Government develop—through a process of co-design—trial and evaluate the cost-effectiveness of a career progression assistance program targeted to employees in lower-paid, entry-level, and insecure jobs funded on a fee-for-service basis. | Supported | |
| Employment Fund R 43 | <p>Australian Government review governance arrangements for the Employment Fund, including:</p> <ul style="list-style-type: none"> • Clarifying items automatically allowable and directly accessible for jobseekers such as meeting transport costs to interviews, services and mandatory activities, data and Drivers Licence training and acquisition; • Simplifying the process to claim reimbursements using a less punitive 'Trust but Verify' approach to contracted partners to reduce the number of staff devoted to administration and compliance and free up these resources for more productive activities; | Supported in Part | <p>NESA supports the clarification of items automatically allowable; however, notes changes to the Employment Fund guidelines in December prohibit the use of the employment fund for transport and food vouchers on a regular and ongoing basis and should be reviewed if government supports this part of the recommendation.</p> <p>NESA also supports simplifying the process to claim reimbursement and crediting the employment fund annually for very long-term unemployed jobseekers.</p> <p>NESA, however, does not support that part of the recommendation excluding greater flexibility regarding use of the fund for payments to the provide or a related entity. Some providers may be the only service provider available to meet a client's particular needs in their region or location and the best interests of jobseekers are likely to be adversely impacted if a provider cannot refer to one of their own or a</p> |

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| | <ul style="list-style-type: none"> Increasing flexibility in how the Employment Fund may be used (payments not to provider or related entity); Giving consideration to crediting the Employment Fund annually for very-long-term unemployed clients. | | <p>related entity's services. Given the broader movement in human services to holistic wrap around support, integrated and coordinated case planning and management, this recommendation seems misaligned with other contemporary trends in the broader support sector. It could lead to major adverse outcomes for jobseekers in crisis, including those at risk of suicide needing immediate access to a mental health or counselling service.</p> |
| <p>Providers Cannot Refer to Own or Related Entity Training Programs R 44</p> | <p>Australian Government establish a clear default principle that Providers are not permitted to refer participants on their caseload to training programs which they deliver or which are delivered by a related entity except with express approval by the department which would only be expected in limited circumstances. Guidelines should be developed to clarify the circumstances in which approvals may be given. These should require DEWR to have regard to whether refusing to approve referrals would unduly restrict access to training or support in thin market areas, and to whether the training is of high quality and represents value for money.</p> <p>Providers are not permitted to use the Employment Fund to pay for activities, services, or programs that they deliver or which are delivered by a related entity except with express</p> | <p>Supported in Part</p> | <p>NESA supports the recommendation for a safeguard that requires a client to be told in every instance when an own or related entity payment is sought from the Employment Fund, and that activities funded must never be imposed.</p> <p>NESA does not support the recommendation to not permit providers to refer jobseekers on their caseload to training programs which they or a related entity deliver. The primary considerations should be providing a jobseeker with choice and ensuring they have access to a quality, timely and accessible training program that meets their individual needs. NESA supports development of clear guidelines to clarify the circumstances the employment fund can be used for this purpose in consultation with jobseekers and providers.</p> <p>NESA does not support the recommendation that providers are not permitted to use the Employment Fund to pay for activities, services, or programs that they deliver or which are delivered by a related entity except with express approval from the department. This may adversely affect jobseekers in crisis where the provider is the only available provider in a region or location convenient to a client able to</p> |

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| | <p>approval from the department. Guidelines should be developed to clarify the circumstances in which these approvals may be given.</p> <p>There should also be a safeguard that requires a client to be told in every instance when an own or related entity payment is sought from the Employment Fund, that activities funded must never be imposed by a provider on a client, and that they be advised of potential alternatives given the conflict-of-interest risk.</p> <p>These default principles should be reviewed as part of the reforms leading to a rebuilt Commonwealth Employment Services System to determine whether they remain necessary.</p> | | <p>deliver a timely service. NESAs are particularly concerned about jobseekers in distress and their immediate needs and the logistical challenges of seeking approval from DEWR in advance of service provision.</p> <p>NESA proposes that DEWR undertake further consultation with providers on the principles relating to use of the employment fund having regard to policy settings that uphold the best interests and needs of jobseekers as paramount.</p> |
| R 45 | <p>The rebuilt Commonwealth Employment Services System include a dedicated employer-focused service, as a one-stop-shop delivered by ESA's Regional Hubs, with these functions:</p> <ul style="list-style-type: none"> • A greater focus on matching jobseekers to vacancies, including brokering placements for jobseekers with specific needs. | Supported | <p>NESA also recommends the employer-focused service be underpinned by guiding principles focussed on competitive neutrality and avoidance of conflicts of interest, the final recruitment decision resting with the employer, and ensuring decent work and best fit based on client skills, needs and aspirations. To achieve this, the service and broader system should be supported by a comprehensive skills assessment process and world class job matching technology.</p> |

