



Australian Government
Department of Education,
Skills and Employment

New Employment Services

Trial Update and Proposed Licensing System

27 July 2020



Overview of webinar



New Employment Services Model



New Employment Services Trial



Proposed licensing system

Recording of webinar will be available at: employment.gov.au/consultation-inform-new-employment-services

New Employment Services Model



New Employment Services Model Principles

The new model will commence in July 2022 and aims to:



Help more **job seekers** into **work**, particularly the **most disadvantaged**



Leverage **digital technology** and **data** for a personalised service delivery



Improve **mutual obligation effectiveness**, increasing personal responsibility



Increase **employer engagement** with the service



Reduce **red tape** for all users



Redirect resources from the job-ready to the disadvantaged



Improve **provider performance**, exiting low performers more easily

New model service levels

Digital First



For **job-ready job seekers** capable of self-managing online.

- serviced online through the digital employment services platform.

Digital Plus



For job seekers **requiring some additional support**, such as help gaining employability skills or a qualification.

- predominantly self-manage online via the digital service.
- may receive face-to-face skills training and other targeted support.

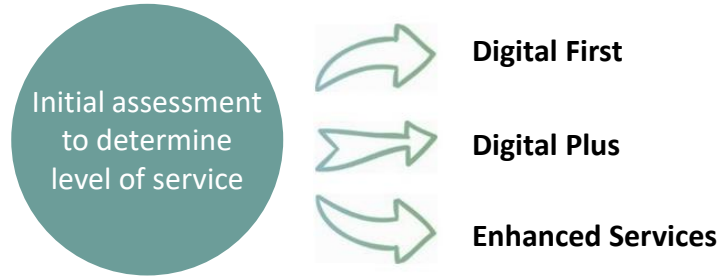
Enhanced Services



For job seekers with **multiple or significant barriers to work**

- receive face-to-face servicing from a provider, including:
 - help finding a job
 - case management
 - access to training
 - post-placement support
 - referral to other social services.
- two tiers of service, based on vocational and non-vocational barriers and capability to undertake intensive activities.

New assessment framework

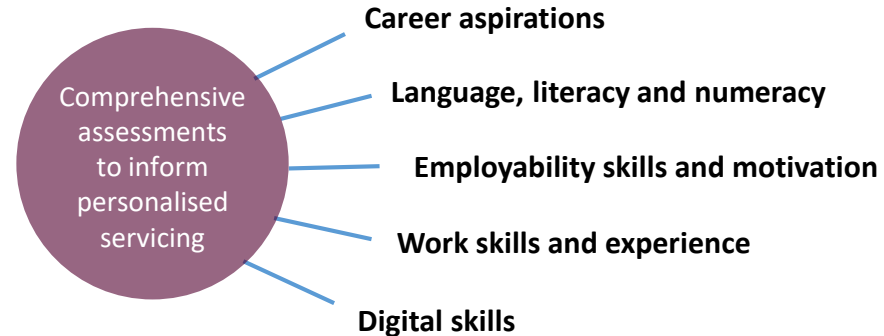


The **initial assessment** will capture a range of factors to find which service is best suited to the job seeker.

It will include an assessment of digital literacy and access to online services.

Reassessments will occur at regular review points and where there is a change of circumstances.

Comprehensive assessments will have a broader scope and can be conducted more than once.



Digital services offer



Will be developed progressively over time, and include:

- Tailored job matching
- Tools to identify skills gaps
- A range of online training modules
- Digital literacy training for job seekers that need help using online employment services
- A Contact Centre to offer support, accessible via phone and online
- Link with existing players in the online jobs market



