Transcript

Department of Education, Skills and Employment

Enhanced Services Payment Model

**Presented by:**

**Melissa Ryan**

First Assistant Secretary, New Employment Service Model Division

**Speakers:**

Michelle Boundy
Director, Trial Assessment and Outcomes Team

Kellie Hippit
Assistant Secretary, Enhanced Services Branch

[*Opening visual of slide with text saying ‘Australian Government with Crest (logo)’, ‘Department of Education, Skills and Employment’, ‘Enhanced Services Payment Model’, ‘Melissa Ryan, First Assistant Secretary, New Employment Service Model Division’*]

[The visuals during this webinar are of a PowerPoint presentation being played on screen]

**Melissa Ryan:**

I appreciate there was a slight delay. My name is Melissa Ryan, and I’m the First Assistant Secretary of the New Employment Services Model Division. I’m joined here today by my colleagues Kellie Hippit and Michelle Boundy to help answer any questions that may arise throughout the presentation.

You can ask questions as we go through the webinar, and we’ll try to answer as many of them as we can today. We’ll be publishing the material I will take you through today as well as questions and answers. I’ll explain later in the webinar how you can provide your feedback and questions outside of this webinar session.

Before I start, I would like to respectfully acknowledge the traditional owners and custodians of the land on which each of us gather today, and pay respect to their Elders past, present and emerging. I would also like to extend that respect to all Aboriginal and Torres Strait Islander peoples participating today.

Today I’m going to talk you through the key features of the provider payment model we are currently testing, some of the learnings we’ve uncovered to date, and some of the policy issues we are considering to inform the final payment model that is to be implemented nationally, including exploring where adjustments may be required, and any unintended consequences arising from the payment model we are testing.

As you will be aware, the Australian Government has committed to introduce a New Employment Services Model to replace jobactive from July 2022. We are currently trialling aspects of the new model in two employment regions, Adelaide South and the Mid North Coast of New South Wales. One of the elements the department is testing in the trial is a new provider payments model, which has been designed based on extensive consultation and recommendations from the I Want to Work Report. This report was written by an independent expert advisory panel, and includes recommendations for how employment services can best assist jobseekers and employers in the future. The trial is testing some fundamentally new approaches to provider payments, including the introduction of new payment types that do not exist in jobactive.

Consistent with the recommendations of the advisory panel, the new provider payments model has been designed to support more and earlier investment in disadvantaged jobseekers, such as the long term unemployed, and to better address the vocational and non-vocational barriers. This last year has been a very challenging one. Large parts of both trial regions were affected by bushfires over the summer. Between November last year and February this year, contingency arrangements were put in place, impacting the trial as well as other employment programs. From late March, the increase in social distancing restrictions to help reduce COVID-19 transmission resulted in a very large spike in income support recipients, as many workers became unemployed.

These external factors have impacted the trial in a number of ways. Mutual obligations have been suspended for much of the trial. The trial caseload has doubled in size, with the overwhelming majority of new entrants being job ready jobseekers suitable for online servicing. Some elements of the trial have been delayed, including the introduction of a new points based activation system and some of the activities available for digital participants. There have been fewer job vacancies, as many businesses were unable to remain open. Face to face servicing of jobseekers has also been impacted, with a shift to more phone based and online support from providers. Cancellation of many activities, such as work for the dole, has also occurred throughout the year.

Notwithstanding these challenges, there are areas where we have gathered some useful insights, and these can help shape our thinking for what the full model will look like. While I’m going to talk through some of the key considerations we’re looking at, I want to be clear that this is not a presentation about what the future provider payment model will look like. No decisions have been made yet. We are testing the new provider payments model to inform our recommendations to government. We are interested in input from all stakeholders, so please send through your questions and comments. We want your views, to ensure the model implemented nationally supports improved outcomes for jobseekers, and helps employers meet their labour needs.

Consistent with the I Want to Work Report, we need to ensure the financial incentives in the employment services model ensure efficiency and value for money, with funding invested in smarter ways. The focus of this webinar is to explore the payment model structure and incentives it achieves to support outcomes. We will not be focusing on the specific values or overall funding, although we may consider how the payments are balanced relative to each other. For example, participants may express views on increasing the priority of a particular payment relative to the priority of another payment element.

The provider payment model being tested in the trial has some significant changes from jobactive, including the introduction of some new payment types not seen in previous iterations of employment services. Key features of the model being tested include a one time upfront engagement fee to support early investment in jobseekers, progress fees and a progress in service bonus to recognise the efforts providers make to help jobseekers race towards employment, a simplified outcome structure that maintains a focus on the achievement of sustainable employment outcomes, a bonus payment for achieving outcomes for very long term unemployed jobseekers, and a regional loading on the Employment Fund to recognise cost differences for jobseekers in regional locations.

Before I get into the individual payments, I’ll provide a short overview of the employment services operating in the trial. Jobseekers receive servicing through an online service or through a provider. The online service has two components. Digital First for those jobseekers who are assessed as the most job ready and capable of self-managing online. This service enables jobseekers to get on with looking for a job, removing the current requirement of having to meet with a provider, and giving the jobseeker greater responsibility for their pathway into work. Digital Plus for those jobseekers who are assessed as job ready and capable of self-managing online but require some support, such as help with their employability skills. In addition to self-managing online, this group of jobseekers may receive face to face support from a training provider or access to other services where necessary.

Provider servicing, which we refer to as Enhanced Services in the trial, is the most comprehensive service available to jobseekers. Jobseekers assessed as having significant vocational and/or non-vocational barriers to work are referred to an Enhanced Services provider. Jobseekers assessed as not suitable for online servicing are also referred to this service type. For example, a jobseeker may be job ready, but does not have sufficient technological access to support self-managing in an online service. Jobseeker choice is an important feature of the New Employment Services Model we are trialling. Jobseekers are able to choose a provider who will help the jobseeker with a wide range of services to help address any employment barriers they may have.

There are two tiers of service within Enhanced Services. Jobseekers are allocated to a service tier by their providers. Private providers will make an assessment of the jobseeker’s support needs, and determine which tier of service is most suitable. Tier 1 jobseekers are expected to have fewer non-vocational barriers and a greater capacity to undertake more intensive activities compared to Tier 2 jobseekers. I will talk more about tiers later in the presentation.

Enhanced Services is where the payment structure we are discussing today comes in, as the department makes a range of payments to Enhanced Service providers to support the work they do for the jobseekers on their caseload.

One of the recommendations from the I Want to Work Report was for higher upfront payments to support immediate investment in jobseekers. This has been implemented in the trial through the engagement fee. The payment being tested in the trial is a one time payment of $1,000 paid upfront for any jobseekers commencing with an Enhanced Services provider.

Paying the fee upfront provides several benefits for providers. It provides immediate funding to providers to support early investment in jobseekers. Research shows the longer someone is unemployed, the harder it is for them to get back into the workforce, particularly for the Enhanced Services cohort, who will already have a range of barriers to employment. For many jobseekers, early intervention is the best way to avoid long term unemployment.