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| | <ul style="list-style-type: none">• Working with employers to deliver recruitment and workforce development support, including job design and job carving, new human resources practices and adapting work environments to welcome new and diverse employees and support them to stay.• Working with employers to encourage and support them to deliver training, and to encourage employers to see themselves as not just a destination but as a key contributor to skills development.• Delivering or providing referrals to industry-specific training.• Partnering with providers, employers, and other key stakeholders to deliver targeted demand-driven employment projects focused on meeting the workforce needs of an individual employer or local community or region.• Providing in-employment support, including career development.• Collecting and sharing local labour market data to inform insights about vacancies and local skills needs. | | |
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| <p>R 46</p> | <p>Make greater and more targeted use of intermediaries and bridging services such as not-for-profit labour hire firms, social enterprises, and sector and industry bodies, particularly as a means of reducing risks for employers associated with engaging disadvantaged jobseekers and in supporting social procurement initiatives, including:</p> <ul style="list-style-type: none"> • Making facilitating and coordinating engagement between contracted partners, intermediaries, and employers a key function of regional hubs; and • Ensuring intermediaries and bridging services are captured by the Commonwealth Social Procurement Framework in R 5. | <p>Conditional Support</p> | <p>The use of bridging services and intermediaries should not be determined by the legal status of an entity, and procurement of such entities should be based on their demonstrated ability to work in the best interest of employers and jobseekers and achieve sustainable outcomes for both parties.</p> <p>A pre-condition for success is the need for a decentralised ESA with Regional Hubs being empowered with reasonable decision-making authority to achieve sustainable employment outcomes at a local level. This could be measured, monitored and reviewed through the development and roll out of an operational performance framework and conducting regular regional operational performance reviews.</p> |
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| <p>Reduction in Complementary Programs R 47</p> | <p>Australian Government consolidate and reduce the number of complementary programs and implement measures to enhance retained programs. Over time, this should include:</p> <ul style="list-style-type: none"> • Ceasing Employability Skills Training, with the support provided via Block 1 courses incorporated into quality case management services and the support provided via Block 2 courses incorporated into the services delivered by Employment Services Australia’s regional hubs. • Retaining Career Transition Assistance and trialling remote participation in the program to improve accessibility especially in thin markets. • Retaining Self-Employment Assistance while reviewing the program with consideration to the enhancements recommended in evidence to this inquiry. This should include broadening eligibility criteria for the program. • Ceasing facilitation programs for employers and rolling these services into a consolidated employer-focused service delivered via Employment Services Australia’s Regional Hubs. This | <p>Conditional Support</p> | <p>NESA supports the program changes proposed in this recommendation, with the following conditions:</p> <ul style="list-style-type: none"> • Funding freed up from ceasing Employability Skills Training be reallocated for other employability training measures and not used as a savings measure, given that client training is a fundamental building block of a quality employment services system; • The consolidated employer-focussed service needs to be evidence-informed with lessons learnt from the unsuccessful employer facilitated programs informing the new model; • The foundation skills programs need an enhanced focus on digital literacy and skills development. |
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| | <p>consolidation would include the Local Jobs Program, Workforce Specialists, and Employer Liaison Officers.</p> <ul style="list-style-type: none"> Continuing foundation skills programs with an enhanced focus on digital literacy and digital skills. | | |
| <p>Work for the Dole R 48</p> | <p>Work for the Dole (WfD) be retained primarily as a last resort activity for people who fail to meaningfully engage or comply with their Participation and Jobs Plan over the long term. People who choose to participate in or are referred to WfD should receive a supplement that at least realistically covers their costs of transport and participation</p> | <p>Supported</p> | <p>The current supplement is too low to adequately cover costs of participants in Work for the Dole.</p> <p>NESA also suggests the Government consider a name change for this program given the stigma attached to the slang term 'dole' and the fact it does not reflect naming conventions for working age payments.</p> |
| <p>Work in the Community Program Trial R 49</p> | <p>Australian Government co-design and trial a 'Work in the Community' community employment program in a limited number of regional areas and places with entrenched disadvantage, including:</p> <ul style="list-style-type: none"> Voluntary participation and choice of placement Projects that contribute to community development, identified based on mapping of community need | <p>Supported</p> | <p>NESA supports the evaluation of this trial and in the medium to longer-term, suggests government conduct a broader cost-benefit analysis of these trials and Work for the Dole, once a clear theory of change and program logic has been developed for both. It would be useful to understand how the Work in the Community trials will differ from Work for the Dole, in the event they proceed.</p> <p>Additionally, if this trial proceeds, there should be a longer-term plan as to the future of the trials, in the event they yield successful outcomes. In this context, Government may wish to consider whether it conduct trials or a pilot as part of its longer-term strategic plan for employment services.</p> |