New flexible activation framework



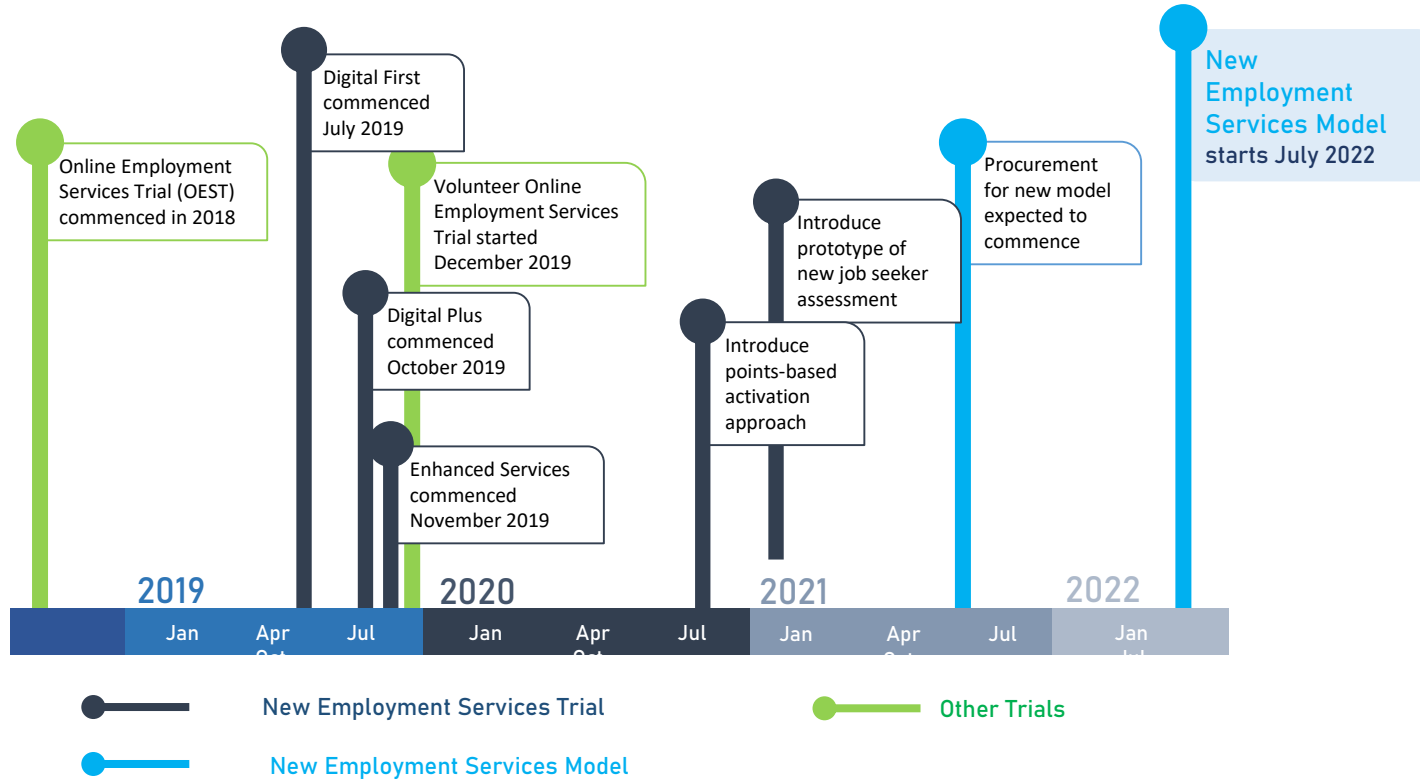
Points-based system with greater user choice and flexibility about meeting obligations



Job seekers will be subject to the **Targeted Compliance Framework**

-  Required: job search
-  Other approved activities could include ...
 -  Work experience
 -  Addressing non-vocational barriers
 -  Addressing vocational barriers