Receiving funds upfront gives providers considerable flexibility in how they invest in jobseeker support services and interventions. It not only supports immediate investment for those jobseekers who would benefit from that approach, it also gives providers flexibility to support investment in jobseekers over time if their pathway to work is a more complex one. It provides greater funding certainty for providers. Once the engagement fee has been paid, the provider will keep all of it. As it’s not a time-based payment, there’s no concept of an unused portion remaining or being recovered by the department. For example, if a jobseeker moves off the provider’s caseload in a short period of time, the provider retains the $1,000 they receive for that jobseeker. Jobseekers can use these funds to deliver a quality service and invest in their business with confidence. The payment is significant. It is equal to about four of the six month administration fees that are payable under jobactive.

The engagement fee is being trialled as a one time payment that is paid when a jobseeker commences with an Enhanced Services provider. If the jobseeker transfers to another Enhanced Services provider, the engagement fee is not paid again. This approach supports the payment of a significant amount upfront with no prorating. Historic jobactive data identified low overall transfers of jobseekers between providers in the trial regions, with most providers receiving a new jobseeker when a jobseeker moves off the caseload. The trial does not have maximum time transfers, and the approach being trialled removes the complexity associated with prorating arrangements.

The engagement fee is a key departure from the jobactive approach, and we are testing it to see if it meets the intended policy rationale to enable providers to work differently to support jobseekers. We know the likelihood of jobseekers finding employment is around 40% lower after being unemployed for over a year. A significant upfront fee is intended to support early intervention and patient investment over time, and contribute to better outcomes for jobseekers.

Trial providers are taking different approaches to how they use the engagement fee. We have heard views the upfront nature of the engagement fee means providers need to achieve employment outcomes rapidly for all jobseekers. Some trial providers have framed their approach as investing early and trying to reduce the average time to placement or average time on the caseload. Some providers have also raised concerns about the adequacy of the payment, noting it equates to around two years of jobactive administration payments. They are concerned the funding will not support those jobseekers who are very long term unemployed. This was also expressed by frontline staff, who think the engagement fee to the individual jobseeker and worried the funds associated with a one off fee will run out.

However other providers have told us the engagement fee allows them to understand their revenue better and makes it easier to project budgets and make staffing allocations. These providers treat the engagement fee as part of an aggregated funding pool that is used to deliver a range of tailored services across the caseload. They believe frontline staff did not take into account an individual funding allocation in their choices of how to service an individual jobseeker. Some providers identified this made little difference to the timing of the investment in jobseekers, as it was forecast and allocated to deliver services across the year or contract period. While the payment is triggered upon the commencement of a jobseeker, it is not intended providers will be limited in how they allocate this revenue source. The payment does not have any requirements attached to it, and therefore provides flexibility for providers in how they expend it.

The simplicity of the engagement fee should be beneficial to providers, however what is most important is whether it supports quality services for jobseekers. This payment type is significantly different to jobactive. We are trialling it to ensure it meets the intended policy objective of supporting early intervention in jobseekers.

Does receiving the money upfront enable or perhaps even drive providers to invest earlier in jobseekers where appropriate? Does it potentially go too far, and encourage any employment rather than patient investment to secure sustainable employment? Does it support more tailored and intensive servicing of jobseekers? Does it support providers to be more flexible in approach? Does it help support funding certainty? Does it support new or innovative ways of servicing? Does it change the servicing mindset of employment consultants?

The payment being tested is only paid once during a jobseeker’s service period. This is because the payment is significant in value, is paid upfront, and is not prorated. This does raise some potential policy considerations for the model to be implemented nationally from July 2022.

Chief among them is jobseekers’ circumstances changes, and they do transfer between providers. As I mentioned earlier, as the payment is only made once, when a jobseeker transfers to another provider, the gaining provider does not receive an engagement fee for that jobseeker. We’ve seen in the trial so far this doesn’t necessarily balance out as expected, with some providers receiving more transfers where another provider was paid the engagement fee than transfers out, where they get to keep the engagement fee for the jobseeker who’s moved off their caseload. There is also concern that without a pro rata approach, it may lead to unintended behaviours to move on jobseekers considered too hard to place.

We also need to think about how the payment will apply when we transition to the national model. Payments will have already been made to providers to support the servicing of jobseekers under jobactive. Many jobseekers will have been in jobactive for some time prior to moving to the new model. How we dealt with this in the trial is we paid providers a $500 engagement fee for those jobseekers who were moving into the trial from jobactive, instead of the $1,000 fee. This was in recognition of the payments already made for those jobseekers.

The proposed licensing arrangements may also result in providers entering and leaving the market more frequently than in jobactive, which means we need to think of the engagement fee in these circumstances as well, as it would be financially challenging for a new provider entering the market a few years into the contract if they were transferred a caseload without engagement fees. We need to find the right balance between ensuring providers receive appropriate financial incentives and support to deliver tailored and intensive servicing, and avoiding inefficiencies in the payment model.

The impact of some of these challenges have been relatively modest in the trial, as there haven’t been any transfers of business, and when jobseekers transfer from jobactive regions, they move between the two different payment systems. This won’t be the case when the full model is implemented, so these challenges will have a greater impact. We are exploring if there are alternatives or policy adjustments that are needed that will maintain the policy intent of the engagement fee while addressing the learnings so far. There are not infinite funds, so any changes we make will need to take into account the impact on overall funding for the program. We also need to recognise the interaction of the payment types. Changes to one payment type need to be considered in the context of the overall payment model.

We want to reduce administrative burden on providers, which is a benefit of the moving away from prorated time-based payments. We recognise any recovery or reconciliation process creates administrative work for providers in the department. We want providers to be focused on servicing jobseekers, not on administration. We are conscious of the potential for unintended consequences, given the significant shift in approach to provider payments. For example, if jobseekers are regularly transferring from lower performing providers to higher performing providers, we don’t want a payment structure that works against the higher performing provider.

We are keen to hear your views as to whether there are other approaches that could support the intended policy outcomes. For example, should we consider whether the engagement fee is a smaller upfront but not a once off, or a smaller upfront amount with another payment later in the jobseeker’s service period? And if this latter approach was considered, at what point in the jobseeker’s service period should the second instalment of the engagement fee be paid? How would this interact with other payments? The department will be carefully considering how these policy considerations impact the goal of tailored early investment in jobseekers and getting them into employment.

Achieving employment outcomes remains a fundamental focus of the new provider payment model we are trialling. We have retained some of the key features of jobactive. This means outcome fees are still paid to providers where a jobseeker gets a job and remains in employment for a specified period of time. Outcome payments are paid after four, 12 and 26 weeks in employment, with the payments getting larger for each subsequent period. We have also retained partial and full outcomes. Generally a partial outcome is paid when a jobseeker is earning enough income to reduce their income support payment by 60%. A full outcome is paid when a jobseeker’s earnings are sufficient to move them off income support entirely. Partial outcomes are only available at the 12 and four week mark, while full outcomes are payable at four, 12 and 26 weeks.