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| | <ul style="list-style-type: none"> • Jobs of varying duration and intensity with appropriate payment • Work-like experiences with skills development and in-work training • Success be defined around improvements in capability, health, mental health, connectedness, self-esteem, skills, and confidence rather than expecting entry into open employment in the first instance though open labour market pathways should be actively encouraged and facilitated. <p>Government should also consider providing a right of return to the program to give clients confidence and security to pursue open employment.</p> | | <p>Many Government trials do not have longevity in the medium to longer-term and findings and lessons learnt are not retained in a broader and accessible register of evaluation findings. NESAs encourages greater rigour around evaluation capture and information management and that these be available to the public to build accountability and broader evidence-based policy and service design.</p> |
| <p>Social Enterprises R 50, 51</p> | <p>Australian Government work with State and Territory Governments and key stakeholders to develop and implement a Commonwealth social enterprise strategy, including:</p> <ul style="list-style-type: none"> • Funding for social enterprises. Subject to the outcomes of the trials contemplated by Recommendation 51, a reverse auction grant model as developed by Jobs Victoria should be preferred | <p>Supported</p> | <p>NESA strongly supports the development of a social enterprises strategy and suggests it operate as a key component of a broader employment services system but does not replace core services.</p> <p>In relation to the recommendation that barriers for social enterprises to enter the employment services system be reduced or eliminated, NESAs notes similar issues would arise with referrals to an entity's own services and its related entities if social enterprises were to enter the employment services system and would need to be consistently addressed by government. As previously stated above, NESAs does not</p> |

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| | <ul style="list-style-type: none"> • Articulation of the role of social enterprises within the employment services system— both as employers and as training and support providers • Direct links to the Commonwealth Social Procurement Strategy outlined in R5 • Reducing if not eliminating barriers to entry into the employment services system for social enterprises. • Ensuring that data on training and employment outcomes is shared between social enterprise and government systems • Endorsement of the certification framework administered by Social Traders, including additional financial support to enable national scaling. <p>Direct funding be made available to social enterprises which directly support employment outcomes. A reverse auction grant model as developed by Jobs Victoria should be used to establish an efficient price per outcome for various cohorts. This should include trialling the following complementary funding measures:</p> <p>Each employment region be allocated a flexible grants fund which can be used to fund local</p> | | <p>support bans on entities referring to their own services and training programs.</p> |
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| | <p>organisations including social enterprises.</p> <p>Organisations could apply for funding using the reverse auction grant model making transparent the impact and cost, with grants assessed at the regional level. Funding should be reallocated from the existing Local Jobs Program, and designed to allow State and Territory Governments to co-invest in particular regions or places of interest; and</p> <p>A complementary National Employment Grants Fund be established to allow social enterprises and complementary community-based programs to bid for funding for employment projects that cross more than one region.</p> | | |
| <p>Wage Subsidies and Paid Work Experience R 52, 53, 54</p> | <p>Wage subsidy programs (and other Active Labour Market Programs including paid work experience) should be centrally and transparently administered by DEWR with funding de-linked from the Employment Fund and</p> <p>key design principles include:</p> <ul style="list-style-type: none"> • Maximum subsidy amounts available to employers, including scalable subsidies which reflect the capacity of a person being hired or trialled, their disadvantage and how | <p>Supported in Principle</p> | <p>NEAS supports central and transparent administration of wage subsidy programs by Employment Services Australia.</p> <p>Progression of wage subsidy agreements needs to occur in a timely manner in order not to jeopardise job placement opportunities for jobseekers. NESA encourages DEWR to set customer service standards, including timeliness targets in this regard.</p> |

