

Remote Jobs and Economic Development Program Discussion Paper

June 2024

**RESPONSE OF THE
NATIONAL EMPLOYMENT
SERVICES ASSOCIATION**



nesa 

Overview

NESA supports the principle underpinning the new Remote Jobs and Economic Development program (RJEDP) to shift to place-based, local and community led decision-making, so that local communities can come up with employment solutions that are relevant and appropriate to their needs and context.

The high-level nature of the consultation and information about the program design limits our ability to provide informed and comprehensive feedback. Further detail is required to better understand how and whether this program will work, including: whether the program will work in all regions or whether it is capable of working in 'thin market' regions at all; who will be responsible for leading and decision-making under the grant, and directing roles to be undertaken; or whether the program will result in 'meaningful' employment that is culturally safe and appropriate for job seekers.

Build an evidence base of what works

There remain significant concerns as to the lack of a strong evidence base¹ informing the program design of the RJEDP. There are also concerns regarding the lack of engagement/consultation on what the new program will mean for remote employment service providers, and how they will operate both alongside of, and within the new RJEDP.

Given the rushed and, in many cases, 'too early' evaluations of the CDP trials, it is critical that an evaluation plan for the RJEDP is ready to go from the first day RJEDP is rolled out to capture appropriate baseline data. It is also critical that sufficient time be allowed for conducting an evaluation of the program, including enabling the program to mature before it is evaluated or provide for staged evaluations points at mid-term (1 year), and longer-term periods (2-3 years). Without this evidence, and being patient for data and results to emerge, we will continue to have an ongoing gap in knowledge as to what works or doesn't work in remote communities. There also needs to be close monitoring and flexibility in the early stages of implementation to troubleshoot any design features which may limit achievement of the new program's theory of change.

It is also recommended that the CDP trials remain funded and be allowed to continue until they can be fully evaluated. Where programs are found to work and be successful, they should also be allowed to continue under the RJEDP as business-as-usual operations.

¹ The Auditor General Report noted that 'the January 2024 advice to government ...on high-level features of the proposed [RJEDP] were informed by consultations and trials, however, did not include evidence from experiences of the CDP, 1000 Jobs Package, or NJPT'. See Auditor-General Report N0.29 2023-24 *Remote Employment Programs*, p83

Government Stewardship and Accountability will be an essential component of success

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 remote employment services system. NESA strongly recommends there be service level agreements for Government departments/agencies involved in delivery of employment services to ensure effective operation of the RJDEP and the remote employment service system. These 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.

Clear principles should guide government decision-making

There should also be clear principles to guide the development and implementation of the new RJEDP. 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/program participants should be of paramount concern. Other principles should include: fairness and competitive neutrality; client choice; accountability and transparency; evidence-informed decision making; cultural safety; 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 community stakeholders under the RJEDP, and how this program will engage external employment service providers.

The Australian Government's role under the RJEDP should clearly articulate its responsibilities and roles of stewardship, coordination, supporting innovation, quality and best practice, and workforce support and development. As part of this, the Government should have a strong regard to the human rights and dignity of jobseekers and support for, and understanding of, the challenges for providers and employers.

Consultation and genuine co-design

Many of our providers, and those in communities are consultation weary.

Our providers are also weary of constant change and lack of certainty and consistency. They are weary of finally getting something to work, then finding the program and funding is abruptly ended, without opportunity to extend, for example, their pilots into business as usual. For example, there are significant concerns that the evaluations of the CDP trials were started too early and rushed through before results could be properly observed, or even before some of the programs had fully commenced. There are significant lessons to be

learned from this, including the need to allow successful CDP trials to continue so that they can be effectively evaluated, and lessons learned and shared, and where appropriate, trials incorporated into business as usual.

While the consultation process includes a 'journey map' articulating the envisaged role for remote employment service providers, consultation on this role is yet to occur, pending final consultations on the RJEDP. The risk with this process is that much of the role of service providers will potentially be pre-determined before consultation on the new employment service program has even begun. Service providers are understandably anxious about the future. The roll out of the RJDEP and the new employment service all have a significant impact on the financial sustainability and future of many providers, the wellbeing, mental health, and retention of the sector's workforce, and the best interests of jobseekers.

