

Proposed licensing system for the New Employment Services Model

Response to the Department of Education,
Skills & Employment's Discussion paper:
Chapter 5 - Specialist Licences

October 2020



populi
solutions

Bringing over 17 years' international experience in welfare services, **Populi Solutions** was established in 2019. Populi is a Latin word meaning, for the people. This speaks to the organisational purpose and we partner with organisations that consider innovative approaches to make a positive difference to the lives of individuals.

Populi provides coaching, consulting and vocational programs for employment service providers and their jobseekers.

Over the last 18 months we have helped empower hundreds of people facing complex challenges in local communities across Australia. Our programs include; **GLOVES**, a combination of physical exercise (through boxing) and CBT to engage young people; **RE-FUTURE**, a program of vocational English for refugees and migrants to Australia, and we also have a joint venture partnership with **PLP Solutions** which provides bespoke counselling for addiction.

OUR RESPONSE

We recognise the objectives of the specialist licences model and believe it will deliver a higher proportion of long term Job Outcomes for jobseekers and employers.

It is very exciting to see the heightened profile of more specialist support for specific cohorts of jobseekers. Populi has witnessed first-hand the benefits of local engagement, relationship and network and also the opportunities created for jobseekers with complex needs through innovation, understanding and tailored intervention.

As a provider of specialist services, we are providing suggestion and thought on the key license area of **Ch 5- Specialist Licences**.



5.1 - Should cohort specialists only be referred job seekers from their target cohort?

In our experience, jobseekers with the most complex needs will have several of the different identified barriers to employment and it may be difficult to segment referrals on this basis.

One overarching suggestion for specialist licensing is to consider adding the funding proposed for the model to the Employment Fund and give Enhanced Services Providers the opportunity to be able to apply to the Department on a case-by-case basis for individually scoped contracts in partnership with specialist local (and national) organisations.

This could operate to a nationally consistent payment-by-results framework (with a risk profile appropriate to a specialist provider of smaller scale 70/30 service fee/outcome?) and an agreed cap on funding/timing of provision that would be signed off with the proposal. The contracts could be renewed based on results achieved in the program.

Such a framework would:

- Encourage bespoke innovation in local delivery
- Maintain more individuals working in the interest of jobseekers gaining employment
- Give providers autonomy to access specialist services without diminishing their caseloads
- Help maximise accountability with complex cases
- Not simply address 'one barrier' with individuals who have many complex barriers
- Provide a service agile to local demand without *over-committing* to a target cohort (ref. 5.3)

5.2 - Which cohort types should have specialists?

In addition to the fact that cohort types rarely only have one of the core barriers, we would add to the list proposed in the discussion paper: **Drug & Alcohol**. We know that this is an issue for the jobactive caseload currently and is diagnosed in at least circa. 9% of the cohort. It represented approximately 60,000 jobseekers before Covid-19 and is now, with the pandemic, almost certainly a barrier for over 100,000 jobseekers.

Addiction (and we see this manifest in the jobactive caseload beyond drug and alcohol and extend to gambling) requires specialist support. It is one of the most complex physical and mental health issues because underlying most cases is childhood trauma, further complicated by depression, grief, anxiety or PTSD.

By providing a specialist service that comprises a full assessment with proven psychological tools (to educate jobseekers in simple strategies) we have been able to show a reduction in ALL participants (and many do not need to do more than gain control and *reduce* to hold down employment) with 40% achieving full recovery in a 6-12 week specialist program. A third of our participants secure employment during the provision. We advocate that specialist provision for this cohort has been proven to work and should be considered as part of the new licensing model.

5.3 - What factors should determine where specialists are located?

We agree with the market factors proposed and would emphasise the need for agility to respond to the last nominated factor - *labour market conditions and employment opportunities* - over the full life of the contract as the caseloads in different regions will almost certainly evolve.

For example, between September 2015 and March 2020, the Mature Age caseload increased 48% in Perth North (almost 3,000 jobseekers - the highest proportionate in jobactive). The Indigenous caseload in Brisbane SE over the same period increased by 10% - again, highest in job active. The opportunity for Specialist Licence providers will need to be responsive to these fluctuations and we believe this adds further weight to an argument for innovative localised autonomy through the Employment Fund that can be scoped for specific periods during the life of the contract.

Source: Labour Market Data - jobactive caseload by cohort over time.

The licensing paper also states, 'Evidence from jobactive and the Transition to Work program shows that providers with a small geographic footprint can still deliver high quality services and be financially viable... In the New Employment Services Trial, some providers chose to reduce the number of sites, in response to the smaller caseload in Enhanced Services compared to jobactive.'

We support this level of flexibility with the new licensing model and believe that having a smaller, more intuitive footprint of sites can also have the following benefits:

- It creates a more dynamic hub of activity for a jobseeker to walk into that, in turn, engenders higher performance across a larger team of Employment Consultants
- It encourages jobseekers to travel outside of their suburb/town into (likely) a more dynamic suburb/town where there is (likely again) more opportunity for them, and
- Jobseekers start to build a commuting routine transferable to employment

5.4 - How should the model interact with complementary programs ?

We believe it is absolutely appropriate that no changes are made to the suite of existing employment programs that complement mainstream employment services.

We only ask that consideration is given to retain professional services support for addiction as qualifying for WFD phase activity as this has contributed to our capacity to engage/support and the overall success of our interventions in this space in partnership with PLP Solutions.

We believe that the Workforce Specialist role has some considerable benefits with a couple of thoughts for consideration with regards to the service design.

a) Having a Fee for service model where Workforce Specialists (WS) could potentially be paid on an agreed schedule of fees (e.g. per employment outcome with no guarantee of funding) incentivises the 'WS' to source sustainable employment for jobseekers. However, assuming the role would require significant coordination of regional providers - an acknowledgement of the time for stakeholder management may be required by way of proportion of funding for Service Fee as well as Outcome Fee. In many ways the servicing of the region seems to emulate the governance of the Work for the Dole Coordinator contract.

b) The idea of a single point of contact for employers will inevitably be very appealing, however there may also be risk with regards to a single point of failure for large scale recruitment and this may be equally unappealing to the larger employers.

c) Will there need to be a handful of identified large employers in each region that are 'off-limits' for providers? And how robustly can this line be held if jobseekers are approaching the same employers speculatively? The rules of engagement may need to be (prohibitively) rigorous (perhaps as extreme as no brokered vacancies with an identified employer counting to provider revenue) and it could, if mishandled, lead to the labour market opportunity being narrowed for some individuals.

d) We would suggest that a contracted local Workforce Specialist should not be an existing Enhanced Service Provider in a region to mitigate a conflict of interest arising.



Thank you for the opportunity to provide feedback.

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This response was
completed in
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