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| | <p>long they have been out of the labour market and the number of hours a worked.</p> <ul style="list-style-type: none"> • The types of work for which a wage subsidy may be claimed, including: • a preference for secure work (more than six to 12 months) rather than temporary, casual and 'gig' work; • the availability of subsidies for industries or roles which are currently excluded from the scheme; • the extent to which subsidies should be available to labour hire organisations— if at all then likely only in sectors where labour hire is the major industry norm; • coherence and integration of disparate incentive programs including within DES, CDP and any other such Commonwealth programs. • The adequacy of safeguards and integrity oversight, including restrictions on the circumstances in which an employer can claim a subsidy and on the number of subsidies that may be claimed. <p>Australian Government work with State and Territory Governments to simplify access to and</p> | | |
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| | <p>administration of wage subsidies across jurisdictions. This should include:</p> <ul style="list-style-type: none"> • expanding the range of ways in which a person or organisation may enter into a wage subsidy agreement; • extending the time available to enter into a subsidy agreement, and aligning timeframes for agreements across programs as far as possible; and • enabling access to wage subsidies across Commonwealth, States and Territories programs via a single user interface. | | |
| <p>Paid Work Experience R 55</p> | <p>The Australian Government consider properly designed paid work experience, including:</p> <ul style="list-style-type: none"> • Engagement of a jobseeker from the employment services caseload for set periods (which may vary by placement). • Wages at or above the minimum wage with costs met by government or split between government and the employer, subject to negotiation. • Structured training and skills development opportunities. | <p>Conditional Support</p> | <p>NESA supports paid work experience provided appropriate safeguards are in place, including;</p> <ul style="list-style-type: none"> • the program is not used to replace paid, ongoing work opportunities for jobseekers • the program enables jobseekers to trial new areas of work and build their skills • appropriate work and development plans are in place • adequate supervision and monitoring is provided and • work experience provides a safe work environment in compliance with workplace, health and safety requirements. |

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| | <ul style="list-style-type: none"> • Incentives for businesses to take on a number of work experience placements per year based on their total number of employees with employment pathways for a reasonable percentage. • gradual increase in hours worked to build jobseekers' resilience and fitness for work based on their capacity. • Proper integrity safeguards and monitoring to avoid unethical churn and misuse by employers. | | |
| <p>Mutual Obligation R 56</p> | <p>The range of mutual obligation requirements be broadened and be much better tailored to individuals. Reforms should focus on cutting red tape, addressing employers' concerns, and ensuring that mutual obligations are effective in supporting people into work, and should be founded on the following key principles:</p> <ul style="list-style-type: none"> • For clients who are assessed as close to the labour market and largely self-managing in online-hybrid services: the Points Based Activity System (PBAS) be retained to underpin reporting against a person's Participation and Jobs Plan. Changes to the PBAS should be made to provide more | <p>Supported</p> | <p>In relation to the recommendation that for jobseekers who persistently fail to meaningfully engage or to comply with their Participation and Jobs Plan, the PBAS be used as the default reporting and compliance tool, NESAs supports this recommendation; however suggests that jobseekers subject to the PBAS default tool undertake a comprehensive assessment and their provider be consulted to ensure any individual risk factors and circumstances impacting participation in employment are considered prior to the default position being activated.</p> <p>In relation to the recommendation for greater harmonisation of mutual obligation recommendations with the Community Development Program, NESAs also supports greater harmonisation with the Disability Employment Program.</p> |