Broader questions are also being asked as to how the RJEDP fits within the Government's broader employment services system reforms.

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. Lessons learnt from the implementation of Workforce Australia should not be repeated in any employment services redesign and roll out. NESA strongly advocates that a roadmap be developed setting out the stages of reform, timeframes, accompanying consultation processes and key government decision making points that also demonstrate how they align with the broader employment service system reforms.

NESA strongly urges government to ensure its co-design and consultation processes, are authentic and genuine, and are not rushed, allowing sufficient time for remote stakeholders to respond and engage. Many members have the view that they have been provided with insufficient notification of RJEDP consultations, or changes in times/places of consultation sessions. Consultation should also be extended to stakeholders with a key role in designing any future new system, particularly education bodies and schools.

RESPONSES TO DISCUSSION PAPER QUESTIONS

Consultation Questions	NESA's Response
Understanding the RJED program	
<p>What parts of the program do you think will work well or not work well in remote communities?</p>	<p>What will work well</p> <ul style="list-style-type: none"> - The shift to place-based, local and community led decision-making to develop local employment solutions and addressing barriers to employment. - A strong success factor will be contract/grant continuity. This will enable the building and solidification of key stakeholder relationships and local partnerships with a view to continuous improvement. Grant mechanisms should be coupled with flexibility to enable communities to adapt to changing community needs and circumstances. <p>Some potential obstacles to success include:</p> <ul style="list-style-type: none"> - Access to departmental support: <ul style="list-style-type: none"> o Employers (particularly smaller employers) may lack both the knowledge, capacity and capability to develop grant proposals, or acquit their obligations under grants. o Employers will need direct and immediate access to support through the Department. Support will need to be effective, proactive and responsive to employer needs so that employers are able to work with local communities to plan for, develop, implement and acquit the grant terms, including reporting responsibilities on milestones, and finances. o There should also be transparent reporting of outcomes and learnings from different grants under the RJEDP. - Time and resources to develop a credible evidence base for what works: <ul style="list-style-type: none"> o Investment of both time and resources needs to be made in developing an evidence base of 'what works'. <p>This includes: capturing baseline data; clarity on how successes are to be measured; and sufficient time post commencement to allow the program to be sufficiently established before any evaluation is conducted.</p>

- This is to guard against issues that arose under evaluations of the CDP trial projects, particularly regarding the lack of baseline data captured, and insufficient time allowed to establish the programs prior to commencement of the evaluation.
- The Government should fund independent evaluations of grant projects and provide guidance and support to prospective grantees) on developing program logics and evaluation frameworks for their programs appropriate to the market context (strong or thin labour markets).

- **Need for clarity on roles and responsibilities:**

- Grants must be very clear as to who will be responsible for what in implementation of the grant. This includes what role NIAA will play; what the employer is responsible for; and the role of any third parties (such as employment service providers). Expectations need to be realistic and achievable.
- It is not clear what the role of employment service providers will be given the consultation has not focused on this role.
- Any additional roles/responsibilities for third parties anticipated under a grant (such as employment service providers who are not grant recipients), **must be appropriately funded to perform any role under RJEDP grants** that are **in addition to any standard funding** arrangements (ie. not as part of employment service provider funding contracts). For example, if a service provider is expected to provide mentoring of a new employee under a grant, there must be additional funding available under the RJEDP; for example, for recruitment of the mentor, accommodation, and transport to the employer (or other essential expenses relevant to the location and service provided). This similarly applies to any other third party such as external trainers, or other support services. If this can or will not be funded under the RJEDP, then the communities need to be clearly informed of what can/cannot be funded to support their program prior to applying for the grant.

- **The administration, and governance must be simple, funded and supported:**

- A high administrative burden upon an employer (as the grant recipient) and any third parties will be a significant impediment to success. The Government should have supports available (where required) to help an employer apply for a grant; and to build their capacity to create pathways into ongoing employment.
- There should be administrative, financial and governance support, particularly for small ACCOs to ensure that they are successful not only under the Grant, but also in providing business support to assist in understanding their obligations as employers (eg., under the Fair Work Act, OH&S, insurance etc). Small employers will need funding that includes administrative support to ensure the administrative requirements of the grant are also met.