Timeline to the New Employment Services Model

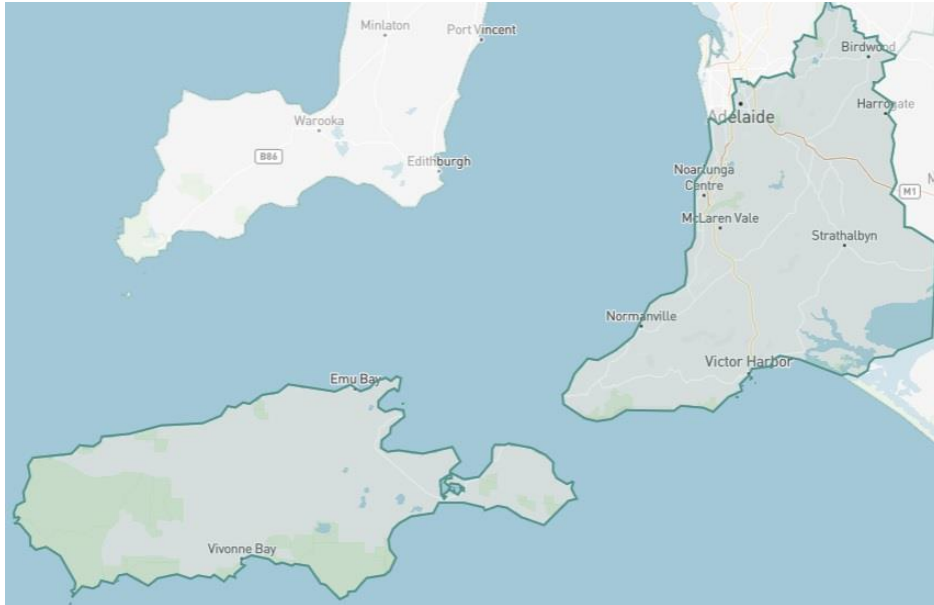


New Employment Services Trial (NEST)



Trial Regions

Adelaide South, SA



Mid North Coast, NSW



Trial caseload by service level

as at 15 March 2020

Does not necessarily represent the proportions expected in the new model



The vast majority of job seekers that transitioned from jobactive moved into Enhanced Services.

This is mainly due to:

- Many job seekers being ineligible for Digital Services (in services for 12 months +)
- Job seekers opting out of Digital Services (choosing to remain with their provider)

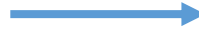
2020 has enabled us to stress test

Bushfires

Parts of both regions were affected between November 2019 and February 2020

COVID-19

Surge in income support recipients, largely due to social distancing restrictions



this has meant

- Mutual obligations suspended for much of the Trial
- Doubling of the NEST caseload
- Delays to some parts of the trial
- Fewer job vacancies
- Little to no face-to-face servicing
- Cancellation of many activities
- A shift to more phone-based and online support

... but things are slowly returning to normal

Early findings from the trial



Provider staff have appreciated greater flexibility in how they service job seekers and recognition for progressing them towards employment.



Some **Enhanced Services job seekers** have noticed longer appointment times with their provider, and welcomed greater choice around the activities they do.



Digital Services job seekers like the convenience and flexibility of online services, and appreciate not having to travel to visit a provider.



Employers have highlighted that timeliness and accuracy of information on candidates is important. We have also had great feedback from employers taking part in our Virtual Job Fairs and using the Jobs Hub.

The Proposed Licensing System



The licensing system is still being developed

In March 2019, the Government announced the new model would feature a licensing system.

This was informed by the Employment Services Expert Advisory Panel's recommendations from 2018.

Many aspects of the licensing system are still under development. The content in this presentation is **subject to change**, and includes some potential options.

Further consultation will also help shape the final design of the licensing system, including a public Discussion Paper.



Key objectives of the licensing system

- Lower barriers to entry and exit
- Drive quality outcomes for job seekers and employers
- Reduce the cost and disruption of procurement



Design principles



Streamline procurement



Encourage greater diversity of providers



Respond to local needs



Harness specialist expertise



Reward strong performance



Balance flexibility and market stability

Establishing a panel to improve responsiveness

Should a provider exit a region, the panel enables them to be promptly replaced without the need for another tender.

Sub-panels proposed for each Employment Region

Deed of Standing Offer would be signed by all panel members, with selected organisations offered a licence.

Propose having the panel last for 6 years, with scope for rollovers. Alternatively, could be shorter or longer.

Propose that panel members would be required to confirm their interest and eligibility to remain on the panel periodically (e.g. every 12 months).

Panel may be refreshed

Where the department identifies the need to do so, in one or more regions.



Issuing contractual licences

A managed market of providers

Propose capping the number of providers in each region.

Providers could service areas smaller than an Employment Region.

Market share would be set, with tolerance used to provide some flexibility.

Some market share could remain unallocated, to allow for greater job seeker choice and make it easier to add licences later.

Duration of all new licences proposed at 3 years

Alternatively, licences could be shorter or longer.

Adding new licences where there is an identified need

Also potential to have short-term licences e.g. for a major redundancy.