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| | <p>flexibility in activities; better tailor the points to the individual; and monitor progress and intervene earlier where a person is experiencing challenges in navigating the system.</p> <ul style="list-style-type: none">• For clients who are managed directly by Employment Services Australia or referred to service partners for case management, the core requirement be to meaningfully participate by attending appointments and undertaking activities as agreed via the Participation and Jobs Plan.• For clients who persistently fail to meaningfully engage or to comply with their Participation and Jobs Plan, the PBAS be used as the default reporting and compliance tool. <p>Over time, the Australian Government should also broadly harmonise mutual obligation requirements across the 'mainstream' employment service program and the Community Development Program.</p> | | |
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| <p>Compliance Framework R 57</p> | <p>Australian Government urgently implement changes to the compliance framework for employment services, including:</p> <ul style="list-style-type: none"> • Providing case managers with frontline discretion to counsel clients regarding their obligations for the first two or three times that a person misses an appointment or commits another minor compliance breach within one year—rather than being forced to trigger demerit points and compliance action. • Adjusting the period within which a person must reconnect with the system after committing a breach from 48 hours to no more than 4 or 5 business days. • Amending the Points-Based Activation System (PBAS) such that: <ul style="list-style-type: none"> • 100 points is seen as the maximum and not the default points target across all services; • the Digital Services Contact Centre (DSCC) review and consider adjustments to the points targets for clients in Workforce Australia Online | <p>Supported</p> | <p>NESA also considers additional work needs to be undertaken to clarify how the compliance system will interact with PBAS into the future and how: i) changes in individual circumstances can be accommodated in the system moving forward in a timely manner; and ii) the role of professional frontline judgement in new mutual obligation settings.</p> |
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| | <p>who have experienced repeated suspensions or other penalties; and</p> <ul style="list-style-type: none"> • for clients in Workforce Australia Services, the default points target be set at 50 points, with discretion afforded case managers to vary the points target up or down based on their professional judgement exercised in consultation with clients and that all points targets be reviewed as soon as possible after this report is tabled; • Case managers and the DSSC are given additional discretionary points (e.g., up to 40 points) that can be allocated each month to people who fail to meet their points target but who are showing commitment and are deemed to be meaningfully participating. | | |
| <p>Nil Rate Extension and Review Income Support Eligibility R 58</p> | <p>Australian Government: monitor the impact of the proposed extension to the income support nil rate period; and review income support eligibility criteria to ensure that they adequately take account of the circumstances of people impacted by seasonal work arrangements, especially in Northern Australia and other regions required due to the dry/wet season.</p> | <p>Supported</p> | |

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| <p>Substance Dependency R 59</p> | <p>Australian Government implement the following clear default principles: People suffering from substance dependency who are not genuinely seeking and engaged in medical treatment are not eligible for exemptions from mutual obligations; and where a person is actively participating in medically supervised treatment for substance dependency including rehabilitation programs and early phase recovery, this can form all or part of a person's Participation and Jobs Plan.</p> <p>Exemptions are no longer automatically applied to people exiting the criminal justice system and are considered only on a case-by-case basis.</p> | <p>Supported</p> | |
| <p>Replace Mandatory Activation Default Requirements with 'Availability Test' Activities R 60</p> | <p>Australian Government replace current default mandatory activation requirements with a framework of 'availability test' activities that help jobseekers progress to employment, including:</p> <ul style="list-style-type: none"> • Activities in which the jobseeker must participate to meet their activation requirements are mutually agreed between | <p>Supported</p> | |

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| | <p>the jobseeker and their provider (or Employment Services Australia) for online participants).</p> <ul style="list-style-type: none">• 'Default' activation activities are removed, with jobseekers enabled to select from activities including community-based programs and paid work.• Specific timing for activation points be removed, and replaced with a more flexible range so they work in with a person's other efforts and activities and take account of life events that may occur.• Activation requirements are recorded in the jobseeker's Participation and Jobs Plan.• If a client refuses to choose or do an activity then, their case manager or Employment Services Australia (for online participants) is empowered to determine the mandatory activation activity that would best support them.• Employment Services Australia can exempt jobseekers from activation requirements in limited circumstances. | | |
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| <p>New Partial Payment Withholding (as alternative to suspension) R 61</p> | <p>Australian Government introduce legislation to provide an additional compliance tool of a Partial Payment Withholding (a 'holdback') as a less onerous alternative to full payment suspensions providing strong incentive to re-engage with services but without leaving people (and their children and families) with insufficient funds to meet basic needs. 'Holdbacks' should be repaid to the participant on re-engagement.</p> | <p>Supported</p> | |
| <p>Shared Accountability Framework R 62</p> | <p>Australian Government implement a new Shared Accountability Framework to replace the current Targeted Compliance Framework and should include:</p> <ul style="list-style-type: none"> • Frontline discretion is restored so that case managers can educate and counsel people regarding their obligations for a limited number of minor or initial compliance breaches each year. • After counselling options are exhausted, a number of warnings be recorded which could result in a partial payment withholding (holdback) until the non-compliance is remedied. | <p>Supported</p> | |

