

- Our priority is to roll out a new Employment Services Model that assists a range of stakeholders including employers, job seekers, providers and Government.
- What I really want to focus on and one of the most critical outcomes we are looking for is that we need to refocus provider effort to job seekers with higher needs.
- We need to create capacity for that to happen, because there is a significant risk with the
  effort that needs to go into providing those job seekers with the support they need to get
  them into as close to full employment as possible or as practicable given their personal
  circumstances.
- There are some very specific outcomes we are looking for, including:
  - o for employers, making it easier to source the right job seekers
  - o for job seekers, we want a more personalised and more flexible model
  - o for providers, there will be a new licencing system that rewards high performing providers and gives them more certainty, but also a caseload that focuses on the higher needs job seekers rather than the job ready job seekers
  - o for government, we need to make sure that we are more capable of delivering a responsive model.
- This presentation will be made available to you and will also be published online.

### **Agenda**

Part 1: Recap from CEO Forum

Part 2: Engagement Approach

Part 3: Improving provider experience

Part 4: Security & Accreditation

Part 5: Future opportunities

- You can see today's agenda up on screen.
- But firstly, a note about probity.
- The department is committed to conducting a fair & transparent process for the procurement of services for the new model—you have likely heard this referred to as 'probity'.
- As we are entering into the implementation of the model involving a Request for Proposal process through an open tender for the engagement of Employment Service Providers, we are in a probity environment.
- When we talk about 'probity', we mean acting with:
  - o integrity
  - o fairness
  - o uprightness
  - o honesty of processes.
- The department has created a NESM Probity Plan which has more information about the individual principles & protocols that we are applying to managing probity in relation to the NESM.
- · All of our staff working on the new model have also gone though probity training.
- What this means for you is that we will be ensuring every single process we enter into is fair, equitable & transparent.
- This includes making sure that detail we share with one potential supplier of Employment Service Providers is shared with other potential suppliers. For example, if we answer a direct question that could give one potential supplier an advantage, we must ensure it is

- available to other potential suppliers.
- You might note that while some of our Forums are usually with those who have a jobactive contract (e.g. the CEO Forum) today's forum is open.
- It will also be livestreamed/recorded so as to ensure we are not unfairly advantaging any potential supplier
- Copies of this presentation will also be made available following today's session.
- Also in all of our interactions, please be aware that we want to be as open as possible & to answer any questions you might have, but there may be some subjects or questions that are off limit.

# Part 1: Recap from CEO Forum



- Based on the reforms announced in 2019 and the Expert Advisory panel's report, a NESM vision was created.
- These are the four pillars of the NESM Vision Statement.
- The vision statement provides a single source of truth and consistent messaging about what NESM is and how it is being implemented.
- Our Vision is that the New Model will:
  - 1. Provide a valuable service for employers that provides them with candidates that have the skills they need.
  - 2. Supports eligible job seekers to the right support through digital or provider-led services based on need.
  - 3. Refocuses providers on supporting high need job seekers into sustainable employment by redirecting job ready job seekers into digital servicing;
  - 4. Increases cost-effectiveness and evidence base for policy and program improvement for the government. We want to make sure tax payers money is being spent well by directing it to those that need assistance.

### The new model will deliver key improvements for all

### **Employers**



Better sourcing of job seekers who meet employers' skill & job needs.

Reduced administration & red tape to simplify & accelerate the recruitment process.

#### Job seekers



More personalised & extensive support, including skilling & job pathways.

A new flexible activation framework to improve the effectiveness of mutual obligations & increase personal responsibility.

#### **Providers**



A new licensing system that allows for specialisation & rewards high performing providers.

Reduced caseload due to job ready job seekers using Digital Services.

#### Government



A more focused system with resources & incentives targeted to improving outcomes for higher need job seekers.

