



2021 National CEO Forum

Morning, Afternoon and NESM Session Questions and Answers

New Employment Services Model Procurement

How do small providers fit in the future of employment service model?

The New Employment Services Model aims to promote greater competition and diversity among employment services providers and enhance the government's capacity to respond rapidly to emerging and changing labour market needs. The overriding principle guiding the issuance of licences is value for money. Value for money is the optimum combination of a range of factors which will be considered, including but not limited to:

- quality of services that achieve against the program objectives
- diversity and viability of the market
- service accessibility and ER service coverage
- meeting the needs of specific job seeker cohorts
- minimising risk to the government.

It is not necessarily expected that all Providers would deliver the respective Service across an entire Employment Region (ER). For example, there may be some ERs with one or more Providers servicing the entire region and some covering specific locations. Other ERs may have multiple Providers servicing the entire region.

Some organisations may also be eligible for assistance through a Capacity Building Fund to reimburse some of the costs associated with obtaining the required IT security and quality accreditation for the delivery of employment services. Eligibility is limited to small organisations that:

- are offered a licence to deliver Enhanced Services
- do not already have, or have not been required to have, the necessary accreditation and certification, including through any Related Entity, in delivering employment services or comparable services.

Organisations subject to accreditation requirements to deliver employment services under contracts operating before the commencement of the new employment services model will not be eligible for the Capacity Building Fund. Please refer to Exposure Draft Section 4 Capacity Building Fund (page 34).

The timeline on the DESE website states that the Request for Proposal (ROP) will be released in Quarter Four, however today you have advised that the ROP will go out in Quarter Three. Which is correct?

The Request for Proposal will be released in Quarter Three of 2021, any incorrect information on the website will be updated.

Can you confirm that in the New Employment Services Model there are two types of provider: generalist and specialist? Can you also confirm that Workforce Specialists will be engaged through a separate tender process?

Yes, in the New Employment Services Model there are two type of provider: generalist and specialist.

Workforce specialists will be engaged through a separate tender process to the NESM and will be procured on a separate payment arrangement. Workforce specialists will not have a dedicated caseload.

Will all of the three different tenders discussed today occur in quarter three, or is there a separate timeframe for Workforce Specialists?

As the Department has previously advised through the Licencing Paper, we expect to release the Exposure Draft in mid-2021 and it is our intention to release the NESM Enhanced Services Request for Proposal in the third quarter of this year. The Department will be coordinating multiple procurements and further information how the different procurement and complementary programs will be managed, will be included in the procurement plan.

New Employment Services Model Caseload

In a location where more than 60% of the caseload is eligible for specialised support services, will the caseload be shared with jobactive providers?

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- service accessibility and ER service coverage
- meeting the needs of specific job seeker cohorts
- minimising risk to the government.

Please refer to Exposure Draft Section 2.2.5 How the panel will be used (Page 27).

Will young people, not meeting TTW eligibility criteria, be a specialist cohort in NESM?

The department will consider issuing the following four types of cohort Specialist Licences at the commencement of the new model:

- Indigenous Australians
- CALD
- Refugees
- ex-offenders.

Please refer to Exposure Draft Section 2.2.11 Specialist Licences (Page 29).

There will continue to be a youth cohort serviced within Enhanced Services, similar to how it currently is in jobactive. There will not be youth specialist Enhanced Services providers.

Could the Department provide further information about specialist cohorts, you have mentioned two groups, will there be more?

The department will offer licences to deliver both Generalist and Specialist Enhanced Services to Panel Members that have been successful in specific ER(s). It is possible for a Provider to deliver both a Generalist and Specialist Enhanced Services in the same ER. The department will consider issuing the following four types of cohort Specialist Licences at the commencement of the new model:

- Indigenous Australians
- Culturally and Linguistically Diverse Backgrounds
- Refugees
- ex-offenders.

Please refer to Exposure Draft Section 2.2.11 Specialist Licences (Page 29).