- Lessons should be learned from failures within the current DEWR IT system to fully support employment service provider functionality, and ensure that the functionality of IT systems to be used under the grant minimise administrative burden upon grantees, and align with data to be captured by employment service providers so that high quality data sets are developed to build an evidence base of what works and what doesn't work within the new RJEDP.

- **Thin labour markets:**

- It is not clear how well this program will work in areas of thin labour markets. This program appears more suited to areas where there are already good employment opportunities or prospects, and where a high proportion of job seekers are already 'job ready'.
- The current proposal suggests that this program is more likely to succeed where there is access to larger employers who have the capacity to create additional pathway jobs, and there are also job seekers ready for employment.
- It is also questionable as to how 'meaningful' jobs will be where there are limited employment opportunities, and a significant gap between the size of the labour force and the number of jobs able to be generated in the local economy.

- **Infrastructure**

- Success of the program will be dependent upon investment in and building of appropriate infrastructure prior to commencement of the program. This includes affordable/subsidised housing and accommodation to support the creation and provision of the proposed new 3000 jobs.
- Regions are already under intense housing pressure. Current employers will often only attract people to employment if they are able to provide housing/accommodation, often this may be on a house-share basis given the current lack of available housing. This sort of accommodation is not always suitable or attractive for all employees.
- Employment invariably requires travelling long distances, or transportation (suitable to a remote region) to reach their job. Lack of suitable transportation, funding for costly fuel, or even a driver's licence may be prohibitive factors to a remote job.

- **Provision of socio-economic support**

- The opening of new job positions needs to be accompanied by the reality of the nature of the workforce in local areas. Job seekers may experience one or several of the following socio-economic factors: low level of education; limited opportunities for training; poor health and/or mental

health; current and/or historic experience of trauma; transport difficulties; caring responsibilities; or issues related to alcohol and/or drug use.

- Job seekers will need access to social networks to facilitate employment; as well as flexible working conditions relevant to their local area, such as the ability to take leave to travel eg., to buy groceries or attend medical appointments, or ceremonial obligations, and be sufficiently incentivised by financial security to shift from Centrelink payments.

Further information required on details of the program

- Much of the feedback is limited by the lack of clarity on: details of the proposed program; the future role of employment service providers, as well as how they will intersect with the RJEDP. The following are some initial questions raised by employment service providers:
 - **New employee:** What factors might 'end' their employment? What will happen to their Centrelink payments while they are working (including other payments including housing/other benefits)? What will be the process to get those people back on Centrelink if they end their job, or it doesn't work out? What will be the process to re-connect them with an employment service provider? What will happen with mutual obligations? How will they be incentivised to sign on, and stay on an employment pathway?
 - **Job seekers:** What will happen with those that are not 'job ready' and therefore not eligible for any of the 3,000 jobs. How will they be incentivised, rather than disincentivised under the new RJEDP? What of people with disability or caring obligations? Will there be access to specialist advice/support from other Government departments, or learnings shared from other Departmental programs such as the new specialist disability employment service (DSS), or TTW (DEWR) in supporting youth?
 - **Engagement:** What will engagement look like under the RJEDP? Who will be responsible for leading the engagement? What is the role of employment service providers in this engagement and how will they be funded for that?
- Given the lack of consultation on the role of employment service providers there remain a lot of questions as to what specific role providers will play in this space.
 - What will be the role of employment service providers under the RJEDP, and how will it intersect with the RJEDP? Will it involve case management, or only training/mentoring? What is envisaged as the role of providers in post placement support? Will that vary grant by grant, or will there be an overarching expectation that certain types of support will be available from providers to all grant recipients? What is the role of providers in ensuring job readiness, particularly beyond the anticipated 3,000 new jobs?
 - What is envisaged by the proposal that employment service providers will provide 'mentoring'?