We have retained flexibility for outcomes to recognise circumstances where a lower threshold is appropriate. For example, for jobseekers with a partial capacity to work, full outcome is payable when they’re working at their assessed work capacity, or a partial outcome if they are working at 70% of their assessed work capacity. Similarly, for a parent with a part time mutual obligation requirement, a full outcome is payable where they have worked 30 hours or more a fortnight, and a partial outcome is payable if they’ve worked 15 or more hours a fortnight.

This basic structure is consistent with how we recognise employment outcomes under jobactive, but we have made a few changes in the trial. The payment rates are generally higher in the trial than under jobactive. I’ll go through the rates in a little more detail on the next slide, but for most jobseekers in Enhanced Services, larger payments are available, in some cases much larger.

The number of outcome payments has been rationalised considerably. Where previously there were 45 different payment rates, not including regional loadings, there are now 13 under the trial. We use the jobseeker classification instrument score to determine whether a jobseeker gets a moderate or high outcome payment. The JSCI looks at a jobseeker’s likelihood of becoming or remaining long term unemployed. It also identifies jobseekers with complex or multiple barriers to employment. Each JSCI factor is assigned a numerical weight or points, indicative of the factors that may make it more difficult to place a jobseeker into employment. Their associated points are added together to calculate the JSCI score. The higher the JSCI score, the higher the likelihood of the jobseeker remaining unemployed for at least 12 months. Higher payments are therefore payable for jobseekers who have a higher JSCI score.

In jobactive, many Stream C jobseekers also have high JSCI scores, however some did not, and once their non-vocational issues were addressed, many found employment quickly. On the other hand, Stream B jobseekers with high JSCI scores were taking much longer to place. Unlike jobactive, we do not have streams in the payment model we are testing. There is no Stream A, B or C as there is in jobactive. Providers will service jobseekers based on their assessed needs. We do have an Enhanced Services tier, which I’ll talk about later during this session.

Employment outcomes achieved for very long term unemployed jobseekers are recognised through a new very long term unemployment bonus, which provides a payment on top of the outcome when the jobseeker has been unemployed for more than 24 months. This aims to incentivise working with the very long term unemployed jobseekers transferred at the start of a contract, and recognising the long term investment required by providers for this cohort on their caseload. Recognising jobseekers who are more likely to find employment on their own without more intensive support will be receiving a digital service, outcomes are payable for all enhanced jobseekers from the first day of service.

There are no wait times like the 91 day rule that applies to Stream A in jobactive. There is also no regional loading on outcome payments in the trial. During the trial we recognise regional differences through a regional loading on employment fund credits. This recognises jobseekers commonly face issues in regional areas that are not experienced in the same way in metropolitan areas, for example with transportation.

Outcomes remain a key payment in the trial, as achieving employment outcomes is ultimately what we are seeking to achieve through employment services. Outcome payments recognise the cost of assisting jobseekers and reward providers for helping them into employment. We have retained an employment outcome focus in the model we are testing, but with simplified arrangements.

This slide illustrates the streamlining we have applied by comparing the payment structure we are testing on the left with the jobactive structure on the right. It also illustrates outcome payments are higher than jobactive in most circumstances.

For the most disadvantaged jobseekers, those with a high JSCI who have been unemployed for more than two years, substantially higher payments are available for all outcome types that are achieved. Providers can receive a total of $15,000 for both outcomes, and the VLTU bonuses in the new model, compared with a maximum of $10,780 in jobactive, for a Stream C jobseeker who has been unemployed for over five years. There is one area where the rate is slightly less than jobactive. This applies when comparing the moderate rate under the new model with Stream B rates under jobactive, for jobseekers who have been unemployed for less than two years. However this is offset by the fact that there are jobseekers in Enhanced Services who have a low JSCI score, including jobseekers who have opted out or have been referred out of Digital Services. As there is no low JSCI rate, the moderate rate applies for those jobseekers as well.

It's also worth noting jobactive streams and JSCI scores are not aligned. Stream C in jobactive is determined through an employment services assessment. A Stream C jobseeker could have a moderate JSCI, and a Stream B jobseeker could have a high JSCI. This means that attempts to calculate potential payments by linking jobactive stream and JSCI ratings are not as robust, as the stream is not a proxy for JSCI.

This slide shows the employment outcomes and VLTU bonuses achieved by trial providers as at the 30th of September this year. While the most job ready jobseekers are receiving Digital Services in the trial and are not serviced by providers, this slide shows providers are still achieving outcomes for jobseekers on their caseload. The trial regions were, as I noted earlier in the presentation, impacted by the summer bushfires and then COVID. However while we can see a dip in outcomes during May and June this year, they are now rebounding, particularly in September.

A total of 989 outcomes attracted a very long term unemployed bonus, with most of these for 12 week outcomes. The VLTU bonuses are paid when jobseekers unemployed for two years or more achieve 12 and 26 week outcomes. VLTU bonuses are currently claimed for around one third of 12 and 26 week outcomes. While this is raw data, the department is working to calculate and share outcome rates. It takes time to have sufficient data for 26 week outcomes, particularly given the significant changes to the labour markets due to the bushfires and COVID-19.

One of the key reasons for moving to a new model is to improve outcomes for the most disadvantaged jobseekers. Too many people are long term unemployed, and this has been worsening over time. We need to ensure we have the right financial incentives to support placing unemployed Australians into jobs. We need a payment structure that recognises the efforts providers make in helping disadvantaged people access and stay in the labour market.

The key policy consideration for outcomes is whether there is anything not working in the current outcome structure that could be improved. And as I mentioned earlier, we have retained the fundamental elements of the jobactive outcome structure in the model we are testing. The approach of paying outcomes at four, 12 and 26 weeks has been around for a long time, and while it has been effective, the question is, is it still appropriate for an Enhanced Services caseload today and into the future?

We know that typically around 80% of jobseekers who get a 26 week outcome do not return to the jobactive caseload in the next 12 months, which indicates the policy setting is about right. But are there adjustments that could improve the approach? Are the ability weightings right between outcome payment groups? Are the existing rules on outcomes sufficiently flexible to encourage supporting jobseekers to build up working hours over time? If not, what types of changes might assist?

Given Enhanced Services is comprised mostly of a disadvantaged caseload, we are seeing a substantial number of partial outcomes. About 20% of four week outcomes and 35% of 12 week outcomes are partial outcomes. How important is the role of partial outcomes, or should the model focus specifically on full outcomes? Further question. Do we have the right balance between the value of partial and full outcomes? Is a 60% reduction in income support the best cut off for a partial outcome? We are exploring alternative measures of improving income of jobseekers in the performance framework.