Cohort specialists

Specialising in a particular job seeker cohort

Propose having specialists to only service job seekers from the target cohort, unlike under Job Services Australia.

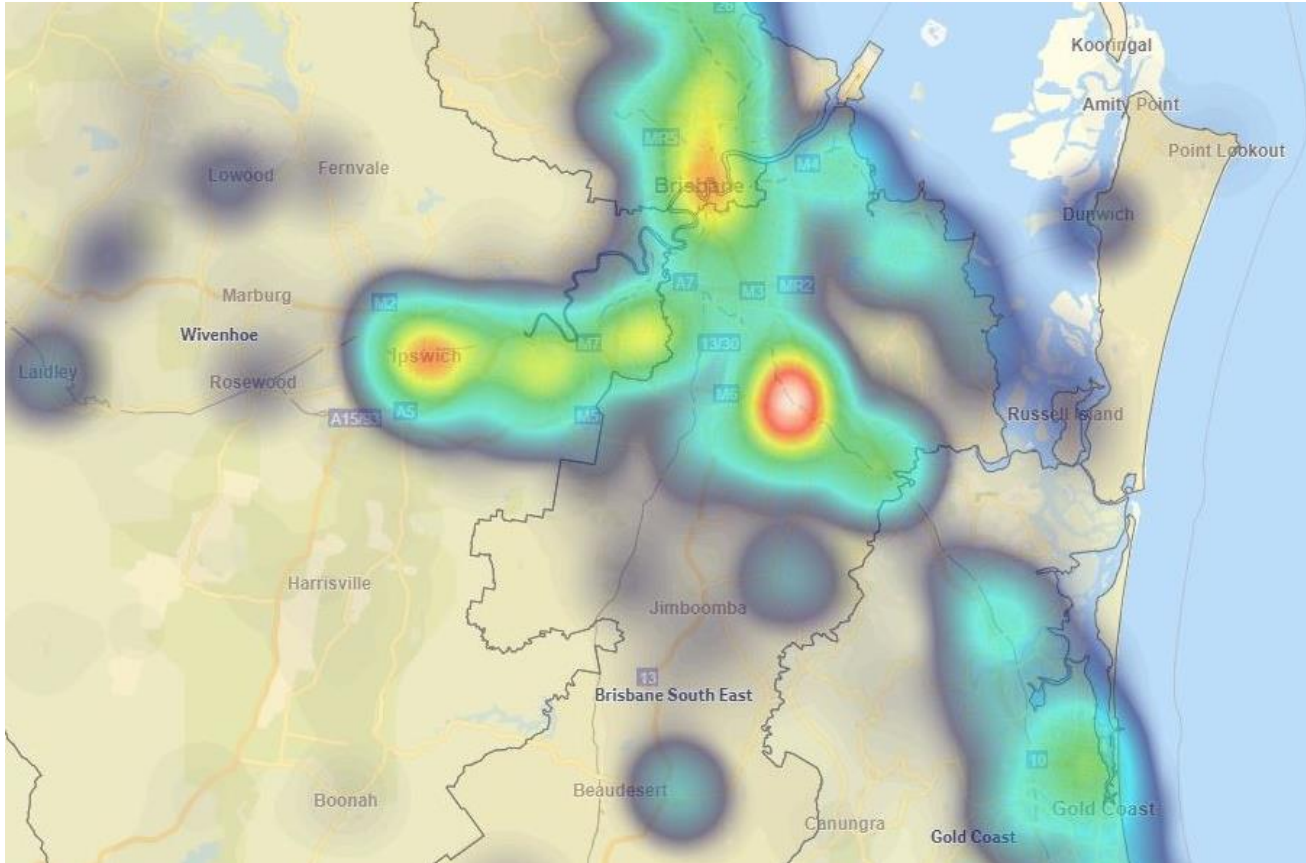
Job seekers would be able to choose which provider they wish to be serviced by.

Specialists may be better suited to locations with higher concentrations of job seekers, to ensure viability.

The department will be consulting further on which cohorts should have specialists (e.g. Indigenous, CALD, mature age etc.) and where they should operate. A detailed analysis of relevant data will also be conducted.



Specialist providers in selected locations



Indigenous
jobactive
participants around
Brisbane &
the Gold Coast

Industry specialists

Specialising in a particular industry, project etc.