	<ul style="list-style-type: none"> ▪ Is mentoring envisaged as being more than just developing skills/training of the employee, or ▪ is it also envisaged as providing cultural support/mentoring to a job seeker to ensure that they are culturally safe in the new organisation? ▪ Will there be a general expectation as to what mentoring will involve, or will that mentoring role vary grant by grant? If so, will there be specific funding available under the RJEDP to fund employment service providers to address the different requirements of each grant? ▪ Will providers also be required to mentor/support the employer, and if so, how?
<p>What would you change about the program?</p>	<p>A broadened remit</p> <ul style="list-style-type: none"> - The current design is restricted by its short-term horizon of the creation of 3,000 new jobs. It is difficult to see how this differentiates between previous proposals of similar short-term ambition. For a longer-term impact upon regional economic development and system reform, NESAs recommends Government consider learnings from the USA Workforce Development Boards, and establish: <ul style="list-style-type: none"> ○ Regional boards empowered to administer economic development/employment grants and provide support to the stakeholders appropriate to the local needs and circumstances. These Boards could address barriers to employment in the region; and should be empowered to be agile, and responsive to emerging needs and opportunities. ○ These Boards could coordinate the economic development of the area, and be comprised of community leaders, local industry and business, employment services providers, schools, VET sector and charities. They could help business and industry meet both their present and future workforce needs and develop regional strategic plans and set funding priorities for their areas. A significant gap in the current program is the lack of engagement with schools and the education system to address youth unemployment in the regions, and address early development of skills, training and opportunities to transition to further education and/or work. ○ These boards could work with employment service providers to help workers acquire skills and development to fill and retain local workforce needs; and forge economic development partnerships to help their local community prosper and participate in the broader national and international economic market. ○ The Boards should also be empowered to capture and analyse data to understand the local skills needed in their local area to inform training courses, programs and credentialing required. They could use this data to advise governments, communities, business, industry and service providers as to what works to get people into and maintain jobs and meet skills shortages, and economic development opportunities.

- The RJEDP should not only fund new jobs, but also fund new business developments, and encourage self-determination of First Nations people to develop their own businesses and employment opportunities.
 - o Consideration should be given to expanding the program to include a business creation component to ensure longevity of the program and enable business to develop and be independent of government, creating jobs that don't disappear when government funding ends.

The need for a social and economic model:

- Other recommendations include ensuring that the overarching social, and economic participation and wellbeing of individuals and communities are an essential component of the new program. To be successful, ongoing barriers to economic participation must be addressed.
- The new program should work within a continuum of individual and community wellbeing including: social and economic inclusion and participation; community and individual development; and employment and post-employment supports with a case management approach that recognises this continuum. For example, this could include investment in work experience and training programs, particularly for those who are not 'job ready', or who have been unemployed long term; as well as mechanisms to incentivise (rather than penalise for non-participation) to engage job seekers in work training, experience or employment opportunities.
- Wellbeing should be a required component of the RJEDP. There should also be express inclusion of allied health, mental health, cultural safety and wellbeing components as part of a broader model, in recognition that both new employees (those within the 3000 jobs) as well as those seeking employment, may have undiagnosed disability and mental health issues; or history or experience of trauma. Focusing on wellbeing can also be a protective factor against poor physical and mental health, family dysfunction and poverty.
- Reciprocity could be a feature of individualised tailored agreements (as opposed to current approaches to mutual obligation) having regard to the wellbeing consequences arising for individuals, their families and communities from low economic participation. This should be informed by an evidence-based, 'what works' approach to consider where fair reciprocal obligations could or would sit in any new program.

Build a strong evidence base of what works

- The RJEDP should include a requirement to build an evidence base, to determine successes and learnings from the trials, particularly given insufficient time was allowed to obtain learnings about what worked, and what did not work under the CDP trials.
- The Government should *continue to evaluate the CDP trials*, while also establishing an evaluation framework for the RJEDP.

- If the CDP trial projects are found to be successful – *then they should be funded and continued in addition to the RJEDP, or instead of the RJEDP.*
- It is both disruptive and disheartening to existing community stakeholder relationships and job seekers to be engaged in successful projects and activities, only to have them abruptly ended given the next 'bright and shiny idea' of creating 3000 new jobs has emerged.
- Given the Government's learnings from the rushed and limited evaluations of the CDP trials, it must:
 - allow sufficient time for the development of a program logic and evaluation framework for the RJEDP; and have this in place **prior** to the rollout of the RJEDP.
 - provide an appropriate information system that is fit for purpose, available and accessible to employers, service providers, and local communities, and capture baseline data from day 1 of the program.

To support quality evaluations, the Government will also need to invest in training and administrative/IT support for employers/local communities where they are unfamiliar with the IT platform so that data is captured consistently and accurately from the day of commencement of each grant.