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| | <ul style="list-style-type: none">• People who accrue the maximum number of warnings by persistently failing to meet mutual obligation requirements are referred to ESA for a capability assessment.• Should there be barriers to participation or engagement, the client is referred back to their provider or offered the option to transfer to a different provider or service.• If there are no barriers to participation, the client may elect to be referred back to their provider and made aware of the risk of more serious compliance measures including payment suspensions, penalties, or cancellations. Alternatively, the client would be transferred to intensive case management by Employment Services Australia.• All decisions that affect income support payments must be made by a public servant in Services Australia, and not automatically by the IT system.• Guidelines and training for staff should be developed in consultation with stakeholders and subject to periodic review by the new Client Councils and the Employment Services Coordinating Council. | | |
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| <p>Incentives to Enhance Employment Services Engagement R 63</p> | <p>Australian Government consider trialling incentives to enhance engagement with employment services, with a view to national scaling if an incentive proves effective in increasing engagement and successful outcomes.</p> | <p>Supported</p> | |
| <p>Simplification of Income Reporting R 64</p> | <p>Australian Government consider options to simplify income reporting for employment services clients, especially those who are not working and do not intend to work and those who are participating in self-employment programs, including by enabling less frequent reporting for a defined period of time.</p> | <p>Supported</p> | <p>While NESAs support this recommendation, it should be noted that less frequent reporting may lead to a higher incidence of overpayments and recovery claims which may have adverse impacts on jobseekers.</p> |
| <p>New Model for Regulatory Culture and Relational Contracting R 65</p> | <p>Australian Government develop over the next 9 to 12 months a new model for regulatory culture and relational contracting and articulate this before new approaches to commissioning are trialled or determined. This should occur as a collaboration between departments, central agencies and expert academics supported by insights from the Australian National Audit</p> | <p>Supported</p> | <p>NESA also proposes that under a more relational model of contracting, deeds could be customised to take into account regional, business and local cohort needs and allow for providers to request specific provisions in their individual deeds to accommodate their local conditions.</p> |

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| | Office and practices in other jurisdictions and the private sector. | | |
| <p>Commissioning Model: Boundaries, Number of Providers, Tender Process, Length of Licence, Contracts R 66, 67</p> | <p>The commissioning model for a rebuilt Commonwealth Employment Services System include:</p> <ul style="list-style-type: none"> • A review of employment regional boundaries leading to a substantial increase the number of regions to better reflect natural labour markets and communities of interest, aligned as much as possible with Disability Employment Services and the Community Development Program. This should include mechanisms for periodic review. • For the generalist case management service, one partner per location, acknowledging that this may mean more than one partner per region; • for the youth specialist service, one partner per location, acknowledging that this may mean more than one partner per region; and • specialists commissioned to support target cohorts with priority on people from culturally and linguistically diverse backgrounds, people with disability, ex-offenders, and First Nations peoples, some of which may operate across more than one region utilising flexible servicing models. • Procurement for generalist and youth case management services and specialist service partners continue to be undertaken centrally but adjusted to include: | <p>Supported in Part</p> | <p>While NESAs supports a review of employment regional boundaries to better reflect natural labour markets and communities of interest, aligned as much as possible with Disability Employment Services and the Community Development Program, NESAs considers jobseekers need to have some choice and control over which provider they wish to be serviced by and hence is not supportive of a strict one provider per location approach for mainstream services. Further, two providers should be considered per location, particularly in areas of higher population density, if only having one provider raises the prospect of major business continuity issues if they are forced to exit the market.</p> <p>NESAs considers that provision of a broader youth specialist stream should retain the non-compete model of Transition to Work; however, one partner per location needs to be considered in the context of viability issues and providing young people with some choice and control as to who can meet their individual needs (ie a generalist provider in close geographical proximity to a client may be preferred over a specialist provider some distance away who is difficult to physically access).</p> <p>Longer licence terms are supported; however, it should be noted that the current form of annual performance reviews under Workforce Australia can see providers ousted at any time and this adds to uncertainty and instability of the sector. The current performance framework will need significant revision if longer term contracting is to be realised in practice. Under a relational contracting model, providers need to be provided with sufficient time and performance feedback to enable their performance to grow and mature. The current work first approach is a key part of the performance model under Workforce Australia and continues to drive attainment of short to medium term employment outcomes as providers risk losing their contract if these are not achieved.</p> |

