

The **National Employment Services Association** (NESA) welcomes the opportunity to provide feedback on the draft Grant Opportunity Guidelines (GoGs) for the new Remote Australia Employment Service (RAES) program.

As the peak body for the Australian employment services sector, NESA strongly supports the intent of the Government to deliver a program specific to remote Australia that reflects remote labour market conditions and accommodates the unique needs and circumstances of remote job seekers.

In the spirit of constructive collaboration, we respectfully offer the following feedback and recommendations.

## 1. Participants First – Prioritising the Best Interests and Voice of job seekers

At its core, the RAES Program should serve and prioritise the needs, aspirations, safety, and dignity of job seekers in remote Australia. This requires embedding **participants** as the central pillar of all service delivery.

In differentiating from the Community Development Program (CDP), the draft GoGs state that the program is focused on 'participants and tailoring services to deliver community and participant needs.' Throughout the GoGs the interests of the participant and the interests of the community appear to be of equal value, and it is not clear how the interests will be balanced when they don't align.

### *Recommendation:*

- The guidelines should clearly articulate a 'Participant First' principle to underpin the program in both service design and delivery, so that the participant's voice and needs are prioritised and recognised. This is particularly important where there is a difference between the participant and the community needs, or a conflict of interest.
- We also recommend greater flexibility within the Guidelines to enable place-based, and context-sensitive delivery. While there are components of RAES that will be broadly applicable to all service delivery contexts, there must be sufficient flexibility both within the guidelines and service delivery to enable providers to respond appropriately to the specific needs, aspirations and circumstances of each community.

## 2. Duration of the Grant and the impact on viability and continuity

It is not 22 months as the draft GoGs suggest. The proposed contract length of only 20 months (1 November 2025 – 30 June 2027) with the possibility of two 12-month extensions. This falls woefully short of the time required to support the scale and ambition of the RAES program, particularly given the intention to hold a competitive grant process. This short-term grant period drastically undermines providers' ability to plan, invest, and deliver sustainable outcomes in remote communities, let alone recruit and retain staff to deliver the program.

Short-term contracts create significant barriers to securing the essential infrastructure needed to deliver high-quality services. Providers face challenges in securing leases for suitable premises as

landlords are often reluctant to offer leases shorter than three to five years. In some cases, providers risk losing existing premises due to their inability to guarantee tenancy beyond the proposed contract period. It is costly to constantly re-negotiate new leases, including the internal resourcing required and legal costs for establishment. Similar constraints apply to vehicle leases and other capital investments required for remote operations—leasing cars or equipment for such a brief period increases costs and administrative burden or may be outright unviable in many remote markets.

Workforce stability is also impacted by short term contracts. Short contract terms reduce the ability to attract and retain skilled staff, particularly in remote regions where recruitment is already challenging. Talented professionals are unlikely to relocate or commit to a position with no certainty beyond 20 months. This uncertainty fosters high staff turnover, places a greater load on existing staff impacting their wellbeing; reduces continuity of service for participants; and impairs the development of strong, trust-based relationships that are essential in remote and culturally diverse communities. There is a significant risk that given the short nature of the contract where staff cannot be recruited or retained, some communities may have to resort to fly-in-fly-out workers to maintain service delivery.

A 20-month contract period is also insufficient to determine whether the RAES program is achieving its intended outcomes, as it does not allow adequate time to establish the program, address early implementation challenges, or fully assess how well participants are engaging with and benefiting from the new model. While the GoGs promote a key difference with the CDP as including 'implementation and evaluation' of 2 enabling pilots, a 20-month pilot is highly unlikely to provide sufficient data or evidence to 'test assessment processes and tools' or 'identify best practice'. The NIAA is well aware of the extensive lead in time required to commence new projects under CDP given the complexity involved in establishing (let alone evaluating) new pilots in remote locations of Australia.

A five-year contract term would better align with the program's long-term goals and provide the stability necessary to build strong partnerships, support community-led initiatives, and deliver evidence of what works, including measurable, lasting outcomes for participants. It is not clear why five-year contracts cannot be offered, particularly given the new Inclusive Employment Australia model will be a five-year contract, and the program will also be subject to future employment services reforms expected from 2027.

*Recommendation:*

- Participants, the community and the sector deserve certainty and continuity. NESA strongly recommends the grant be for five-years (minimum), enabling future change through standard variation mechanisms.

### **3. Performance Frameworks that Reflect Remote Realities**

There is currently scant detail available regarding what the performance framework will look like, and how the outcomes will relate to the realities of remote Australia.

