



*Submission in response to:*

**Department of Education, Skills and Employment  
Proposed licensing system for the New Employment Services Model  
Discussion Paper**

*From:*

Workskills Incorporated  
22 October 2020

## Executive Summary

Workskills strongly supports the introduction of the New Employment Services (NES) model from 1 July 2022. Workskills also supports, in principle, the Department's proposed procurement and licensing arrangements for providers of NES, as set out in the Discussion Paper. Workskills, however, requests that additional details about key aspects of the NES model in each Employment Region are progressively released in the fourth quarter of 2020 and the first quarter of 2021, in order for existing providers and potential new entrants to properly plan for procurement and delivery.

### A. Background to this Submission

Workskills is a non-profit organisation delivering *jobactive* services in the Hobart and Southern Tasmania Employment Region. Workskills has supported Tasmanians to secure jobs and acquire skills for 37 years, including as a provider of Australian Government employment services since 1998. Workskills has tendered for, and has been contracted to deliver, employment services under the Job Network, Job Services Australia and *jobactive* systems.

Workskills is uniquely placed to provide the perspective of a medium-sized, non-profit organisation that has consistently delivered employment services in a single Employment Region. The focus of this Workskills' submission is on practical, operational issues involved in preparing a Request for Proposal in 2021, and effectively delivering the New Employment Services model in Tasmania from 1 July 2022. Workskills is aware that larger providers and peak bodies will be making submissions on a broader range of matters, and looks forward to considering these submissions when they are published.

### B. Workskills' support for the New Employment Services model

Overall, Workskills is strongly supportive of the New Employment Services model, as articulated in the *I Want to Work Report* (2018); the New Employment Services Fact Sheets (2019); the New Employment Services Trial (2019-2020); and the *Proposed licensing system for the New Employment Services Model Discussion Paper* (2020) ('the Discussion Paper').

Overall, Workskills supports the potential of New Employment Services (NES) to:

- Help more job seekers into work, with a greater focus on the most disadvantaged
- Leverage digital technology and data for a personalised service delivery
- Improve mutual obligation effectiveness
- Increase employer engagement
- Reduce red tape for all users
- Improve provider performance.

More specifically, Workskills supports key reform features of the NES model, including:

- An improved jobseeker assessment framework
- The delivery of Enhanced Services to jobseekers requiring the most assistance
- A flexible activation framework for jobseekers to meet their obligations
- Intensive case management, via flexible modes of delivery, to meet each jobseeker's needs
- An improved provider performance framework, tailored to the different circumstances in each Employment Region
- A focus on providing local responses to the requirements of local employers and regional industries.

### **C. Workskills' *in-principle* support for the arrangements set out in the Discussion Paper**

From the perspective of an established non-profit employment services provider operating in a single Employment Region, Workskills supports *in principle* the arrangements proposed by the Department in the Discussion Paper to:

- establish a national Employment Services Panel, and Employment Region Sub-Panels
- license panel members to deliver employment services in one or more Employment Region(s)
- utilise an Australian Government Request for Proposal (RFP) procurement process to establish Panel Members and issue initial licenses
- offer Panel Membership for six years, and initial licenses for three years
- retain the option for Panels to be utilised for related service procurement
- review licenses annually, rewarding high performing providers with license extensions, and removing licenses from persistent underperformers
- offer licenses to deliver specialist services for specific disadvantaged cohorts in an Employment Region
- have a separate, complementary Workforce Specialist service to support Enhanced Service providers place jobseekers with large employers and significant industries
- implement a Performance Framework that is focused on job seekers and employers; is accurate, fair and consistent; and is clear, simple and transparent
- apply established Quality Management and Information Security systems, including ISO9001 and ISO27001
- publish a draft RFP and Discussion Paper in the second quarter of 2021; issue a New Employment Services RFP in the third quarter of 2021; and offer panel/licenses in December 2021; with transition to the new model from January to June 2022.

Workskills is strongly supportive of ensuring that the number of licenses issued in each Employment Region is limited to mitigate the risk of financial non-viability and is encouraged that the Department has commissioned an independent researcher to advise on this matter.