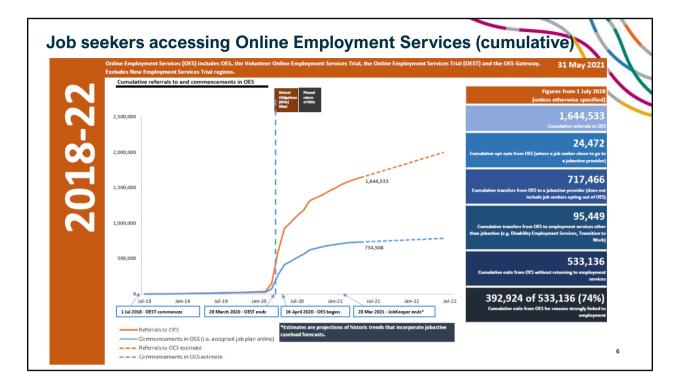
Agile service delivery model that can be more responsive to changing labour market conditions & policy needs.

5

The new model will deliver key improvements across employment services for all stakeholders:

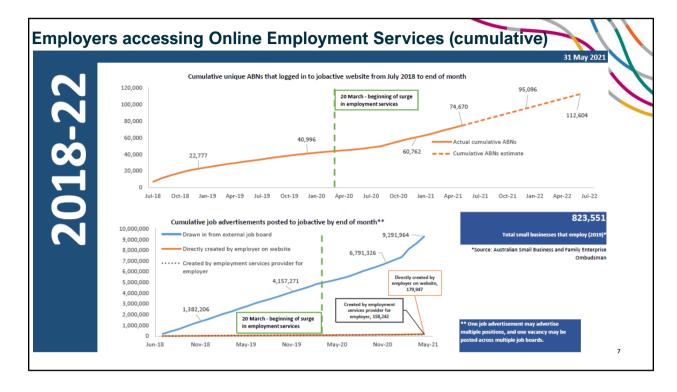
- **Employers** it will provide a valuable service through:
  - o better sourcing of job seekers who meet employers' skill and job needs
  - reduced administration and red tape to simplify and accelerate the recruitment process.
- **Job seekers** it will align job seekers to the right skilling and job-seeking support through digital or provider-led (enhanced) services that bring:
  - more personalised and extensive support, including skilling and job pathways
  - a new flexible activation framework to improve the effectiveness of mutual obligations and increase personal responsibility.
- Providers the new model will allow providers to support job seekers needing the most assistance into employment by redirecting job ready job seekers into digital servicing through:
  - a new licensing system that allows for specialisation and rewards high performing providers
  - o reduced caseload due to job ready job seekers using Digital Services.
- Government the model increases cost-effectiveness and evidence base for policy and program improvement, providing:
  - a more focused system with resources and incentives targeted to improving outcomes for higher need job seekers
  - o agile service delivery model that can be more responsive to changing labour

market conditions and policy needs.

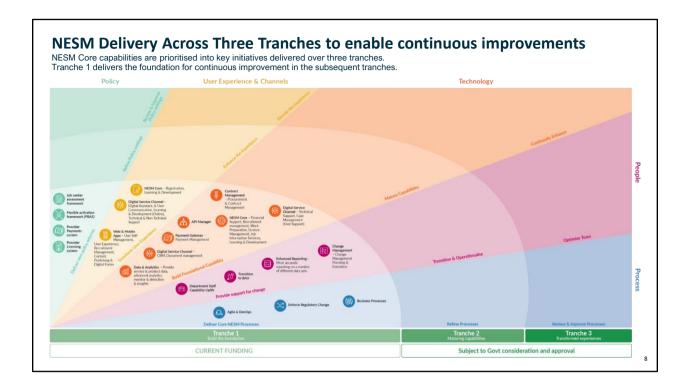


- Because of COVID, we have brought forward the delivery of online employment services and are already in production, though not to the level of building functionality that we will have next year.
- The online employment services will at least be available to people who go on income support and are assessed as being capable of using the online employment service.
- You can see that on the graph that six million people have been referred to employment services and most of the referrals occurred when COVID struck. We needed to come up with different ways to service the growth in job seekers.
- Cumulatively there have been almost 25,000 opt outs, where a job seeker has chosen to go to a provider.
- Separate to these, we've seen, cumulatively, 700,000 people transferred from online employment services to a provider.
- I'd also flag that we've had 533,000 people that have exited online employment services without touching a provider and of those 400,000 exited for reasons linked to employment.
- As you can see, the model is not complete but is already in production. We already have
  a large wealth of information about client experiences based on the model being in

production.