New Employment Services Model Funding

Will there be a separate Wage Subsidy fund or will Wage Subsidies be funded using the \$1,600 Employment Fund credit received for each Job Seeker?

In Enhanced Services wage subsidies will be funded through the Employment Fund with the exception of the Youth Bonus wage subsidy for job seekers 15 – 24 years of age, which will be funded through a separate funding pool. Providers will determine when to offer a wage subsidy based on the individual needs of a job seeker and employer.

How will Work for the Dole be funded in Enhanced Services?

Work for the Dole activities for Enhanced Services job seekers (including for mandatory activities) are directly funded and providers will not need to use Employment Fund credits to fund Work for the Dole placements.

Points Based Activation System under NESM

Under the Points Based Activation System will participation in, and completion of, accredited vocational training count towards a Job Seeker's points target?

The final design of the Points Based Activation System (PBAS) in the new model is still being considered. The department will be undertaking further consultation and will provide a fuller overview of tasks and activities and their respective points values following the finalisation of the design.

In the New Employment Services Trial job seekers can undertake a range of tasks and activities, including accredited vocational training as part of meeting their requirements under the Points Based Activation System.

Right Fit For Risk and NESM

How will you work with small providers around right fit for risk accreditation for the future?

As noted in the Exposure Draft Section 8 – Information Technology (Page 51), if offered a licence, organisations will be required to attain accreditation of their Information and Communications Technology environment.

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Will Right Fit For Risk accreditation be a mandatory requirement for any future procurement process, in the New Employment Services Model or other contracts?

Right Fit For Risk accreditation is currently a mandatory requirement for providers who are accessing and using the Department's system. The security and accreditation requirement for any future procurement will be detailed in the relevant procurement processes.

Most providers are currently working to secure Right Fit For Risk accreditation, this is a process that takes at a minimum six months, often longer. If a provider is close, but has not yet secured accreditation at the point of tender, will there be any flexibility, given that new providers will not have met this requirement?

We are unable to provide a detailed answer to this question. Every current provider who does not meet RFFR requirements will be dealt with on a case by case basis. The procurement approach will detail what is required as a part of the tender process.

Transition to Work

If TTW will be the government's specialist employment service for young people under the new model, will there be any young people referred to providers in NESM, or will all young people be in either online employment services or TTW?

Transition to Work is a specialist service designed for a subset of young people in employment

services. There are eligibility criteria that apply currently, primarily around disengaged youth, with a broader criteria to apply in the new model. While TtW is expanding the program will still only service a targeted cohort of young people.

Pre-COVID-19 TtW serviced approximately 20 000 participants, the current caseload is around 37 000, with approximately 41 000 participants expected in the new model.

Will there be any restrictions on a generalist provider tendering and winning a TtW contract?

Organisations will generally be able to provide other employment services in addition to TtW, as long as the organisation is successful in separately tendering for each service. More detail will be available in procurement documentation to be released later this year.

Is the Department anticipating or expecting an increase in providers delivering TTW services from 1 July 2021?

The number of providers who will deliver services under the new TtW Deed will be dependent on the outcomes of the TtW Tender.

Capacity Building Fund

You mentioned the \$5M capacity building fund - where can we find details on eligibility and access to this fund?

The Department is still working through the details of the Capacity Building Fund, the criteria and details will be outlined in the Exposure Draft. The government has allocated \$5 Million for new service providers in order to encourage organisations to enter the market.

Career Transition Assistance Program

How will the expansion of Employability Skills Training to job seekers of all ages interact with the Career Transition Assistance program for older job seekers?

The eligibility criteria for the Career Transition Assistance Program remains the same. CTA will continue to be an option for job seekers aged over 45. In the New Employment Services Model, Digital Services job seekers who are not engaged in work, study or training at four months of service will be required to undertake a block of Employability Skills Training. The department is working through the micro policy relating to this as we move forward.