Industry specialists:

- could target growth industries, or large scale projects (e.g. Western Sydney Airport) helping to create smoother pathways to employment
- could potentially source job seekers from the Digital Services caseload as well as Enhanced Services
- could incorporate elements of, or integrate existing employer-focused programs
- may require a completely different approach, possibly with a separate Deed and guidelines, performance measures and/or incentives
- may need to operate at a larger scale than other providers.



Proposed approach to licence renewal

High performers would be rewarded with licence extensions

Allowing providers to invest in their staff and concentrate on service delivery.

Low performers may be exited by not having their licences renewed

Would typically be replaced from the sub-panel in that region.



Annual ‘Licence Reviews’ proposed, with regular performance data releases

The department would determine which providers would be offered an extension, and whether the number of licences in each region is appropriate.

First Licence Review may occur slightly later than mid-2023, and be limited in scope.

Licence renewal continued

Licence Reviews would place providers into one of three performance categories

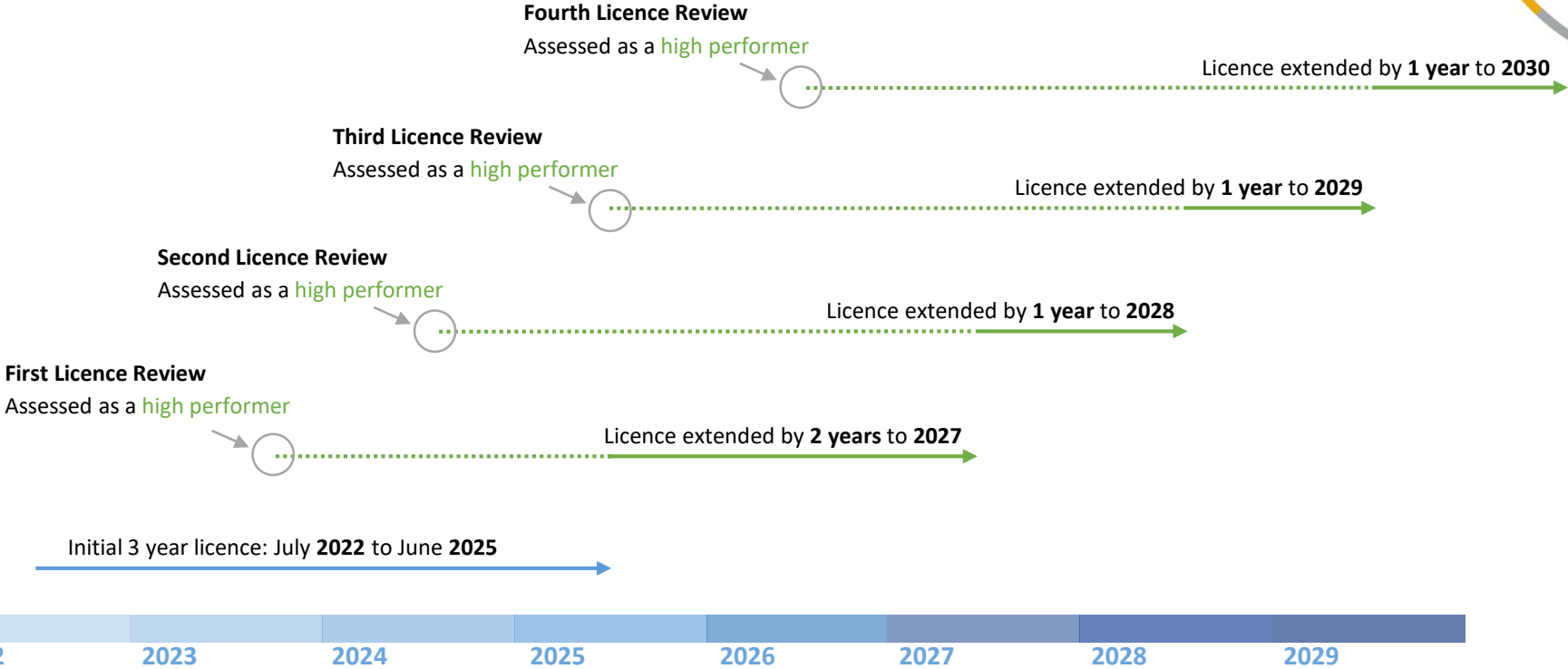
Performance category	Licence Review outcome
High performance	Licence extended by up to 2 years
Moderate performance	Licence extended by up to 1 year
Low performance (in-scope)	Licence extended after further consideration
	Licence not renewed after further consideration

Licence extensions offered well in advance of licences lapsing, giving providers certainty.

