

## Chapter 2 – Guiding questions

- 2.1 Should generalist and specialist organisations be included on the same panel? No I believe just specialist organisations which has proven experience in working with these programs and interacting with the licensing system.
- 2.2 How long should the panel be in place for? It is currently six years but Shorter than six years (e.g. 3–5 years). This could potentially reduce the ability to cut red tape and realise efficiencies that could be gained from having fewer procurement exercises. It could, however, provide greater flexibility to change policy settings in the model. • Longer than six years (e.g. 7–10 years). This could potentially slow down the flow of new entrants into the provider market and the innovations and new perspectives they might offer.
- 2.3 In what circumstances should a panel refresh occur? New organisations could potentially join the panel through a panel refresh process, in accordance with the Commonwealth Procurement Rules. The department may refresh the panel from time to time, to ensure it has the diversity and depth needed to meet emerging labour market and industry demands. A panel refresh could be limited to a particular Employment Region, or multiple regions, and include generalist and specialist organisations, depending on the circumstances. A panel refresh provides the chance for organisations unsuccessful in joining the panel at the start of the model to join later.
- 2.4 How else could the panel be used? Being on the national panel would not guarantee that an organisation receives a licence. The panel would be used for the initial allocation of licences and then when a new licence becomes available. This could occur when a new licence is added to a region, an existing provider hands in its licence, a provider does not have its licence renewed, or a provider has its licence terminated. All members of the sub-panel for an Employment Region would be considered for a licence should one become available in the region. In certain circumstances, the department could also consider other organisations on the national panel. For example, for a specialist licence where no suitable organisation exists on the relevant sub-panel. Where a licence becomes available the department may ask organisations on the panel to supply some updated information. This process would be less involved than the initial response to the Request for Proposal. Having an established panel for employment services could allow the Australian Government the opportunity to use the panel for other programs in the future.

## Chapter 3 – Guiding questions

- 3.1 How long should licences be issued for initially? A year to show that they are able to meet the KPIs of the program.
- 3.2 Should an organisation be allowed to service areas smaller than an Employment Region? Yes I think they should to ensure that all parts of the employment region are serviced and job seekers have access to these services.
- 3.3 Should the number of licences be capped in each Employment Region? Yes to ensure there is an economy to scale, too many providers would make running the program unviable.

3.4 When should new licences be added to a region?

3.5 In what circumstances should short-term licences be issued? When the current license holders are not reaching their KPIs and job seekers are not getting the benefits of the program.

### **Chapter 4 – Guiding questions**

4.1 How many performance groupings should there be?

4.2 How frequently should Licence Reviews occur? I think it should stay at a year, any longer will limit performance incentives.

4.3 How often should providers receive performance data? Should provider performance be publicly accessible? No

4.4 When should the first Licence Review occur?

4.5 Should the first Licence Review be any different to later reviews?

### **Chapter 5 – Guiding questions**

5.1 Should cohort specialists only be referred job seekers from their target cohort? It will be important to balance the needs of each cohort with that of other cohorts, given job seekers can belong to more than one group. A minimum number of job seeker referrals would be required to keep a specialist cohort provider financially viable.

5.2 Which cohort types should have specialists?

5.3 What factors should determine where specialists are located?

5.4 How should the new model interact with complementary programs (e.g. Transition to Work, Work for the Dole)?

5.5 How should workforce specialists operate? It is proposed that workforce specialists would focus on responding to workforce demand. This would include identifying workforce opportunities, sourcing vacancies, and assisting with the screening, shortlisting and preparation of job seekers from across the Digital Services and Enhanced Services caseloads, to meet the needs of major projects, regions and employers. Workforce specialists would not have a caseload of job seekers or be responsible for providing individualised case management to job seekers. They could, however, provide post placement support to employers and digital job seekers. Their role would have a coordination and job-matching focus. Workforce specialists would collaborate with other providers, employers and the department to identify strategies to connect job seekers with employment opportunities on major projects, with large employing businesses and in growing and emerging industries and occupations across the country. They could also connect retrenching employers with those demanding job-ready workers to facilitate smooth the transition of retrenched workers into suitable local job opportunities. Workforce specialists would be expected to identify and package together existing sources of funding and programs (e.g. wage subsidies) to deliver these strategies. Workforce specialists would be able to use the digital platform to assist with the screening and shortlisting of candidates on behalf of an employer. While workforce specialists may specialise in a few different industries it is expected that they would have the capacity and capability to cover a very large area (e.g. a whole state) and support cross industry transition. Workforce specialists could potentially be paid on an agreed schedule of

fees (e.g. per employment outcome), though with no guarantee of funding. They would have flexibility to determine when and how many resources they use to respond to each workforce demand opportunity. It is anticipated that workforce specialists would be organisations that can scale up or down as required.

