

Transition to Work Consultation Paper

Components to be retained

Transition to Work is a well-regarded, successful service. While there is always opportunity for improvement, and a need for some change to integrate TtW into the New Employment Services Model, the department's intention is to maintain the core components of TtW that led to its current success.

Component	Description
Non-competitive service delivery	The non-competitive nature of the TtW service, with one provider operating per dedicated service location, has supported TtW providers to develop a strong collaborative approach and to share best practice approaches.
Consequences for non-compliance with Mutual Obligation requirements	TtW will remain a voluntary service that eligible young people in receipt of activity tested income support can choose to participate in to satisfy their mutual obligation requirements. Participants who fail to engage in the service and meet participation requirements will be exited and transferred to an Enhanced Services provider.
Eligibility for disengaged youth not in receipt of income support	Access for disadvantaged young people not in receipt of income support who are disengaged from training or employment will be retained.
Flexible service delivery	TtW providers will maintain the flexibility to determine appropriate activities that will best support each young person's development and use their funding to support this, with minimal administrative burden.
Demand-driven funding and a funding model that encourages upfront investment in young people	The TtW funding model to: <ul style="list-style-type: none"> • remain weighted more to Service Fees than Outcome Payments to enable upfront investment in young people • continue to give equal value to Education and Employment Outcomes • remain at levels which support intensive servicing and facilitate low consultant to participant ratios • continue to be based on Funded Places that different individuals can occupy at different points in time rather than fees linked to transactional events for individual participants. A Funded Place is a unit of servicing under the Transition to Work Deed for the provider to service one or more participants over time in a particular employment region.
Youth Bonus Wage Subsidy	Access to the Youth Bonus Wage Subsidy of \$10,000 will remain to support the hiring of TtW participants who are in receipt of income support and have mutual obligation requirements. This will help ensure that disadvantaged young people will be more competitive in the labour market.