The VLTU bonus is a new payment type we are trialling, and is a simpler approach to jobactive. We’ve heard feedback from providers that rather than trying to figure out different payment rates for streams and period of unemployment, having a simple bonus paid on top of the outcome is clearer, and is the clear focus of frontline staff. We are seeing a trigger for about 35% of eligible outcomes, which is higher than we had anticipated. But are there any further refinements warranted? Is having a bonus at 24 months the right incentive?

Using the JSCI to determine the value of outcome rates is also a simplification for the trial. How this influences provider behaviour and whether we’ve got the right differentiation between a moderate and a high JSCI are areas we’ll be looking at closely.

Before I talk about the next payment types, I would like to explain the tier approach we are testing, as it’s linked to these next payment types. Under the current Enhanced Services arrangements, there are two different service levels which we refer to as Tier 1 and Tier 2. When commencing a jobseeker into servicing, providers are required to commence jobseekers into the tier of servicing they consider the most appropriate. The two tier approach aims to encourage progress towards job readiness and to alter the servicing strategy when a jobseeker is ready to engage in a broader mix of servicing activity with a vocational emphasis.

Tier 1 jobseekers are assessed as being ready to participate in intensive work readiness activities, including vocational and non-vocational activities to address their barriers to employment. Tier 2 jobseekers are assessed as facing more substantial non-vocational barriers to employment than Tier 1 jobseekers, and are therefore engaged in primarily non-vocational support.

Both tiers have a strong employment focus to support successful employment outcomes. However the tier structure aims to recognise the different capacity of jobseekers to engage in training, job search and other vocational activities, and the need to address complex barriers to integrated case management. Providers are able to move jobseekers between Tiers 1 and 2 in Enhanced Services at their discretion, based on their assessment of the jobseekers’ needs. There are no limits on the frequency and timing of moving jobseekers between tiers. Some providers are using tiers to help with the assessment of jobseeker servicing needs, and are capturing reasons for moving jobseekers between tiers as their evidence base.

The I Want to Work Report highlighted the jobseekers who need more help. This can include jobseekers who are Indigenous, who are young, who are refugees, who are mature age and who have been out of the workforce for some time, who have a disability, who have experienced entrenched unemployment, who are ex-offenders, who face complex program problems, homelessness, violence and mental health challenges. The report spoke about how these are the jobseekers we need to spend more time with, to connect to support services, to design personalised plans with. In short, to deliver Enhanced Services to.

We recognise people facing these barriers may not have had a simple path to work. There may be a journey with several stops along the way. Progress fees recognise this journey. They recognise the investment made by providers to help jobseekers become job ready. They are payable for demonstrable improvement in a jobseeker’s employment prospects through provision of intensive, tailored services.

Progress fees acknowledge the different and tailored service approaches that providers need to take to improve the job readiness of jobseekers, and support their pathway to employment.

A Tier 1 jobseeker will primarily receive intensive vocational support, while a Tier 2 jobseeker will primarily receive non-vocational support. Providers may claim a maximum of one $500 progress fee for a Tier 1 jobseeker for a period of unemployment. The payment is only payable once, as Tier 1 jobseekers are those who are more ready and able to participate in intensive vocational activities. These jobseekers are expected to move into work quicker than Tier 2 jobseekers.

Providers may claim a $750 progress fee for a Tier 2 jobseeker each 24 months of servicing. The payment is higher and paid more than once, as Tier 2 jobseekers are those with the most significant barriers to employment, and who may require a longer term investment before they are ready to be considered for work. We recognise it can be difficult to measure improvement in prospects, so the trial has focused on vocational skills, non-vocational skills, and work experience activities as three key groups of support that are considered important in progressing towards employment.

A progress fee is payable where a jobseeker’s employment prospects have improved due to their participation in non-vocational and vocational activities or through paid work, including part time or casual work or self-employment.

A progress fee may be triggered where the jobseeker achieves a full or partial four week employment outcome, participates in an education activity, or attains a Certificate III in or above a qualification, successfully undertakes two or more approved activities or interventions to address their vocational or non-vocational barriers, participates in other activities approved by the department.

The impact of COVID has demonstrated the importance of having the right balance of financial incentives in the New Employment Services Model. While employment outcomes will be a critical component of the employment services model, we are testing greater flexibility in the payment types available to support changing labour markets in different levels of jobseeker disadvantage. Progress fees support this more flexible approach.

Since the commencement of the trial, the amount of progress fees claimed has been lower than expected, and at the 30th of September, 3,382 progress fees have been made. 85% of these were for Tier 1 jobseekers, and 15% were for Tier 2 jobseekers. Overwhelmingly, progress fees have been triggered automatically for jobseekers achieving a four week employment outcome.

While trial providers are supportive of the progress fees and like the concept, there are a few reasons progress fee usage has been below the expectation. The pandemic has impacted providers’ ability to organise and refer jobseekers to training and activities. For example, all work for the dole activities were suspended.

Trial providers have reported it’s difficult to track progress fees when more than one intervention is required to support a claim. The department is considering this feedback, and improvements needed to minimise administration for providers. Some providers thought it was a bit more complex, particularly alongside progress in service bonus, which I will discuss shortly. Some providers have also expressed nervousness about claiming progress fees. The guidelines did not initially provide prescriptive advice about exactly what could and could not be claimed.

Broad categories were provided to give providers discretion to determine which interventions had made a material difference to a jobseeker’s pathway to employment. The intention was to offer providers greater flexibility, which would allow them to provide a wider variety of interventions. However feedback from providers has been they want greater guidance from the department, whilst retaining some flexibility. The department has responded and has developed some more guidance, but seeks to strike the right balance in the new model between prescription and provider discretion.

The updated Enhanced Services payments guidelines are being finalised, and will be published soon on the department’s website for all interested parties to access. These issues have impacted the department’s ability to understand how progress fees actually have an impact on the ground, and limits understanding on how providers may operate under the new model in relation to progress fees. However we know from the UCD feedback that frontline staff were very positive about the payment model, recognising their work progressing jobseekers towards employment. As training and activities become more available, combined with updated guidance on the types of interventions that could be considered to demonstrate progress, we expect to see an increased number of claims for progress fees in the trial.

With the resumption of mutual obligations, easing of social distancing requirements and further guidance for trial providers over the coming months, we hope to learn more about how the progress fee can have an impact on the ground. We’re seeking stakeholder views on whether progress fees is the best way to help ensure that jobseekers continue to receive a meaningful service that helps them build their capacity or address barriers to work and move towards employment.

As I mentioned before, the progress fee is a difficult payment to define if we want flexibility to capture any relevant intervention that supports a jobseeker to improve their job readiness and employability. What constitutes a progress varies markedly from one jobseeker to the next, and may change over time. It is particularly difficult for non-vocational interventions which may take longer and be more difficult for a provider to demonstrate progress. We want to ensure progress fees supports personalised assistance.