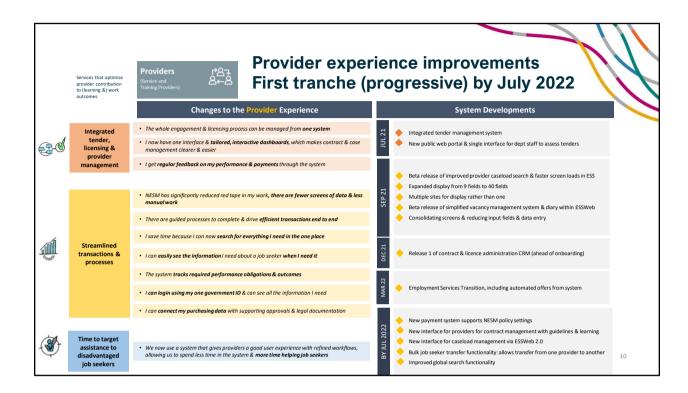
- The other side of the employment service are the employers that are accessing online employment services.
- Cumulatively we have had about 75,000 thousand ABN's that have directly advertised a
  job.
- We have had nine million vacancies that were made available on online services, the
  overwhelming majority of those vacancies were made available via online advertising
  providers. This means that most of those vacancies are coming from online ads that are
  being republished in online employment services.
- In the next few weeks we will be meeting with some of those online advertising providers to talk about what the world will look like in the future, what services they would use from us and what services we would use from them.



- We are funded with a clear set of deliverables over the next 12 months, up until 30 June 2022.
- Our program of work is relatively clear with some detailed designs still to be worked through.
- We know what we need to build, when we need to build it and when it needs to released.
- There is an opportunity for us to keep building on that program of work in the future and to keep reimagining what happens beyond 30 June 2022.
- I think that's the discussion I really want to engage in with this group, as well as some other groups including Employer forums, over the next few months.



- We have detailed some of shifts in experiences that we want for individuals, businesses, providers, our staff and government.
- On the next slide we've gone into more detail on the shift of experience for providers.



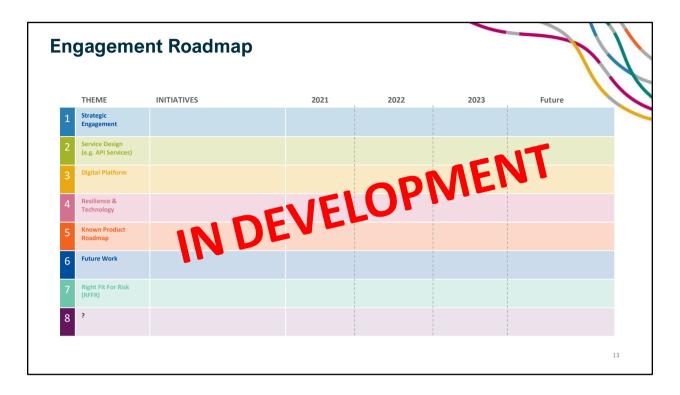
- For release dates that have already been set, there are details on what system developments will be released.
- Some of these development may not be directly visible to providers on the release date
  as it may be work behind the scenes on a system build. However over time, these
  developments will become more visible and available to a provider.
- We've taken the same approach for individuals and businesses and have created a release cycle on a schedule for both.