### **D. Request for additional information in the period *November 2020-March 2021***

While Workskills is broadly supportive of the New Employment Services model, the proposed procurement process, and the licensing system, it believes that more information is required for existing providers, and potential new entrants, to make informed decisions about the best service delivery model in each region.

The earlier this information can be made available, the greater the ability for proposed licensees to develop detailed, realistic and viable plans for delivery. These plans will need to be articulated in the RFP (third quarter 2021), activated in the transition period (January to June 2021), and ready for full delivery by 1 July 2022. Providing detailed information as soon as possible, will help ensure the New Employment Services system procures the best providers, achieves improved results from the outset, and sustains stronger outcomes over the first license period.

Currently, it seems there is risk that no detailed information will be released until as late as June 2021, with responses to the RFP due just three months later.

Workskills therefore requests that the following information that is critical for service planning is published by the Department in the period November 2020-March 2021 (potentially as a response to the submissions to the Discussion Paper).

1. The estimated number of jobseekers in each Employment Region in the following service streams on commencement:
  - a. Digital First
  - b. Digital Plus
  - c. Enhanced Services Tier 1
  - d. Enhanced Services Tier 2.

If the estimated number in each stream is uncertain due to fluctuations in unemployment associated with COVID-19, the estimated proportion in each Employment Region should be published.

2. The Employment Regions where specialist licenses are likely to be offered, and the specific cohorts to be serviced by specialist licenses in each Employment Region (if any).
3. A detailed description of the way Enhanced Services jobseekers and providers will engage with the Department's IT system, including the extent to which providers should build their own systems for digital engagement (e.g. video conferencing, messaging, shared folders etc) OR plan for delivery through the Department's own systems.
4. Proposed jobseeker assessment systems (for example, when placing jobseekers in Tier 1 or Tier 2 and/or measuring job readiness), including whether these assessments will be administered by the Department or by providers (and if the latter, how this will be managed to ensure consistent assessment outcomes across providers).
5. Clarification on NES provider payment arrangements. If exact payment amounts cannot be provided, then at least clarification on payment types; triggers/evidence for payment; and payment timing. Workskills notes that the following payments feature in the NEST:
  - a. Upfront payment ('Engagement Fee')
  - b. Employment Outcome payments
  - c. Very Long Term Unemployment Bonus
  - d. Job readiness improvement payment ('Progress Fees')
  - e. Tier progression payment ('Progress in Service Payment')
  - f. Digital Plus jobseeker preparation payment
  - g. Activity Fees

Confirmation that these payments (as set out in the *NEST Enhanced Services Provider Payments Guideline*) will, or will not, feature in the NES arrangements is critical to service planning.

6. Clarification of key elements of the Performance Framework, including how each of the below (or alternatives) will be measured, and the relative weighting of each, in determining a provider's performance:
  - a. Job Outcomes
  - b. Improvement in jobseeker's job readiness
  - c. Jobseeker satisfaction
  - d. Employer satisfaction
  - e. Service Quality

Other information about performance evaluation, including how targets will be set in each Employment Region, and how provider performance will be compared, is also important to effective service planning.

7. Any proposed requirements for staff involved in NES to have a minimum, or preferred, qualification. This will be important if significant lead times are associated with completion of a qualification, and also for determining staff pay and conditions.

Workskills understands that the Department may still be finalising its preferred arrangements, including evaluating the NEST. Workskills also appreciates that information about the NES released in the period November 2020-March 2021 may need to be amended when the draft RFP is released.

Workskills respectfully submits that the benefits of releasing the type of information requested in (1) to (7) above, as early as possible - including progressively, as 'exposure drafts', and with appropriate qualifications - outweighs the disadvantages associated with later amendment. Such an approach also provides an opportunity for the Department to harness the expertise and experience of the employment services sector in building the detailed model in the first half of 2021.

If you require any further information on the matters raised in this submission, please contact:

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*Submission Ends*