We also recognise the potential for unintended consequences. Specifying the types of interventions could limit innovation, and jobseekers may not be offered the activities and interventions that would be of most benefit to them. Alternatively, providers may seek to push jobseekers to complete easy activities that are not tailored to them to collect payments. This would undermine the policy intent of the model.

On the current data, the progress fee is essentially functioning as an additional outcome payment, which was not what was intended. We included four week outcomes in recognition that short term work stints can help jobseekers gain valuable work experience. However, an unintended consequence is the payment may not incentivise broader servicing options and interventions. We do not want to duplicate existing financial incentives, so one area we’ll be looking at is whether employment outcomes should trigger a progress fee.

In considering possible alternatives, are there better ways for structuring progress payments that we should consider, including the progress and service bonus, which I will now discuss shortly, or should this funding be directed elsewhere?

The trial approach is further integrated with the payment model through the progress in service bonus. This new payment type is intended to recognise and incentivise progressing a jobseeker towards a more job ready tier of servicing. The progress and service bonus is payable when a jobseeker moves from Tier 2 to Tier 1. Where a jobseeker is assessed as capable of self‑managing using Digital Services, a progress in service bonus is also payable where the provider moves the jobseeker from Tier 1 into Digital Services. These jobseekers will no longer be on the provider’s caseload, and will self-manage online. An example may be where a jobseeker has good skills to self-manage online and found part time work, but is in a very subdued labour market. They are now job ready and skilled, but may just need more time. Moving this jobseeker to digital allows the provider to focus their efforts on those needing more assistance.

Moving a jobseeker to Digital Services is entirely at the discretion of the provider. There is no requirement for providers to move jobseekers into Digital Services. Rather, allowing providers the option to re-stream a jobseeker to digital is an alternative pathway, where it is assessed as the best fit for the jobseeker.

The progress in service bonus recognises that jobseekers have moved towards job readiness and employability without the prescription in evidence requirements of progress fees. We want to ensure all jobseekers, regardless of their level of disadvantage, receive intensive and tailored support. If a Tier 2 participant progresses to Tier 1, and from Tier 1 into Digital Services in the same period of service, both payments are also payable. The payment is payable to the provider who progressed the jobseeker into a more job ready tier of servicing. It is only payable once.

As at the 30th of September this year, approximately 84% of the Enhanced Services caseload were allocated to Tier 1, and this has been consistent over the course of the trial. Since the commencement of the trial, there’s been a total of 290 progress in service bonuses paid. 153 payments paid were for jobseekers moving from Tier 1 to Digital Services, and 137 payments for jobseekers moving from Tier 2 to Tier 1. This means almost 3% of all jobseekers commenced in Tier 2 have moved to Tier 1, and 0.6% of jobseekers in Tier 1 have moved to Digital Services.

Like with the progress fee, the low number of progress in service bonuses may partially be a result of the effects of the bushfires and COVID-19. There have been limited opportunities for jobseekers to address barriers to employment with restrictions in place, no mutual obligation requirements, and some non-vocational supports redirected or not operating. Use of the progress in service bonus has also been inconsistent across the trial. Some trial providers have embraced the tiers to encourage employment consultants to focus on the assessment of jobseeker needs and tailor their services. These providers report tiers help focus their staff’s servicing efforts, and help them recognise when their servicing strategy needs to change to reflect the progress a jobseeker is making. These providers report their staff also appreciate their efforts to progress a jobseeker being recognised through a financial incentive.

Other providers consider tiers detract from a tailored servicing by trying to categorise the complex needs of a jobseeker. Instead they argue it adds unnecessary complexity and administration, and therefore they don’t use them in their servicing strategy. These providers recognise they are foregoing a financial incentive by not using the tiers.

Given the vast majority of jobseekers throughout the trial so far have been allocated to Tier 1, and only around 3% of jobseekers have moved from Tier 2 to Tier 1, the department is interested in exploring stakeholder views on the tier arrangements and the progress in service bonus. We’re interested to understand if stakeholders consider the application of tiers might help providers in their tailored servicing, or if it creates unnecessary administration. From the point of view of the jobseeker, the feedback we’ve heard is that generally jobseekers are not aware what tier they are in or even that tiers exist.

The progress in service bonus is intended to provide an incentive to ensure providers are working with the most disadvantaged cohort to provide tailored intensive support to help improve the jobseeker’s prospects of finding work. However given the low usage, the department is exploring whether this is an effective incentive or whether the funding is better targeted elsewhere.

We are also seeing employment outcomes for Tier 2 jobseekers. Approximately 14% of trial employment outcomes have been paid for Tier 2 jobseekers, which indicates providers may not see value in moving jobseekers between tiers in order to achieve a progress in service bonus. They may consider the administration outweighs the benefit.

There is also potential overlap with the policy intent of the progress fee. Something we are exploring is whether the model would be more effective with one clearly targeted progress incentive, and if so, which is the better approach, or is there a different approach not currently trialled that could better incentivise progress?

The department recognises tiers do add some additional administration for providers, both in making the initial determination and ongoing reassessment. If removed, are there any other mechanisms to retain the emphasis on quality assessment of jobseeker needs? We want to be sure this investment in time is worthwhile, and helps tailored servicing of jobseekers, and ensures all jobseekers received servicing, regardless of the level of disadvantage. If tiers were removed, where would funding be better placed as an incentive to progress jobseekers towards work? Tiers seek to address concerns that some jobseekers may not be progressed because they may take longer due to non-vocational needs. What other mechanisms could ensure that all jobseekers receive a quality tailored service?

The aim of the provider payments model is to ensure it supports all jobseekers to receive the right level of assistance to move them into a job and to keep that job.

This is sort of the last slide, and then we’ll be able to open up and invite some questions. So as my presentation has highlighted today, the policy settings for provider payments in the New Employment Services Model are not yet settled. We are testing the new provider payment model, and we sincerely welcome your input. I hope this session has been informative and has given you a greater understanding of what we are seeking to achieve through the payment structure within the trial and into the full model.

You have time to digest this information I have provided today, and in particular to think about the features being tested in the trial, the policy considerations we have presented, and to identify any ideas you may have to support the approach to provider payments in the New Employment Services Model. This presentation which I’ve delivered today will be published on our website, so you can review again at your leisure and discuss with your colleagues. There was a lot of content, and it will probably take a little bit of time to fully comprehend and digest.

Feedback on the provider payments model though is sought by the 27th of November. We will also publish a questions and answer document alongside this presentation on our website.

I sincerely believe we’re all working towards the same goal, to help people to meet their employment goals, and to help employers connect with unemployed Australians.

Thank you for joining us today in the webinar. And I might pause now and address some questions that may have been raised throughout the webinar. And I have some help here from Michelle Boundy, who’s been leading this critical piece of work. So thank you.