## **Chapter 6 – Guiding questions**

- 6.1 How should market share operate? Market share could be defined as the portion of business (job seeker referrals) in a region over a certain time period such as 12 or 24 months. This would help to provide surety of the flow of business over the time period. For example, a provider with 10 per cent market share could receive 10 per cent of incoming referrals subject to tolerance. An alternative option could be to define market share as the proportion of the current caseload. This could provide reward for providers that achieve employment for people on their caseload. In this situation, a provider with 10 per cent market share could have 10 per cent of the caseload subject to tolerance options. By achieving employment outcomes for job seekers, the provider would be able to increase their access to new referrals.
- 6.2 How should tolerance work? Market share could be set initially with tolerance bandwidths of within 20 per cent, with potential to loosen market share arrangements once the model is bedded down. Alternative options include: • Tighter bandwidths of within 10 per cent. This could have the effect of providing more surety of business but could increase instances where providers are temporarily locked out of receiving new referrals. • Wider bandwidths such as 30 or 40 per cent. This could have the effect of providing more potential business for each provider. However, they could also have less surety in the amount of business.
- 6.3 Should a portion of market share remain unallocated? An alternative option for consideration is allocating a minimum market share only and leaving a small portion of market share in each region unallocated. The unallocated portion of the market would continue to be referred to providers, but could make it easier for the department to add licences to a region at a later date. This would make it easier for new entrants, making sure they are not starting with a contracted market share of zero. This would also prevent existing providers from having a portion of their contracted market share taken from them. Additionally, this may provide a further incentive for providers to deliver high quality services so that job seekers would be more likely to choose them.

## **Chapter 7 – Guiding questions**

- 7.1 How can the licensing system help cut red tape? A reduction in the frequency of tender applications. Licence extensions would provide stability for providers (dependent on performance) • having a panel, with organisations ready to fill gaps in service provision should they arise • the removal of business reallocation processes, which is a time-consuming exercise under jobactive • harnessing digital technology to simplify and target communications and reduce manual administrative processes • streamlining the Deed of Standing Offer and supporting guidelines where possible. Streamlined application process The department proposes to reduce the cost burden of tendering for employment services under the new model including through: • An online lodgement Portal that would allow Request for Proposal respondents to save drafts and return to the response as required until finalised and upload requested documents easily; and the inclusion of auto tips and alerts to help respondents complete all requirements prior to response lodgement. • Original entry data retained allowing information edits rather than re-entry.

- 7.2 What would assist smaller organisations to enter the provider market? A range of stakeholders during consultation on the new model raised concerns about the homogenisation of employment services over the past two decades, leading to less tailored servicing. A key challenge for smaller organisations identified by researchers<sup>8</sup> is the increasing proportion of provider revenue from outcome payments (particularly in jobactive). While this is intended to encourage performance, these payment settings can disadvantage smaller community organisations with fewer capital reserves to remain in or enter the market. The new payment model (being tested in the New Employment Services Trial) has been designed to encourage more investment in disadvantaged job seekers, such as the long-term unemployed, and to better address their vocational and non-vocational barriers.

## Chapter 8 – Guiding questions

- 8.1 What measures could be included in the Provider Performance Framework? Focused on job seekers and employers The quality of services provided to job seekers and employers would be a key consideration in provider performance. This includes a focus on achieving employment for job seekers that is sustainable and meets the needs of both job seeker and employer. In addition to achieving employment for job seekers, providers would need to effectively assist job seekers in progressing towards employment. Accurate, fair and consistent All providers would have an equal ability to succeed under the Provider Performance Framework. The framework would be able to accurately assess performance for providers with a variety of business models from small specialist organisations operating in regional Australia to larger organisations operating in cities. The proposed framework would account for factors outside the providers control such as caseload composition and the labour market. Clear, simple and transparent The performance measures in the framework will be clear so that providers understand how to succeed under the performance framework. Performance measures will be transparent so that providers can direct their efforts and be confident in understanding what is expected in terms of performance.
- 8.2 What features in the Provider Performance Framework would support the classification of high, medium and low performance?
- 8.3 How can the department ensure job seekers and employers are receiving a quality service? Achieving employment outcomes for job seekers • progressing job seekers towards employment (e.g. successfully completing designated milestones such as training to increase employability skills) • quality of service given to job seekers and employers • job seeker and employer satisfaction • achieving results for disadvantaged cohorts. As part of the provider performance framework a Quality Assurance Framework is also proposed. It would measure provider governance, service improvement and job seeker and employer servicing, for example, through quality accreditation such as ISO 9001. It would also be adaptable to a variety of provider business models and market requirements.
- 8.4 How can providers' cyber security be improved in the new model? Under the new model, it is proposed that the department would continue to use a risk-based approach to cyber security, known as Right Fit for Risk that covers: • A providers' own ICT environment • Third Party Supplementary IT systems (if used) • Interactions with cloud services (if used) • Interactions with Third Party Employment Systems (if used). The department would work closely with providers to ensure they are able to meet Right Fit for Risk requirements, which are based on a customisation of the ISO 27001 standard, a whole of business approach to IT security. The standard focuses on people and processes, as well as ICT infrastructure.