### Part 2: Engagement Approach

11



- Now we will talk about how we will approach engagement.
- On a very broad level, we have categorised our engagement into the following:
  - strategic engagement
  - operational engagement
  - tactical engagement
  - informative engagement.



- Our engagement roadmap is in development and once finalised, will be made available to all stakeholders.
- The goal in the next few of months is to identify the levels of work and how to structure that information.
- Using an example for the ATO from when they shifted the way they worked, conversations started with strategic engagement.
- Key questions that we should consider for strategic engagement include:
  - How do we approach engagement?
  - What does the next 5 to 10 year journey look like?
  - Where does policy need to shift to enable that journey?
  - Who are the right people, forums or interest groups that we can get together to constructively build a future world and think across ecosystems?
- We should consider the following questions at the Service Design level:
  - Who are the groups, people or lead providers we work with, so we can start detailed design around services?
  - What are the high volume APIs that we should be building and how do they work?
  - What taxonomies do we need to build around the APIs?

 What do we need to think about when we are trying to remove red tape from everyone's systems, our system, the employer's system and the provider's system?

### At a platform level:

- Who are the people we need to be working with to help with discussions on the platform or to test the platform?
- We are currently reimagining resilience and technology so that we can agree on what APIs needs to be fully available, which APIs need to be cached and which need to be partially available.
  - Who are the people that we sit with to work out this layer of engagement?
- As we create product roadmaps, we know there is information available from policy, budget or government announcements.
  - How do we map this roadmap so that everyone is clear when we are going to build, when we are going to deliver and when the APIs are available for use?
- Separate to all of this:
  - What are the innovation options that we can do that are discretionary?
  - What is the backlog of work that is based on irritants and that we need to start to schedule?
  - What opportunity exists with other agencies or other ecosystems and how do we scope that out?
- Underpinning all of these layers is Right Fit For Risk (RFFR).
  - How we handle our risk today will not suffice in 3 to 5 years. We need to
    continue to tighten how we manage our risk over time. How do we make sure we
    do this and how do we support sectors in aligning with that agenda?
- With the ATO example, we undertook this approach by looking at all these engagement layers with a software industry that interacted with ATO ecosystems, the intermediaries, the agents, the accountants associations and the book keeper associations. This enabled the ATO to understand a joint view about the future world and it moved the whole ecosystem into a different level of maturity
- To give you a specific example, in 2013, a tax agent would have to enter their details at least five times. In 2020, a tax agent would work in a system and that system would naturally interact with the ATO. The tax agent would not have to enter information directly with the ATO because the systems talk to each other, and not only that the system dynamically interacts with each other in real time.
- And as the agent is working in that system, their system in pulling in all the data and
  ratings in real time and presenting that information on a dashboard. This dashboard was
  fully customisable and the agent could see the information in whatever lens they
  needed.
- This was a transformational shift in terms of experiences for our intermediaries and

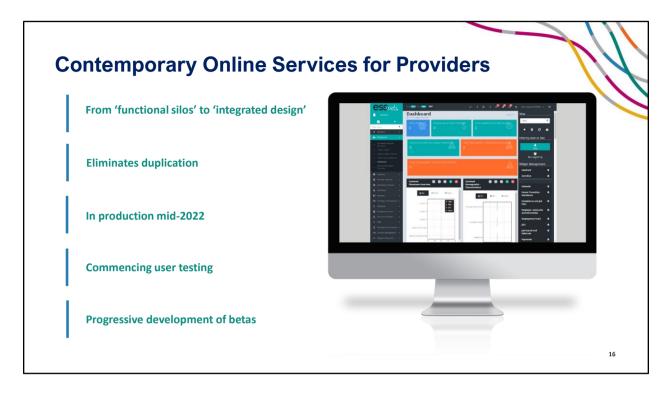
similarly for a whole bunch of industry sectors. But that was a journey that took several years and was based on mapping out all the engagement layers.

