

Introduction

The National NEIS Association Ltd (NNA) represents the organisations contracted by the Australian Government to deliver the New Business Assistance with NEIS program around Australia.

The New Business Assistance with NEIS program is considered a complimentary program within employment services and supports Job Seekers in pursuing self-employment as an alternative to full time employment

As such providers have, in the past, been appointed specifically to deliver the NEIS program with allocations of NEIS places based on unemployment numbers within employment regions. Under previous contracts organisations have been invited to tender to deliver the NEIS program in nominated employment regions. Successful organisations are then allocated NEIS places for some or all the regions they have tendered for.

NEIS Providers were initially community based small business support organisations delivering the NEIS program within their immediate communities. In recent contracts, however, medium and larger organisations, including jobactive providers, have established small business training divisions to deliver the NEIS program in multiple employment regions across multiple states and territories.

Currently there are 18 NEIS providers that are allocated 8,600 NEIS places across approximately 50 employment regions throughout Australia.

The Discussion paper proposes the appointment of a national panel of jobactive providers which is effectively how the appointment of providers to deliver the NEIS program has successfully operated across many employment services contracts. The NNA supports the continuation of the appointment of a panel of NEIS providers to deliver the NEIS program under the New Employment Services Model.

The NNA also makes the following general recommendations on the appointment of NEIS providers.

RECOMMENDATION #1 - The number of NEIS providers to be appointed be capped at three per employment region and a panel of around 20 NEIS providers be continued with.

The NNA supports the appointment of approximately 20 NEIS providers nationally with the current practice of limiting to three the number of providers in a specific employment region. This allows for appropriate levels of competition and commercial viability.

RECOMMENDATION #2 – The current practice of the allocation of NEIS providers and NEIS places to employment regions be continued with.

The practice across many employment services contracts has been to distribute NEIS places within employment regions based on the level of unemployment. Concerns the NNA has had with this practice has been that the number of unemployed within a region does not necessarily reflect the suitability of Job Seekers for self-employment. Especially in regional and remote employment regions, if the unemployment level is high, there is likely to be a lack of confidence in the economy to start a small business. Although NEIS plays a role in reducing risks involved in starting a business, economic factors play a role in determining if a business will meet the NEIS viability test.

RECOMMENDATION #3 – Every employment region have at least one NEIS provider appointed and that there be greater flexibility for the re-allocation of NEIS places between regions by NEIS providers in response to local demand for the pursuing of self-employment from time to time.

The NNA does not believe in changing the current methodology of allocating NEIS places to an employment region based on the unemployment rate. However, there must be a mechanism for the NEIS provider to transfer places from one employment region to another to meet demand and match NEIS commencement numbers to where there is need. We currently call this the NEIS reallocation process.

Early notification of reallocation is a priority recommendation from the NNA, as it allows NEIS providers an ability to suggest movement of places based on economic conditions (rather than unemployment numbers) and then be notified of acceptance of the move by the Department.

The NNA also recommends to the Department that all employment regions should have access to a NEIS program, including those that are currently excluded due to the delivery of the Community Development Program (CDP). There is no reason to exclude First Nations' people from being able to access NEIS.

RECOMMENDATION #4 - The criterion for the suitability of an organisation to be licensed as a NEIS provider should be clearly defined.

The NNA considers it important that NEIS providers have a local community involvement in the employment regions in which they tender to deliver the NEIS program. The importance of local community was recognised by the Department of Education, Skills and Employment when appointing Entrepreneurship Facilitators.

NEIS providers must be able to demonstrate:

- An existing presence within the employment region;
- Experience in supporting small business particularly micro business start up;
- Experience in working with the typical NEIS cohort particularly recognising that the NEIS program is more than a business training program;
- They have the resources and skills to support the NEIS participant in the development of business skills to start and operate a micro business and to build their confidence to progress from unemployment to self-employment.