NESA strongly supports the inclusion of a robust performance framework within RAES; however, this must be tailored to the realities of remote Australia. Traditional metrics such as 4-, 12-, and 26-week employment outcomes may not be fit-for-purpose in remote contexts, particularly given the nature of available work, cultural obligations, and the evolving Remote Jobs and Economic Development (RJED) model. Any performance framework must allow for flexibility of service delivery within the local context. It should also provide a broad definition of success that includes and reflects community-led outcomes, social enterprise participation, cultural engagement, and incremental pathways to economic participation.

The performance framework should also include an emphasis on demonstrable community impact and a provider's contribution to long-term community supported change. This could include recognition of strong case management practices, the building of local capability, and qualitative feedback from communities and stakeholders. Ensuring performance measures are meaningful in remote contexts will not only provide a more accurate picture of provider performance but also foster innovation and accountability grounded in local priorities.

*Recommendation:*

- It is recommended the NIAA release detail regarding the proposed performance framework so that prospective providers can have certainty regarding any required risks and metrics, while ensuring their grant application also reflects community realities and aspirations.

## **4. Evidencing Community Connection and Knowledge**

While the RAES program is rightly framed as a national initiative for remote Australia and not exclusively a First Nations-specific program, it is recommended prospective providers be required to demonstrate established relationships, deep local knowledge, cultural credibility, and a sustained presence within the communities in which they are proposing to deliver the service.

Given this is a competitive grant process this evidence could be supported through expanding requirements under the GoGs to provide detailed qualitative evidence demonstrating the prospective providers history of working with the community, their established connections, and positive impact brought through this relationship.

## **5. Character Limits and Grant Submission Constraints**

The proposed 6,000-character (approximately 1,000-word) limit per selection criterion is insufficient for a program of the scale, complexity, and significance of RAES. To provide a meaningful and well-rounded narrative, we recommend increasing the total word allowance to 20,000, structured as 4 x 5,000 word fields (120,000 characters). This would enable providers to articulate their approach in a way that reflects the depth of local engagement, demonstrates respect and value within community, and provides practical detail on service design and delivery.

While we understand the intention to streamline assessment processes, the current limits inadvertently favour applicants who are adept at using templated responses or artificial intelligence tools, rather than those with the most authentic local knowledge and experience. The current structure may also duplicate effort, with significant information split between the Project and Risk

Management Plan and narrative responses. We suggest the Department review this balance to reduce duplication and ensure that the most critical information can be included in the main submission and weighted accordingly.

Additionally, we recommend expanding the size limit for the grant and attachments, currently capped at 10MB, as this further restricts an applicant's ability to provide supporting documentation that evidences the strength, legitimacy, and applicability of their model to the community context. Flexibility in both narrative and attachment parameters is essential to ensure providers can present a genuine and complete picture of their capability and connectedness to deliver services in communities in remote Australia.

## **6. Training, Capability Uplift and Network Consistency**

The model incorporates capability uplift of providers. To achieve this, NESA recommends that the NIAA invest in and deliver high-quality, fit-for-purpose training modules at no cost to providers. Training should be available to ensure consistent service standards, equitable access, and targeted capability uplift across the RAES network.

It is also recommended that any mandatory training should be **staged**, with only core modules required at commencement, and further learning delivered progressively over the life of the grant. This recognises the limited capacity of frontline staff to absorb large volumes of information during induction and supports a more sustainable, ongoing professional development model.

Resources should also be regularly reviewed and updated in line with changing service requirements. NIAA should also ensure the IT infrastructure supports reliable and user-friendly access to online learning, especially in remote regions.

## **7. Funding model**

### **1) Remote Loading and Cost Recognition**

NESA strongly supports the inclusion of a Remote Loading payment, recognising the significantly higher cost of delivering services in remote Australia. This support is shared widely across the sector, acknowledging the real logistical, geographic, and infrastructure challenges providers face — particularly in very remote areas.

However, there are concerns with the proposed fixed, tier-based model. A single, region-wide payment fails to reflect variation in caseload size, community dispersion, or service complexity. In regions with multiple providers, this approach risks diluting the effectiveness of the loading — particularly in very remote communities with poor roads, or hard to reach communities requiring inter-island transfers.

NESA recommends that remote loading be more equitably distributed by directly connecting the loading with the providers caseload, and paid as entitlements fall due. This would ensure a fairer and more responsive allocation of funding.

