



Consultation Paper – Transition to Work (TtW) 2022–2027

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Question for feedback – Assessment, referral and eligibility

4.1 What primary risk factors that contribute to young people disengaging from work or education should be used to determine eligibility for Transition to Work services?

Feedback to Question 4.1

Assessment and Eligibility

Workskills supports TtW focusing on jobseekers and early school leavers aged 15-24 who are assessed via the JSCI as having a range of risk factors that identify a heightened risk of not being able to successfully transition to employment. This will enable a larger number of young people with more complex non-vocational barriers to benefit from TtW.

It will also help address the current anomaly that Stream C jobseekers aged 18-24 with multiple barriers are currently referred primarily to *jobactive* providers, even though the Transition to Work Final Evaluation Report indicated that the unit expenditure for a TtW participant over a 12-month period is 2.8 times that of a matched *jobactive* participant. Higher levels of funding should follow those jobseekers with the greatest need.

Workskills believes primary risk factors should include: low levels of educational attainment; mental health issues; homelessness; a history of offending; and substance abuse issues. Consideration should be given to modification of the JSCI to ensure those experiencing non-diagnosed mental health issues (including anxiety and depression), and those in unstable housing circumstances (such as 'couch surfing') are able to self-declare these risk factors.

Assessment and Referral

As set out in its submission to the Department's Proposed licensing system for the New Employment Services Model Discussion Paper, Workskills is a strong supporter of the NES Enhanced Services Model being introduced from 1 July 2022. Workskills notes that the Exposure Draft for the New Employment Services Model 2022 Purchasing Arrangements (and associated documentation) was released on 17 June 2021.

Workskills notes the decision not to establish 'youth specialist' providers for NES Enhanced Services from 1 July 2022, but to instead retain TtW as the Australian Government's specialist youth employment service. Workskills also notes and supports young people aged 18-24 with identified risk factors having the choice to enter TtW or NES Enhanced Services.

Workskills does believe, however, there are several issues relating to the relationship between TtW and NES Enhanced Services that require clarification.

These issues arise because NES Enhanced Services and TtW are adopting a similar service approach. from 1 July 2022. Currently, TtW providers are predominately referred a relatively narrow and defined set of young income support recipients (Stream B) and there are major differences between the caseload size, service requirements and unit cost funding of TtW and *jobactive*. Under the New Employment Services Model these differences will be significantly reduced.

Both TtW and NES Enhanced Services participants will be referred based on risk factors identified in their JSCI. Both services are designed to develop human capability and provide intensive, tailored services to disadvantaged clients, addressing both vocational and non-vocational issues. Both services seek to provide lower client to staff ratios than is currently the case with *jobactive*. Both services require maintenance of strong local connections and will need to proactively address mental health issues.

This close alignment between TtW and NES Enhanced Services raises the following questions:

- How will the risk factors differ, if at all, between jobseekers assessed as eligible for TtW and jobseekers assessed as eligible for Tier 1 or Tier 2 NES Enhanced Services?
- Is it the Government's intention that TtW is the 'default' program for all new jobseekers aged under 25 years that are not suitable for Digital Services? If 'Yes', should there be an overt statement of this intent? If the answer is 'No', is there a policy inconsistency in the same cohort of new young jobseekers in NES Enhanced Services being subject to the TCF?

Questions for feedback – Maximum duration of service for participants

5.1 What characteristics should be used to determine whether a young person has complex, non-vocational barriers and requires the maximum of 24 months of servicing?

Feedback to Question 5.1

Workskills notes that TtW will remain largely exempt from the Targeted Compliance Framework (TCF), and therefore should remain a time limited service.

Workskills notes it is not yet possible to determine whether the extension from 12 months to 18 months from 1 July 2020 has led to a proportionate increase in TtW outcomes. For this reason, Workskills supports the retention of the current 18-month limit.

Workskills notes the Department's proposal to apply a 24-month limit to a subset of young people with complex, non-vocational barriers. Workskills assumes this cohort will be experiencing 'extreme risk factors', which might include 'sleeping rough'; a history of incarceration; serious drug and alcohol addictions; and diagnosed mental health disorders.

It will be important to gain greater clarity of how this 'sub-set' will differ from the broader cohort of TtW participants, and what assessments will be undertaken by providers if they are empowered to 'override the 18 month exit process', as proposed in the consultation paper.

Questions for feedback – Maximum duration of service for participants (Continued)

5.2 In addition to extending the maximum duration of service, are there any other changes needed to support Transition to Work providers in effectively servicing an increased number of young people with complex, non-vocational barriers?

Feedback to Question 5.2

Workskills is supportive of the proposed TtW payment structure of:

- \$5480 per place per annum (paid quarterly in advance)
- \$3619 for each 12 week outcome (paid at achievement of outcome)
- \$3619 for each 26 week outcome (paid at achievement of outcome).

This payment structure reflects the expectation of an upfront investment in human capability development; low consultant to participant ratio; and the provision of a tailored holistic service in warm, welcoming spaces for young people.

Of course, in most circumstances, all providers can provide better support with increased resources and rapid access to high quality vocational and non-vocational development activities. Workskills understands, however, that government employment services are subject to budget constraints.

In this context – and when compared to other employment services programs - Workskills believes the TtW payment structure and flexible approaches to participant activity requirements enable TtW providers to service an increased number of young people with complex, non-vocational barriers.

Questions for feedback – Maximum duration of service for participants (Continued)

5.3 What circumstances in a young persons' life should determine whether they are transferred to online services or to an Enhanced Services provider at the end of their service period in Transition to Work?