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| | <ul style="list-style-type: none"> • a simplified tender process, to reduce barriers to entry for smaller and community-based organisations; • a requirement for providers to demonstrate capacity to deliver targeted services to participants in their employment region; and • priority for service partners which are able to demonstrate strong local and community connections and a proven track record in place. <ul style="list-style-type: none"> • Consider longer license terms for all providers, using Belgium’s approach which involves nine-year contracts with three-year renewals, with staggered re-tendering so that only one third of the provider market is subject to review at any one time. <p>Australian Government include efficient business transmission mechanisms into contracts for employment services. These should provide for:</p> <ul style="list-style-type: none"> • increased use of government assets in the delivery of assistance; and • the transfer of facilities, assets, and equipment (and potentially staff options) when a provider is replaced in a location. | | <p>NESA urges Government to exercise caution in considering the recommendation that the Australian Government include efficient business transmission mechanisms into contracts for employment services including transfer of facilities, assets, and equipment (and potentially staff) when a provider is replaced in a location, as this does not take into account that many providers, not for profits and companies alike, have provisions in their Constitutions for how assets are to be treated in the event of business failure. Heavy handed provisions could be struck down as unfair, a misuse of the Commonwealth’s bargaining power and outside the power of Government and also need to be considered in the context of insolvency legislation. NESA therefore support more enabling and mutually beneficial provisions, based on negotiation within the parameters of the law.</p> |
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| <p>First Nations Specialist Services R 68</p> | <p>Australian Government prioritise the recommissioning of First Nations specialist services in areas with high populations of First Nations jobseekers and jobseekers from culturally and linguistically diverse backgrounds. Priority should be given to commissioning Aboriginal Community Controlled Organisations.</p> | <p>Supported in Principle</p> | <p>NESA considers choice and control as to a preferred provider should be available to Indigenous jobseekers and the communities in which they live and urges the Government to consult with individual communities as to their preferences in this regard. In smaller communities, for example, there may be a preference to bring in an external provider, who does not have close ties to particular groups within the community.</p> <p>It is unclear whether this recommendation seeks to include the current Community Development Program within its scope and NESA therefore urges Government to consider the consultations already undertaken by NIAA for the future of that program before making a broader decision in relation to this recommendation.</p> |
| <p>Commonwealth Involvement in Direct Service Delivery R 69</p> | <p>Australian Government implement trial arrangements to rebuild public sector understanding of and capacity to deliver high-quality services while broader reforms to the employment services system are progressed, including:</p> <ul style="list-style-type: none"> • consideration of the Commonwealth taking over the direct delivery of employment services in a small number of places, suggested to include the Australian Capital Territory; and • implementing arrangements where the Commonwealth partners with a service | <p>Supported in Principle</p> | <p>If Government supports this recommendation, NESA urges Government to develop a clear and objective policy framework setting out when and how Government would select and act to directly deliver services. Prior to developing a policy framework there needs to be a clear articulation as to the problem Government is seeking to solve and the goals it is seeking to achieve as well as a thorough assessment of options that could address the problem in consultation with the employment services sector.</p> <p>A key consideration is fairness and parity of resourcing for Government as provider and resourcing made available to the non-government sector to deliver similar services. To ensure equity of resourcing and fair pricing models for both Government and non-providers, if this recommendation is supported by Government, NESA</p> |