In the event of serious non-compliance or significant underperformance, a provider's licence could be revoked.

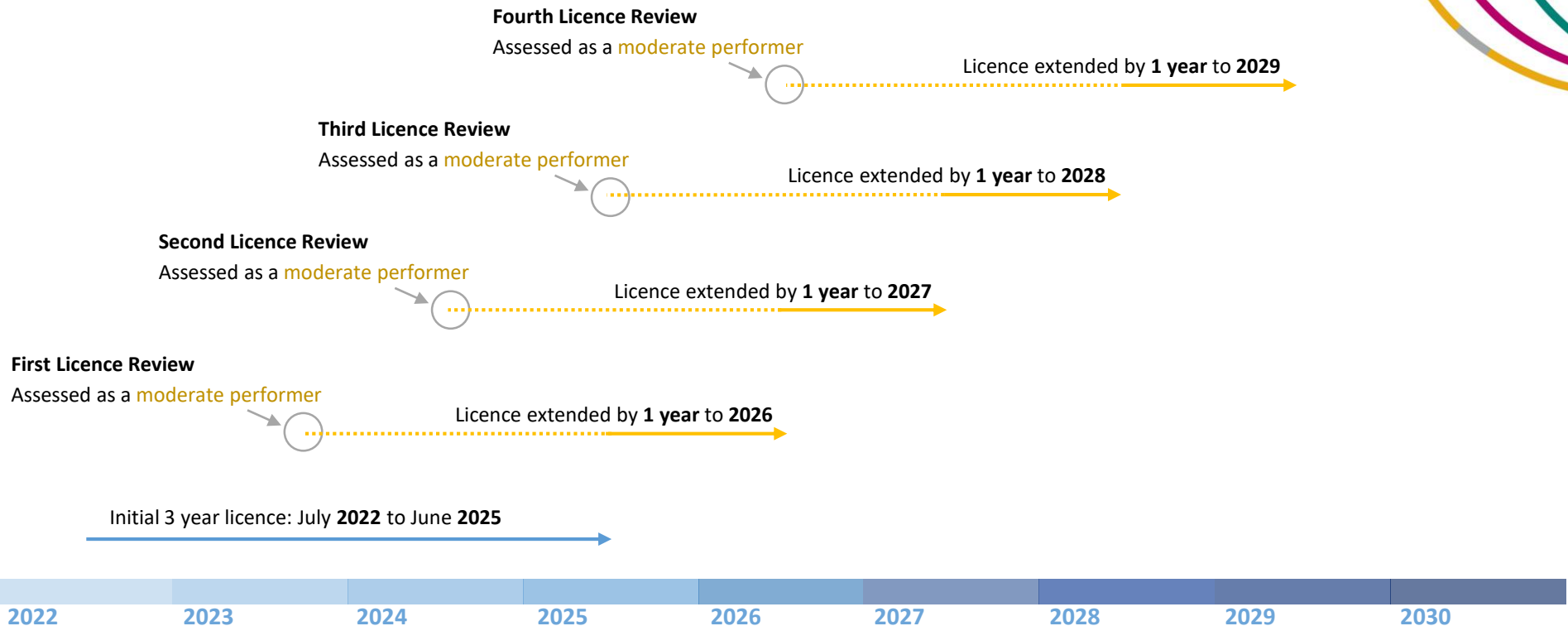
Informed by the performance framework, which is still under development.