## **2) Annual indexation**

NESA recommends that all RAES grant payments be subject to annual indexation in line with the Consumer Price Index (CPI) to ensure funding levels remain responsive to changing economic conditions. Providers operating in remote regions face acute and rising operational costs—including increases in wages, fuel, transport, insurance, and accommodation—that are often magnified by geographic isolation, weather events, and limited supply chains.

Annual indexation is essential to support the long-term viability of the program, retention of qualified staff, and ensure that providers can continue to deliver effective, community-led employment services in remote Australia.

## **3) Funding Model- need for Simplicity and Flexibility**

NESA supports the principle of non-acquitted core payments but is concerned that the proposed funding model introduces unnecessary complexity. Treating 75% of payments as unacquitted grants while imposing restrictions on their use risks recreating the uncertainty of past programs like the Participation Account, where providers were reluctant to spend funds for fear of breaching unclear rules or facing clawbacks.

If acquittals are not required, restrictions on eligible expenditure should be minimal and guided by clear principles rather than prescriptive lists. The Department already holds the authority to request financial information under existing Head Agreements, which should continue to be applied based on risk, not through blanket controls.

We also recommend that the Community Projects component (which *does* require acquittal) be separated from provider payments and allocated as a fixed amount per participant. This would ensure fairness and transparency while reducing complexity. Any unspent or excess funds—whether from provider budgets or the community project pool—should be able to be reinvested into genuine community initiatives, supporting lasting local benefit without unnecessary red tape.

## **4) Clarity on Employment Placement Support and Outcome Fees**

NESA requests greater clarity regarding how employment placement support and outcome fees will operate under the RAES program. Key details remain unclear, including how payments are calculated, what activities will trigger a payment, documentary evidence requirements, and how outcomes are treated in cases involving related entities, multiple placements, or even where employers decline subsidies.

If the program is going to adopt 4-, 12-, and 26-week outcomes payments, then it should also be clear how providers will be paid, and whether payments will be frontloaded in recognition of the significant early investment required particularly at the time of placement. All these factors are important for a prospective provider's internal due diligence and financial modelling to determine whether the grant is financially viable.

It is also unclear why Employment Placement Support payments are separated from Outcome Fees, raising concerns about potential administrative burden that may overshadow the intended support function.

We also note the significant reduction in employer incentive payments under the proposed model, which may reduce employer engagement and impact placement outcomes. To avoid inconsistency, we recommend a standardised approach to the employer share of outcome fees, with a fixed percentage set by the Department and clear provisions for instances where the employer opts out. Finally, we urge the Department to prioritise ICT enhancements to simplify evidence requirements and reduce red tape for providers.

## **5) Incorporate JSCI and ESaT activities as part of the Service Fee**

NESA also questions the validity of isolating Job Seeker Classification Instrument (JSCI) and Employment Services Assessment (ESaT) activities as separate \$75 payments within the RAES funding model. This approach risks unintentionally incentivising assessments irrespective of appropriateness, raising concerns about the overall integrity of participant servicing. It is also unclear who will conduct these assessments, or whether the current system has the capability to deliver them effectively—particularly given the ongoing backlog of ESaTs and the concurrent rollout of the Inclusive Employment Australia program.

Rather than introducing an additional administrative burden and risk of a potentially perverse incentive, NESA recommends integrating the costs of any necessary assessments into the broader participant service fee. This would streamline funding, reduce red tape, and allow performance expectations to be addressed through the provider performance framework, rather than transactional payments.

A more effective approach to assessments would be to ensure each participant receives a high-quality, holistic assessment that genuinely informs their pathway to employment. To support this, a flexible funding pool could be made available for providers to commission appropriate allied health or specialist assessments where needed, ensuring tailored support without unnecessary system-driven processes.

It is also essential that the IT system is equipped to support timely and accessible assessment processes to avoid previous experiences of delays and limited availability that have hindered effective referrals.

## **6) Right Fit for Risk (RFFR) Funding**

NESA welcomes the establishment of a \$6 million program-wide funding pool to support providers expanding their footprint in meeting Right Fit for Risk (RFFR) accreditation requirements. This is a positive step, acknowledging that the previous \$25,000 allocation for CDP providers was wholly insufficient given the significant setup and compliance costs associated with RFFR.

To maximise the benefit of this investment, we recommend that any underspends within the RFFR funding pool be redirected to support providers—particularly those in remote regions—with demonstrated need for ICT infrastructure upgrades. Reliable digital infrastructure is critical to delivering consistent, high-quality services in remote Australia, where connectivity challenges often necessitate more expensive and complex technical solutions to ensure continuity and security of service.

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