### Part 3: Improving Provider Experience

14



- We want to understand existing Employment Service Provider behaviours when using Employment Service System Web (ESS Web), including barriers they encounter when inputting data on the platform.
- Using exploratory research techniques our goal is to understand the user's journey both inside & outside of the platform allowing us to uncover design opportunities to meet challenges that are identified.
- Research is planned and conducted around current policy, functions, & features in ESS Web.
- Research prototypes are based on the existing platform that are enhanced with a new user interface, process improvements and improved technology stack.
- There has been consultation around ESS Web and how functional ESS web is today for our providers.

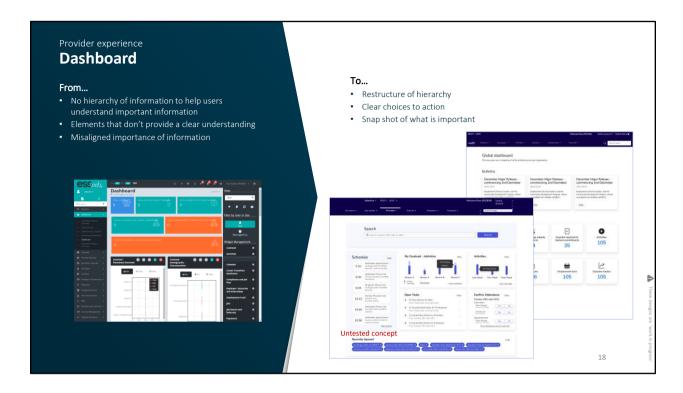


- At a very high level, the redesign of the online environment for providers is going to be a
  foundational platform for how we provide services for all providers longer term, not just
  employment services providers.
- Our engagement regarding platform and systems will be increasing over the next few weeks, particularly with providers, employers & IT system integrators.
- We want to ensure our online service for providers ie ESSWeb is more modern and contemporary, the current version is a 2015 platform base but some of the functionality has been carried over from prior periods.
- We are moving from functional silos streams towards a more integrated workflow design.
- We are trying to eliminate duplication, such as entering information multiple times or repeating transactions on at multiple areas in the system.
- The redesign will be in production by mid July 2022.
- We have already started a process to engage with those interested in prototyping and
  user testing. For all of these engagements, it is important for us to have a large, diverse
  group of people to draw upon to ensure engagement with & participation from a broad
  range of users.
- Beta versions will be progressively developed up to July, as to avoid big bang system release and to be confident we are ready on release.

16

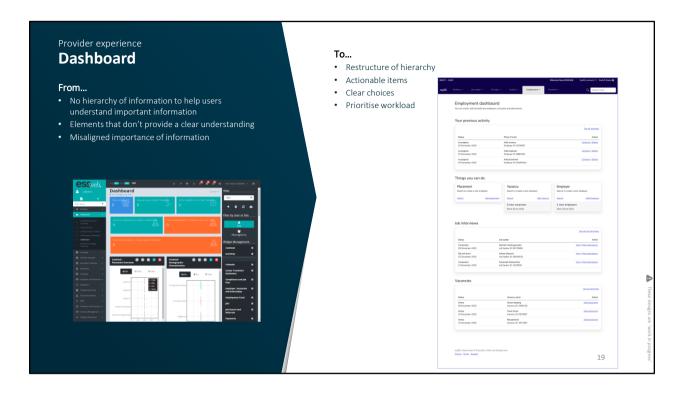
### Challenges **Opportunities** The ESS Web application is presented with the following We will change the way we build websites to improve performance. This includes: challenges: Modern interface based on an integrated workflow Updates require build & deployment of the full website. All SPA technologies address key user pain paints of ESS Web is using legacy UI technologies, not Single Page stability & speed requiring less trips to the server & smaller Applications (SPA) technology. payloads. The current design limits the use of local caching, causing More use of local browser caching multiple round trips to the server to retrieve information. Business rules are not replicated at the client side forcing More validation logic done at the client multiple trips to the server. Use asynchronous calls from the browser to retrieve server data - limiting user interruption. Vue.js was chosen as the Single Page Applications (SPA). 17

- We have already started moving towards some of the opportunities to change the way we build websites including:
  - · the modern interface based on integrated workflow
  - the SPA
  - introducing local browser caching
  - validation logic being done on the client side
  - Other system improvements.