**Michelle Boundy:**

Hi everyone. So we have got a couple of questions today I’ll just take you through. The first one is:

*Q: Are there any plans to implement a 26 week partial outcome again to reward providers?*

The answer to that is no decisions have been made on the final provider payment structure of the New Employment Services Model at this stage. So we are encouraging you to send through your comments and feedback, including on 26 week partial outcomes, if you feel that would be a valuable inclusion in the new model.

Another question is:

*Q: Do you think that progress fees have been lower due to providers not knowing how to record them in ESS to generate the payment?*

And the answer to that is we have had feedback from the trial providers that have had some difficulties in tracking progress fees. During the trial, tracking progress fees have often involved manual processes for trial providers. So if progress fees are incorporated within the full model, we anticipate providing additional functionality within the IT system to assist providers in managing their progress fees.

Another question is:

*Q: If a progress fee is triggered by an employment outcome, does that mean an outcome will generate both a progress fee and an outcome fee?*

And the answer is yes. If a progress fee has not previously been paid, when a four week outcome is achieved – this is under the model we’re testing – the department pays both the four week outcome payment and the associated progress fee.

Another question is - - -

**Melissa Ryan:**

So one of the questions that I know that we publicly mentioned previously is:

*Q: Has the department undertaken financial viability analysis of the New Employment Services Model?*

And as I think has been previously shared, we had engaged KPMG to undertake financial viability analysis of the new model, and that was commissioned to help inform advice to government on the final payment settings for the new model.

And one of the questions which I know that people are very keen to understand is whether or not we would be looking to release some of that analysis undertaken by KPMG. This is a little complicated, and I say this because some of the providers that participated in the viability analysis with KPMG shared their financial records and other information on a confidential basis to help inform the analysis. And therefore, as that financial viability analysis includes information obtained from providers on a confidential basis, any decision on releasing the report is complicated. The department though is considering whether findings can be shared, taking into account the need to protect information obtained on a confidential basis. But today’s presentation and the follow up I think highlights our absolute commitment to wanting to consult and share and develop a payment model that will be viable and that will support providers and support investment in jobseekers.

**Michelle Boundy:**

A couple more questions coming through.

*Q: When will the webinar recording be available?*

We’ll be publishing the webinar recording as soon as we can, in the next few days, and the question and answer document will be maintained as we receive more questions. We’ll have that published as well.

Another question is:

*Q: Why are you using the JSCI instead of the tier to determine outcome rate?*

So the answer to that is in jobactive we’ve used the jobseeker’s service stream to determine which payment rate applies. While this is generally effective, there are cases of jobseekers in Stream B with very high JSCI scores who don’t have the non-vocational barriers that would see them moved to Stream C, which Melissa indicated in her presentation just now. And conversely, there are some jobseekers who are in Stream C due to the nature of their barriers, but they have relatively low JSCIs. While these jobseekers may have been receiving the service best suited to their needs, this did not necessarily reflect the overall disadvantage in the labour market. So that’s why we’re using the JSCI in the model that we’re testing. So in Enhanced Services, the service levels and outcome rates have been decoupled, which provides some additional flexibility, so a participant with quite a high JSCI but no non-vocational barriers can be serviced in Tier 1 but still attract the higher outcome payments.

Another one is:

*Q: Is the four week progress fee and four week outcome automatically triggered or will there be a requirement to submit two claims?*

And the answer to that is when a progress fee is paid alongside a four week outcome, this occurs automatically. Providers are not required to claim this manually.

Another question.

*Q: Will progress fees replace mechanism like PaTH internship payments?*

The answer to that is during the trial progress fees have been paid alongside activity payments, example, for PaTH internships or NWEP completion payments. However as we’ve said earlier, there’s no decisions been made on the full model at this point in time.

A question.

*Q: Will the terms Stream B and Stream C be retained?*

The answer is no. We are not using streams. Well certainly for the trial we’re not using streams as part of the trial, and we’re not intending to use them for the full model at this point.

What else have I got? A question is:

*Q: Does the new payment model include payment for education outcomes?*

And the answer to that is the payment model tested during the trial does not include specific education outcomes. They have been incorporated as one option to trigger a progress fee. The eligibility rules around a progress fee triggered due to education are largely consistent with the jobactive education outcomes, however we don’t have any age restrictions in the model that we’re testing.

Another question is:

*Q: What happens to the progress in service bonus if a jobseeker moves back up to Tier 2 from Tier 1?*

There are no limits on movement between the tiers and Enhanced Services. So if a progress in service bonus is paid for a participant that moves from Tier 2 to Tier 1, and they subsequently return to Tier 2, the payment is not recovered. However the progress in service bonus is only paid when a jobseeker first moves to a lower intensive servicing. So if that participant later moves to Tier 1 again, the progress in service bonus is not paid a second time. So as Melissa said in her presentation, it’s only payable once.

I’m just seeing if we’ve got any others. They’re probably the main ones we’ve got for now. We have still got questions coming through, so what we might do is we’ll collate all of those, and as I said, we’ll publish them on the website alongside the presentation, and we will continue to update that document as we get further questions in so you can all see what people are asking and what the answers to those questions are.

**Melissa Ryan:**

So once again, I appreciate the time that you’ve taken today to participate in this webinar. There was a lot of content that I covered, so I would encourage you to review the presentation at your leisure, and similarly, please send through questions, suggestions. Because I did pose quite a few questions throughout the presentation as well. We are genuinely interested in your feedback, particularly around use of progress in service bonus, progress fees, the like, the use of the tiers, to see the applicability of those as well.

**Michelle Boundy:**

So we have still got some questions coming through, so I might do my best to answer what I can. Won’t be one second. I’m just having a look at the ones I have already answered. So one of the questions is:

*Q: How will ESAts affect the outcome rates?*

And so the answer to that is where an ESAt has been completed, this does not affect which payment rate is applied for outcomes. So it’s determined solely by a JSCI score. If an ESAt determines a partial work capacity, this does impact on the hours required to trigger an outcome, as Melissa explained throughout the presentation today.

**Melissa Ryan:**

And I can see, for those that have submitted, that there were some questions around sharing of some data. I don’t have that with me today, but we will endeavour to make that available as well for participants.

**Michelle Boundy:**

I’m just having a look through what’s coming in.

*Q: What term will be used to replace Stream B and Stream C?*

So at the moment we call the provider service Enhanced Services, and what we’re testing is Tier 1 and Tier 2. So that’s the only service differentiation we’re applying to the model that we’re testing. And as Melissa explained earlier, we define Tier 1 as being those jobseekers who are primarily ready for sort of intensive vocational support, and Tier 2 is more for those jobseekers who have greater sort of non-vocational barriers to be addressed firstly. So we don’t have those streams. It’s just Tier 1 and Tier 2, which is at the provider’s discretion in terms of how they assess the jobseeker’s requirements and their servicing needs.