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| | <p>provider in target regions and for target cohorts, including to provide coordination and mapping supports and some direct delivery of services.</p> | | <p>strongly recommends that the funding model be considered by the proposed Quality Commission. This would also provide a strong evidence base to compare government and non-government service outcomes.</p> |
| <p>Funding Arrangements: Co-Designed, More Upfront, Loading, Role of Quality Commission, Additional Service Fees R 70, 71</p> | <p>Funding arrangements for a rebuilt Commonwealth Employment Services System be the subject of co-design based on a more relational contracting model and include:</p> <ul style="list-style-type: none"> • Additional upfront funding based on a block- or activity-based funding model. • Payments for employment outcomes, with the proportion of payments claimable against outcomes substantially reduced relative to the current system. • Payments for other appropriate outcomes that help a person progress towards employment. • Bespoke grant and other flexible funding arrangements for specialised services such as work experience and engagement with social enterprises. • Additional loading to enable higher intensity supports for jobseekers in target cohorts, including migrant and refugee jobseekers and jobseekers with disability. | <p>Supported</p> | <p>NESA strongly supports that the rebuilt employment services system allows for experimentation and innovative approaches with a view to building a broader evidence base on what works using a try, test and learn approach. To enable this part of the recommendation, NESA considers experimental approaches be excluded from the overarching performance framework and be subject to rigorous evaluation and action research.</p> |

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| | <p>Employment Services Quality Commission be responsible for:</p> <ul style="list-style-type: none">• advising government on funding models and recommended pricing for quality services;• preferred approaches to funding service partners;• monitoring and reporting periodically on the system's overall operating costs (including transactional and other costs relating to a quasi-market) so there is greater transparency for government and the public. <p>The system should allow for experimentation with different potential funding models to evaluate and learn what works most effectively and efficiently.</p> <p>While alternative funding arrangements are developed a second service fee be considered if a person has not secured employment for 12 months balanced by a corresponding reduction in the outcome fees so as not to increase the overall cost to the Budget.</p> | | |
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| <p>Performance Management: Review of Arrangements, and Potential Pause, Contract Compliance Removal R 72</p> | <p>Australian Government review existing performance management arrangements for providers, and co-design and implement a new framework as a high priority, including:</p> <ul style="list-style-type: none"> • simplifying performance management and assessment; • reducing focus on blunt, time-based employment outcomes; • consideration of additional measures such as job quality, human capacity-building, and employer support; • focus on working with providers to improve performance rather than imposing sanctions; and • removing measures relating to contract compliance. <p>While the review is conducted and the new framework designed, the Australian Government may elect to pause formally assessing providers against the existing performance framework.</p> | <p>Supported</p> | <p>NESA recommends this recommendation be progressed as a matter of urgency and be considered in the context of the upcoming 2024 Budget given the current performance management system is having a significant impact on sector sustainability and capability.</p> |
| <p>Agreements with Victoria and Tasmania:</p> | <p>Australian Government urgently explore (in advance of the next Victorian and Commonwealth Budgets) the striking of an agreement with Victoria for a demonstration</p> | <p>Supported</p> | |

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| <p>Demonstration Partnerships R 73, 74</p> | <p>partnership for the delivery of the Jobs Victoria program and the integration of that program into the Commonwealth system on a fixed-term basis in regions of high disadvantage. This should include governance arrangements, measures to enable sharing of information and labour market insights, a robust monitoring and evaluation framework, and arrangements for co-investment.</p> <p>Australian Government seek to negotiate an agreement with Tasmania for a demonstration partnership in relation to the Jobs Hubs program including: funding arrangements, measures to enable sharing of information and labour market insights, a robust monitoring and evaluation framework, and arrangements for co-investment.</p> | | |
| <p>Transition Plan for New System by End 2024 R 75</p> | <p>Australian Government develop and publish a transition plan for the rebuilt Commonwealth Employment Services System by the end of 2024. The plan should be reviewed and updated on a regular basis to reflect the progress of implementation of recommendations in this report.</p> | <p>Supported</p> | <p>While this recommendation is supported, NESA also recommends that the plan include or be accompanied by a clear roadmap for any rebuilt system with clear timeframes and decision-making points, stages and milestones, co-design and consultation processes, and governance arrangements.</p> |

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| | | | <p>NESA also urges Government to support and act swiftly on recommendations identifying critical issues with the current system as a matter of priority, ahead of the development of a longer-term plan and roadmap. These include:</p> <ul style="list-style-type: none">• reforms to the IT system functionality and ensuring all service partners can access information they enter into the department’s IT systems• co-design of changes to the performance management framework and• the establishment of dedicated channels into Services Australia for service partners. <p>NESA urges Government to consider funding these reforms as part of the 2024 Budget process.</p> |
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