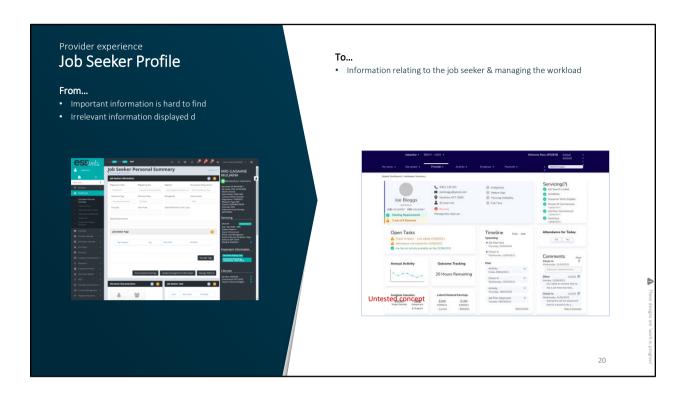


- The way that we are building the system reflects some of those principles we spoke about earlier.
- We are actually moving towards more integrated services rather than somebody on relying on what they know to find the screen the find the screen they need under multiple layers.
- We have commenced our user research and have begun prototype testing with providers. The purpose is to test changes to the platform to make it easier and user friendly.
- We have transitioned to an 'opt in' model of research. Building a list of Service Providers willing to participate in research activities over the next 12 months. We envision this list will be rolling and fluid, with Providers opting in and out as their commitment and understanding change. Those who become research participants, will be in a pool of people who may be contacted to take part in research workshops, digital meetings and other research activities over next 12 months. The focus for this engagement will be on the existing ESS experience, & future system design.
  - As at 15 June, 70 organisations and 319 individuals have opting into our engagement opt in model.
- Our digital & business teams are doing a great job to reconceptualise this for users.
- We have a broad scope between now & June, based on user testing, prototypes being developed.
- Expect to see more over the next couple of months as we work in increments.
- Expect to see components of the platform, developed, tested, refined and landed for full

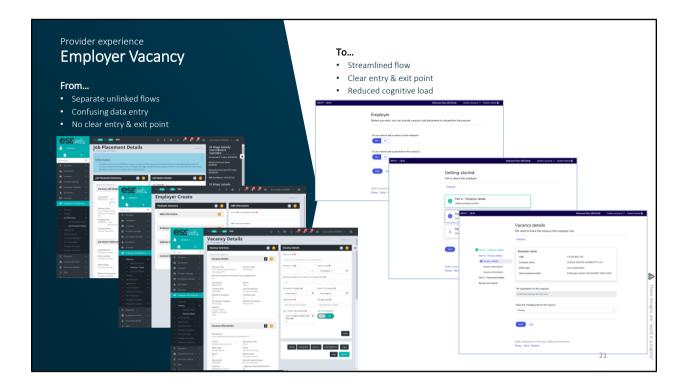
production and fairly close to full functionality between now and June next year.