*Q: When is the final financial model due to be released?*

I think that means the final payment model. So following these consultations, we will be making recommendations to government ahead of July 2022 on all elements of the New Employment Services Model to be implemented nationally. So once a decision has been made, we can share further information as quickly as possible.

*Q: Who would be administering the JSCI, and if digitally, can providers re-administer and what timeframe?*

So one of the things you may be aware of is that one of the aspects of the new model we’re testing is a new jobseeker assessment framework, and that includes looking at enhancements to the JSCI. So we’re still looking at this stage at maintaining the JSCI as the initial assessment instrument, but with some enhancements. And we’re looking at introducing further assessments. We have already introduced into the model we’re testing a digital assessment upfront that follows the completion of the jobseeker snapshot. A lot of jobseekers are completing this, and it helps us to identify whether or not jobseekers are suitable for the digital service or may require provider servicing. We’ve also recently introduced new assessments at the four month mark to again assess suitability of remaining in the digital service. We’re looking at a range of other tools, skills assessment tools, motivation and resilience tools, to support jobseekers.

So in terms of the JSCI, it will remain as a key tool, but we are having a look at enhancements to it. So we’ve relaxed the requirements as well for providers in the trial, I think now also in jobactive, so that providers don’t have the six month limit in which they can go in and do the updated snapshot with the jobseeker. So I expect that will also continue into the new model.

That’s one about data. So we’ve answered that.

And some of these I won’t be answering right now, because I probably need to go away and have a little think about them, and in some instances talk to other program areas. For example, we’ve been asked some questions about wage subsidies and Parents Next, so we will come back to you on those.

What else?

There’s been a question just about ESS.

*Q: Will ESS have better facility to update or correct the JSCI?*

So we are building a completely new digital platform to support the New Employment Services Model, and so there will be a whole range of enhancements to that. And part of the consideration in that process is not just the jobseekers who are using the system, but of course providers, and making the system more user friendly and thinking about, as we mentioned earlier, trying to reduce administrative burden on providers. So these are all considerations for our digital platform that we’re building to support the new model.

And someone had just asked, and I’ve probably answered it:

*Q: Will the JSCI be changed? Have questions been added to better cover barriers jobseekers face?*

So that is something that we’re currently working on at the moment, so we will be able to give you more information about that later.

There’s another question about data, so we’ll have to come back on that.

There’s lots coming through on the JSCI, for example:

*Q: The department’s received feedback the JSCI often provides a poor calculation. What enhancements will be made?*

So as I said, that’s something we’re working on at the moment. So we’ll obviously come back to you with further information on that, because there seems to be a lot of interest.

*Q: Is it possible to get a timeframe on when providers will be able to view assessments and other tools the department is intending to provide?*

So for example, we have the find a role tool that I think providers have already been using since around July this year, and we’ve just recently introduced job switch. So some of these are live, and we have been talking with providers about it. We have just engaged a firm to help us develop an online jobseeker self-assessment tool, with a focus on jobseeker resilience and motivation. So we will be coming and talking to providers about that as well.

What else is in here?

Some questions about the employment fund that I’ll take on notice, because I’ll come back. It’s not my area of expertise, but we’ll come back to you on those.

There’s a question about:

*Q: Will providers be able to determine whether a jobseeker has a moderate or high JSCI score?*

And the answer is yes. So we currently display that information in ESS Web, so when a provider goes and looks up a jobseeker’s ID, they can see whether or not they have a moderate or high JSCI score.

*Q: Are we likely to see many Stream As coming to Enhanced Services, or all to online?*

So in the NEST, the majority of the Stream A equivalents – because we don’t use streams in the trial – do go to Digital Services, however as I mentioned before, we do have a range of safeguards in place and reviews at certain points in time to reassess digital servicing suitability. And where jobseekers aren’t making progress in the digital service or identified as being at risk, they are encouraged to opt out to providers. In some instances they’re automatically moved to providers. And we have in the trial settings the arrangement that jobseekers can opt out of the digital service at any time for any reason.

What else have we got?

*Q: Currently there is no reporting function on the JSCI level, which makes it next to impossible to predict forecast revenue in financial models.*

So within the trial, as I said before, providers are able to review whether the jobseeker is allocated a moderate or high JSCI score. And so that we understand is helping providers in the trials to better understand their caseload and which payment rates will apply. And this information is available not only through ESS Web, but it’s also through reports that are made available to the providers.

Sorry. I’m just going through to see what I might have missed.

There’s a couple more on data.

There’s a question about:

*Q: If a jobseeker opts out of Digital Service, what happens to them?*

So essentially they’re referred to a provider. So what’s been set up in the system for jobseekers is there’s now a transfer of provider button, so they can actually go in and they can have a look at the providers in their area, and they can make a choice about which provider they want to be referred to, and then they will be referred to that provider.

**Melissa Ryan:**

Alternatively to facilitate that, they can also call the Digital Services Contact Centre, and the Digital Services Contact Centre can facilitate a transfer for that jobseeker to a provider in their region. And they’re given a choice about which provider they would like to be connected to.

**Michelle Boundy:**

I’ll just go back into this.

*Q: In the new contract, will jobseekers in Digital Service be able to opt out of Digital Services?*

So government hasn’t made a decision yet on the policy settings for the final model, so that’s a bit of a wait and see. But certainly it is what we’re testing in the trial.

Someone’s asked a question about the cut offs for JSCIs. So you’re probably aware that we don’t publish the JSCI bandwidths that we use, and we’re not planning to do that in the new model. We are having a look at – so as I said, we’re not using streams in the new model. We are using the JSCI to determine payment outcomes and so on. So yes, that is something that we will look at over time, but it won’t be something that we would publish.

Someone’s asked a question about:

*Q: If a jobseeker transfers and has already had progress fees taken, do they reset with the provider? Example, tier movement or four week outcome.*

In the trial, if a progress fee has already been claimed when a jobseeker transfers, it’s not available for the new provider. So the progress fee for a Tier 1 jobseeker is only payable once per period of service. We do enable progress fees to be paid every 24 months for Tier 2.

*Q: Is there a mechanism to prevent provider shopping? Can jobseekers transfer multiple times at their own discretion?*

As Melissa sort of foreshadowed in the presentation today, one of the things we are looking at is jobseeker transfers in the context of the provider payment model. So that is something that we will be looking at.

There’s a question.

*Q: So realistically, you could receive a jobseeker with no funding except outcomes?*

Yes, at the moment, which is why we’ve flagged it as a policy consideration. The engagement fee is once off, so if a jobseeker moves to you from another provider within that same period of service, you won’t receive that engagement fee, which is why we’ve raised that as a fundamental policy consideration for the new model.

*Q: As tier levels are at provider discretion but impact the progress fee amount, is there any criteria prescription outside of vocational or non-vocational barrier level?*

So at this stage the tier levels are as I described earlier, which have that focus of that non‑vocational/vocational differentiation. But again, tiers is something that we’re testing in the trial. It’s a very new concept, as Melissa said earlier, so it’s something that we will be looking at in terms of what we put forward for the new model.