The NNA offers the following additional comments and recommendations in response to specific “Guiding questions” identified in the Discussion paper which, in our view, are relevant to the appointment of NEIS providers.

Chapter 2 - Establishing a panel

2.1 Should generalist and specialist organisations be included on the same panel?

The discussion paper considers the appointment of generalist and specialist jobactive providers. Specialist NEIS providers could be considered in delivering the program to specific cohorts such as new migrants, refugees, those with disabilities, ex-offenders, remote regions and particular industries. However, the NNA does not believe that specialist NEIS providers would have the same performance outcomes with job seekers as is currently the case with generalist NEIS providers.

Recent experience in delivering NEIS under COVID-19 restrictions has reinforced the importance of a having a mix of participants from a range of backgrounds, educational levels, business experience and personal experiences within each training group. Diversity of life and work experiences within a NEIS training group assists trainers in the delivery of business information and knowledge, drawing on people’s own knowledge which strengthens a participant’s personal decision to start a small business. It also assists with the development of peer support within a group.

RECOMMENDATION #5 – Specialist NEIS providers should not be considered under the New Employment Services Model.

2.2 How long should the panel be in place for?

The NNA supports the rolling five year contracting model for providers of employment services, and would support this approach for providers of NEIS.

Chapter 3 - Issuing contractual licences

3.1 How long should licences be issued for initially?

The NNA supports the model outlined in the Discussion Paper.

3.2 Should an organisation be allowed to service areas smaller than an Employment Region?

The NNA supports the current practice of appointing NEIS providers and the allocation (and reallocation) of NEIS places to employment regions.

3.3 Should the number of licences be capped in each Employment Region?

As noted in Recommendation #1 above the appointment of NEIS providers should be capped at three per employment region.

Chapter 5 Specialist licences

5.4 How should the new model interact with complimentary programs?

The NEIS program has across multiple employment services contract periods relied on a referral by jobactive providers of suitable Job Seekers to the NEIS program where self-employment has been identified as an alternative to the pursuit of full-time employment. However, during the current employment services contract, a number of barriers to encourage jobactive providers to promote NEIS to their Job Seeker have been experienced by NEIS providers. These include minimal or no financial outcome for jobactive providers for referring Job Seekers to NEIS, and negative impacts on jobactive star ratings.

RECOMMENDATION #6 - the referral of a Job Seeker to the NEIS program should be an equal outcome for the jobactive provider as placing the Job Seeker in full-time employment

Chapter 7 – Red tape reduction

7.2 What would assist smaller organisations to enter the provider market?

Currently, more than half of all NEIS places in Australia are provided by two large, jobactive providers, with the next two providers by size providing another 20% of all NEIS places. The remaining 14 NEIS providers manage smaller allocations to total 8,600 places nationwide.

The NNA supports the involvement of smaller community based organisations delivering the NEIS program however the compliance and risk management procedures which have been imposed on smaller providers have failed to recognise the disproportionate cost of compliance. . The one size fits all approach to risk management (for issues such as data security and child safe policies) does not support the continued involvement of smaller, community-based providers of NEIS that have been the backbone of the success of NEIS over its 35 year history.

RECOMMENDATION #7 - the risk management compliance requirements imposed on providers recognise the size of organisations and allow 'fit for purpose' flexibility to allow small organisations to be in a position to tender for NEIS and continue their delivery of the program.

Chapter 8 – Performance Framework and cyber security

8.1 What measurers could be included in the Provider Performance Framework?

The performance measures applying to the jobactive network which is the focus of the Discussion paper will be very different to those applying to NEIS providers. The NNA is available to work with the Department of Education, Skills and Employment to continue to develop effective and fair measures of the performance of NEIS providers within the proposed licensing model.

The National NEIS Association Ltd appreciates the opportunity already provided by the Department of Education, Skills and Employment to participate in the development of the New Employment Services model and looks forward to continue working with the Department and to expand on the comments and recommendations on the proposed licensing of NEIS providers outlined above.



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