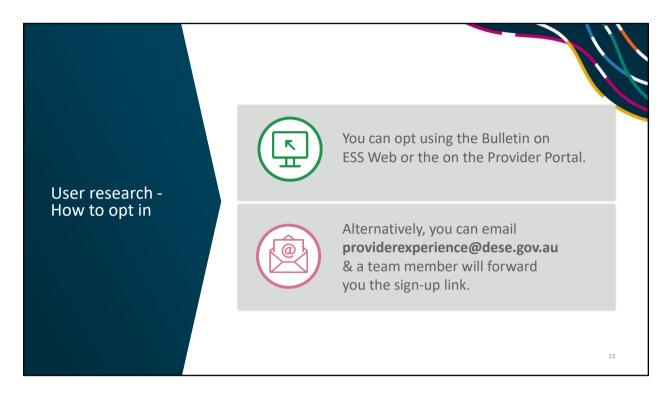
- As we collect feedback through the user testing of the screens, we will be creating a single repository of feedback and which will be published.
- In the lead up to this session, we had asked specific questions to providers as to what they would like to see. 80 per cent of that feedback would be related to the design of ESS.
- What we will do is to turn that feedback into line items of work that will be provided to our teams working on the development of ESS.
- These teams will categorise these line items and either agree to schedule the item for work, agree and put into a backlog or not action because it is redundant.
- We will make sure to have these feedback line items be visible so you can see our position regarding every item we are receiving feedback on.



- These shifts will happen across a number of platforms.
- The idea of making information more visible in a dashboard style and more interactive natively will not happen in just the provider online experience, it will happen for the business and individual online experiences as well.



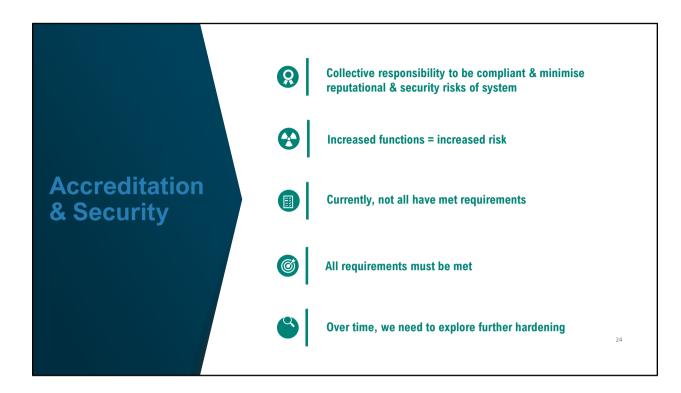
- We will also be looking at what we need to do to help providers improve the way they act on behalf of an employer or business.
- We will be testing a whole bunch of screen designs about how providers can create vacancies on behalf of businesses



- If you are interested in participating, you can:
  - opt in using the Bulletin on ESS Web or on the Provider Portal
  - email <u>providerexperience@dese.gov.au</u> and a team member will forward you the sign-up link
- It must be noted we are not going to deliver all of the system features by 30 June 2022, but we certainly want to deliver an exponential increase in capabilities and performance relative to where we are today.
- We will have an accepted and agreed backlog that will form future work plans that is beyond 30 June 2022 and have mechanisms to prioritise and produce items in a backlog.