*Q: How will you know if a progress fee has been claimed already?*

So as I said before, we are aware that this has been an issue that’s been raised by the trial providers, and so we have got some reports that we’re putting out where they’ll be able to look up to see if it’s been claimed. But we do know that tracking against progress fees is an issue that we’ll have to consider if progress fees are retained for the national model.

*Q: Will new providers be paid $500 or $1,000 for jobseekers transitioning to their caseload?*

Again, this is not something we’ve determined yet, but it is a live policy consideration which Melissa mentioned earlier in the presentation.

I think I’ve answered most of the ones that I can at the moment. I’ll just see if any more are coming through.

So I’d say I think we’ve answered all of the questions that have come through that we’re able to today. The rest we have got – there’s still some coming through.

*Q: Any view on additional outcome dollars for Indigenous?*

So at this point in time, the model that we’re testing doesn’t have a differentiation in the outcomes that are payable based on cohorts. But we are aware it’s an issue that’s been raised, so it’s something that we can consider.

*Q: Will we be able to track the volume of jobseekers that are transferred with no funding and identify areas of concern, and if so, will there be a cap on how many customers you can transfer?*

So again, that’s a live issue for us in terms of how engagement fees will work in the new model. And one of the things we have been looking at is the transfer rates within the trial. And as Melissa mentioned earlier, it hasn’t actually quite balanced out the way we had anticipated, so it is something that we are looking at.

**Melissa Ryan:**

But clearly how we land on that decision will also then have to be built in to the development of the new digital employment services platform as well, to have some of that functionality available to track it. Because we’re obviously keen to track it, as too will be providers.

**Michelle Boundy:**

Yep.

*Q: Will the same fee model apply to specialist providers?*

So in the trial, we are trialling specialist providers. We’re not trialling the licensing framework. And so therefore the payment model we’re testing in the trial does not make any allowances for specialist providers. And so as I mentioned before, no decisions have been made on a final payment structure for the new model, so we do encourage you to send through any comments or feedback for the department to consider in developing that aspect of the policy.

*Q: Is the non-regional loading funding removed in the pilot seeing concerns for providers?*

I think it’s fair to say at the start when we were setting up the contracts, there were questions about why the regional loading had been removed and why it had been applied to the employment fund, and Melissa sort of outlined earlier the policy thinking behind that. But I think it’s fair to say it hasn’t been raised as an issue.

**Melissa Ryan:**

Not through the recent – throughout the trial we’ve had ongoing engagement with the eight NEST providers as a collective and on a bilateral arrangement, and since the beginning, since when there was early discussion around it, there hasn’t been any issues or concerns raised around that. So no.

**Michelle Boundy:**

But we are evaluating the trial, so we are looking at all of the things that we’ve introduced that are different to jobactive. And that’s why we also wanted to run this webinar today, so we can get feedback from our key stakeholders as well.

And I think we’ve just got a very similar question to one I’ve just answered about:

*Q: What would be the model of payments for workforce industry specialists?*

 So that’s not yet determined.

**Melissa Ryan:**

No. And I think as you would be aware, the closing date for the feedback on the licensing system closed on the 28th of October, so we’re progressively working through that. And that licensing paper did ask some specific questions around the use of specialists and industry specialists and the like. So we’re just working through that as we speak.

**Michelle Boundy:**

And there’s a question about:

*Q: Will we have star ratings, and if so, can we please include an NPS rating?*

So for the trial we don’t have star ratings in the trial, so we don’t have the sort of same approach to performance in the trial as what we have in jobactive. But the performance framework for the new model is still being developed, so it’s a bit of a watch this space. But I can confirm we don’t have it in the trial in terms of the system that we’re testing.

*Q: Has the department seen as many LTU bonus claims made as expected in the initial modelling?*

And I think we might have said this in the presentation, but we’re actually seeing more than what we were anticipating. And again, this is something that we’re looking at, and one of the policy questions we’re sort of looking at is have we also got the setting of that right in terms of 24 months. But yes, it has certainly been higher than we initially modelled.

*Q: Digital Plus has access to training courses with a provider, but don’t have to be linked like Enhanced Services. Will providers be paid for when Digital Plus comes to us to have things be paid?*

So we do have provision in the NEST Deed for providers to provide training to digital participants, and we do pay the providers for that. So while the jobseeker’s not on the provider’s caseload, for example providers can provide digital training, we would compensate the providers for any servicing they’re providing to those digital participants.

Have we got any more coming through?

*Q: Given the uptake for work for the dole is low in the pilot, is there a future position on this?*

So not at this stage. So we are looking at all of the complementary programs that exist. So currently work for the dole is obviously an option available in the trial, and we know that it’s been impacted by the fact that we had to close activities. So I guess for the purposes of the trial, the trial has operated primarily with a contingency arrangement in place for the bulk of it to date, so it hasn’t been a business as usual approach.

But we do have a bit of a key difference to jobactive in the trial, in that we don’t have the annual activity requirement. So we don’t have the work for the dole phase for example. So that might be one of the things that’s also impacting. But we do know it’s a bit difficult to determine too much from the data at this stage, because we closed the activities down for safety reasons.

Is there anything more coming through? And as I said, I am aware – if you’ve asked a question and we haven’t answered it, it’s just because it’s one that I’ll have to get some further information on, and we will come back to you and we will publish it.

So we don’t have any more coming through at this stage.

We might just wait just 30 seconds or so to see if any more questions come through.

**Melissa Ryan:**

No. It looks like we might have run out of steam now in terms of the questions for today’s webinar. But as Michelle has said, feel free to continue to submit them, and we will duly respond and answer to them. As there was quite a number around the JSCI, around some of the data and the like, so we’ll endeavour to answer as many as we can in a timely way, and publish the webinar and the quick Q&As. But I don’t think any more have come through, so I do appreciate we’re probably - - -

**Michelle Boundy:**

There’s one on employment fund, so I will come back to that one when we publish them. I don’t have that information to hand, about spending trends in the employment fund at this point in time.

**Melissa Ryan:**

So I might conclude now. And thank you for your participation. Thank you for the extensive questions that were raised by you. It shows that you’re very engaged and keen to understand more about the trial and the payment model. So I look forward to getting some robust feedback from you on how we can address some of those questions that we have posed to you today, and other areas of opportunity that we can explore as we move towards settling the final advice to government on the payment model.

So I wish you a happy Tuesday. There’s another flurry, but I think I’ll stop now. And thank you for your time, and we’ll talk again soon. Thank you.

**Michelle Boundy:**

Thank you everyone.

[*Closing visual of slide with text saying ‘Questions, comments and feedback can be sent to:’, ‘Enhancedservices@dese.gov.au’, ‘https://www.employment.gov.au/consultation-inform-new-employment-services’, ‘Please submit by 27 November 2020’*]

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