Potential scenario 1: a high performing provider



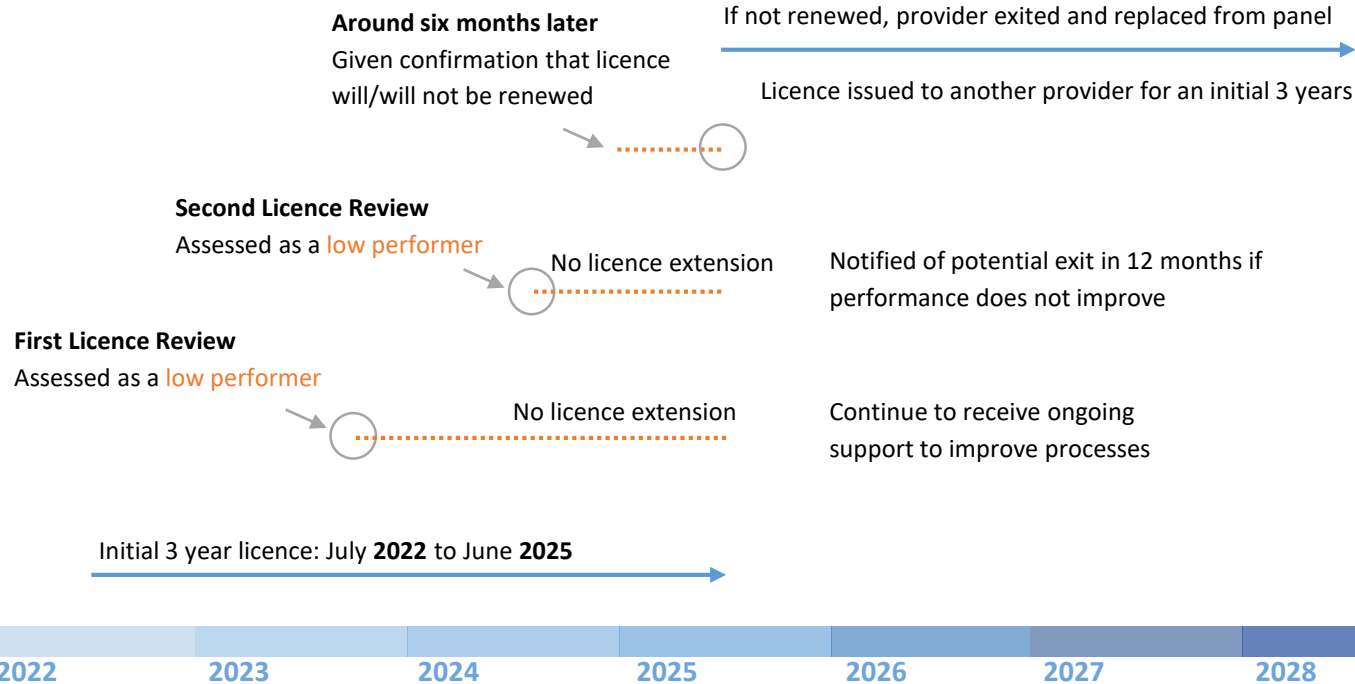
N.B. Scenario assumes panel is rolled over after six years

Potential scenario 2: a moderate performing provider



N.B. Scenario assumes panel is rolled over after six years

Potential scenario 3: a low performing provider



N.B. Scenario assumes panel is rolled over after six years

Streamlining procurement

Less time and resources spent on tender applications in the long term.

Simpler, more targeted questions in the Request for Proposal, reducing the need to upload supporting documentation.

Potential to link in organisational data from other Government agencies, to avoid duplication.

The department is also examining ways to reduce administrative burden by making the Deed and program guidelines simpler and more concise.



Consultation



Range of stakeholders

- Employment services providers and their representatives
- Job seekers and their representatives
- Employers and their representatives
- NEST Reference Group
- Community organisations
- Government agencies
- Academics

Discussion Paper

Will provide further details on the proposed licensing system to the market.

Gives ALL stakeholders the opportunity to provide feedback on the proposed licensing system and options.

Feedback will strengthen the evidence base for reforms.

Timeframes

Indicative procurement milestones

- Consultation and policy design – **2020**
- Announcement of model design (including licensing system) – **early-mid 2021**
- Exposure Draft of Request for Proposal (TBC) – **post announcement**
- Request for Proposal released – **mid-late 2021**
- Announcement of panel and licence holders – **by end 2021**
- Transition to new model – **from early 2022**

Please note these timeframes are subject to change.





Further questions