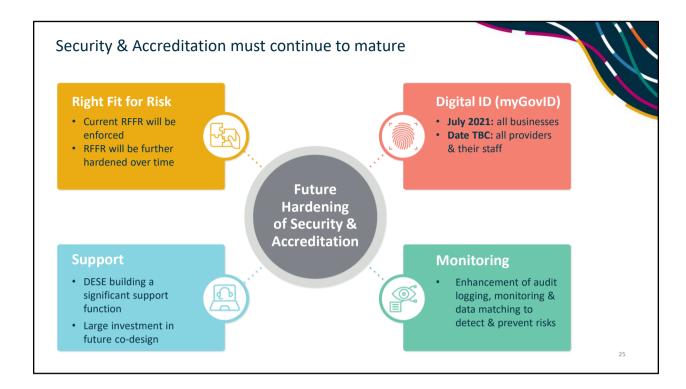
## Part 4: Accreditation & Security

23



- The next area that we are going to focus on is accreditation and security.
- Providers today have access to a level of information for individuals that may not even be their current client base that is beyond anything that the average consumer would understand.
- It is absolutely critical that we continue to increase the security around the level of information access because we all know that trust in the system will quickly erode based on the lowest common denominator.
- The weakest link in the chain that is breached will compromise trust and will put pressure on us to reduce access or reduce the opportunities for future APIs.
- We have to make sure that current accreditation is fulfilled and we also have to harden security over time for future services to providers or future online access to providers.
- This is not negotiable. For those providers who have not met accreditation requirements,
  we will be reaching out to them to say we are at risk and they must demonstrate to us in
  how they will conform in a timely way.
- This may sound harsh but having an environment where lots of records are downloaded and then posted into a dark web, puts our reputation at stake.
- We must ensure that any information we share in an ecosystem that is secure and protected.
- Over time, we need to work out what this means now and into the new next few years.

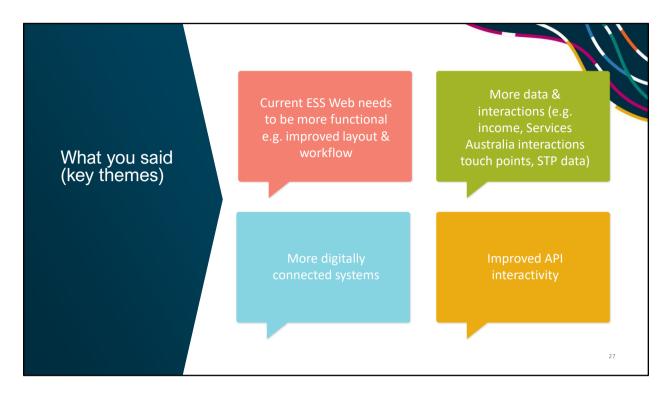




- I'm keen to make sure we get this right as we are going to be pushing for more access to information in other government agencies.
- We want to make the information available to our partners, whether it be providers or other agencies, so we can offer more holistic and more tailored service.
- That journey will be highly dependent on the trust of our ecosystem. If we don't increase security in our ecosystem, we won't be able to provide that information proactively.
- For employers, we are hardening the logon they use. We are doing some work to adopt the mygovID credential used by other agencies. This will be the logon they must use as an employer, and will likely be turned on in June this year.
- We are moving away from DESE to a whole of government credential.
- Most employers will be able to reuse this, some employers will need to get it, but the
  intent is to move to this in June and then decommissioning our systems for the more
  secure logon in September.
- That is already in production in over 76 other online environments for businesses for over 30 other government agencies and 2 million businesses are already using that credential, so that is a production level environment that is being used broadly, we are just onboarding.
- For providers, we need to do something similar in the coming 12 months.
- We will be having discussions with providers about moving people to mygovID for access, timing, what we can do and the change management process.
- As an example, a person has set up their myGovID at a level 2 maximum which is scanning their documents and creating a token on their device. Once that personal

- identity is setup, that identity is portable.
- The provider has to manage the authority system that the person works for and that person has permission to see information on behalf of the provider.
- There is an onboarding and offboarding required for that persona and must be managed.
- We are moving the authority management away from a token, user name and password, to the authority of a personal token.
- The person does not lose their personal digital identity when they move providers.
- These discussions will commence soon, but in essence we are looking to harden login for providers, their staff and their direct services.

## Part 5: Future Opportunities



- Four key themes have emerged from feedback on what the interest for the future would be:
- 1. Current ESS Web needs to be more functional
- 80 per cent of feedback was on ESS web and improving that online interface and I absolutely agree for what needs doing.
- We need to start to build use cases to check whether the law allows it, and if it doesn't, we need to build a good business case for it and start to think about what that means in terms of getting a policy shift. We will need your help to imagine that world.
- 2. More data & interactions
- We received feedback on prioritising machine to machine interactions so that we can provide direct access to systems either from provider software or third party software.
- 3. More digitally connected systems
- We received feedback on moving towards more digitally connected systems rather than people typing stuff in.
- 4. And finally, improved API interactivity.
- The feedback we've been receiving has been consistent with the story we've been telling to date.