Feedback to Question 5.3

Workskills supports young people who remain unemployed having choice at the end of their 18-24 month period with TtW to commence with Enhanced Services or to access Digital Services.

Workskills recommends that a detailed 'end of TtW service assessment' should be implemented to enable people exiting TtW to make an informed decision about their future service needs. Workskills supports the continuation of warm handovers for people exiting TtW, and suggests this should occur at the client's initial Enhanced Services appointment.

Questions for feedback – Improving attendance at the initial appointment

6.1 Would a mechanism that helps facilitate commencement of young people in the service be desirable?

Feedback to Question 6.1

Yes.

Workskills notes that approximately 22 per cent of activity tested income support recipients referred to TtW do not commence. This can result in vulnerable young jobseekers 'drifting' without access to support for an extended period. It often results in jobseekers who arguably require greater levels of encouragement and support being referred to *jobactive*, rather than receiving the additional support enabled by TtW's much higher unit cost funding.

Questions for feedback – Improving attendance at the initial appointment (Continued)

6.2 What is your preferred approach to achieving commencement and why?

Feedback to Question 6.2

Workskills supports the proposal to use the mechanism of temporary income support payment suspension to help ensure attendance at the initial TtW appointment. Workskills notes that under this proposal a young person who is exempt from RapidConnect will receive all back-pay once they attend the first appointment, thereby providing a positive incentive, rather than a punitive approach.

Questions for feedback – Performance Framework

7.1 What elements should the Department use to measure achievement of Education Outcomes?

Feedback to Question 7.1

Workskills notes that a key difference between TtW and other employment programs is that it gives equal value (in terms

of Outcome Payments) to Employment and Education Outcomes.

For this reason, Workskills believes that the measures for achievement of Education Outcomes should be achieving a Certificate III qualification (or equivalent or higher) or six months continuous full-time enrollment and attendance in an accredited Certificate III (or equivalent or higher) course..

For many young people, gaining a Certificate I or Certificate II qualification is a significant achievement and can provide an important education and job pathway. Accordingly, young people should be actively supported to undertake Certificate I/II courses in their vocational areas of interest as part of their TtW activity requirements. Workskills believes participation in structured activities (accredited and non-accredited) should be part of the Performance Framework (see 7.2 below).

However, if achievement of a Certificate I or Certificate II (or equivalent) qualification was to become a stand-alone part of the performance and/or payment framework, it may result in:

- a diminished focus on employment outcomes
- an imbalance in performance/payment arrangements (including vis a vis other employment services)
- undermining the importance of young people achieving a Year 12 (Certificate III equivalent) outcome for their future work and life outcomes.

Questions for feedback – Performance Framework (Continued)

7.2 How should the Department seek to ensure job seekers and employers are receiving quality of service from Transition to Work providers?

Feedback to Question 7.2

The *Consultation Paper* and the *TtW Evaluation* explain the various issues with calculating the 'Expected Outcome Rate' for TtW based on the outcomes achieved by *jobactive* providers over a preceding three-year period. Workskills notes the introduction of NES Enhanced Services from 1 July 2022 will render this comparison even less valid. A change in the TtW performance framework is therefore necessary on this basis alone.

In addition, Workskills suggests there should be a high degree of alignment between the performance measures for TtW, and those for NES Enhanced Services.

Effectiveness Indicators should include:

- 12 week job outcomes
- 26 week job outcomes
- Cert III (or higher) education 'completions' and/or 26 week full-time continuous attendance

Efficiency Indicators should include:

- Time between referral and commencement
- Proportion of participant service time connected to a structured activity
- Average hours of structured activities attended per participant

Quality Indicators should include:

- Participant satisfaction, measured against a new participant survey
- Employer satisfaction, measured against a new employer survey
- Deed compliance (including local engagement and involvement of young people in service design).

There should be a focus on enabling automation and client self-reporting of job and education outcomes to reduce the incidence of employers and education providers being requested to provide evidence of wages and attendance.

Questions for feedback – Performance Framework (Continued)

7.3 Are there any other meaningful measures that could be included in the Provider Performance Framework?

Feedback to Question 7.3

As set out at 9.1 below, Workskills suggests that participation in local, regional and state initiatives should be a requirement

of the TtW 2022-2027 Deed, and an element of the 'Quality' performance indicator.

As set out in 9.2 below, Workskills can also see merit in making it a requirement of the TtW Deed (and an element of the 'Quality' performance indicator) that providers formally engage young people in ways to continuously improve TtW service design, policies and service.

Questions for feedback – Performance Framework (Continued)

7.4 What improvements could be made to the current review and allocation of the Funded Places process?

Feedback to Question 7.4

Workskills supports, in principle, a new method of calculating TtW places to better reflect demand in each employment

region. Workskills notes the Department's intention that these changes will have IT system support, which will assist in reviewing and allocating Funded Places that better adapt to changing labour market environments in different employment regions.

Workskills agrees that the current process of 'manual' adjustment of Funded Places allocated to each provider at the contract level is cumbersome, and that a more automated method for calculating and putting in place adjustments for Funded Places is warranted.

However, as set out above at 4.1, Workskills believes there are issues relating to TtW funded places and NES Enhanced Services (from 1 July 2022) estimated caseloads that require clarification.

Currently, TtW providers are predominately referred a relatively narrow and defined set of young income support recipients (Stream B) **and** there are major differences between the caseload size, service requirements and unit cost funding of TtW and *jobactive*. Under the New Employment Services Model these differences will be significantly reduced.

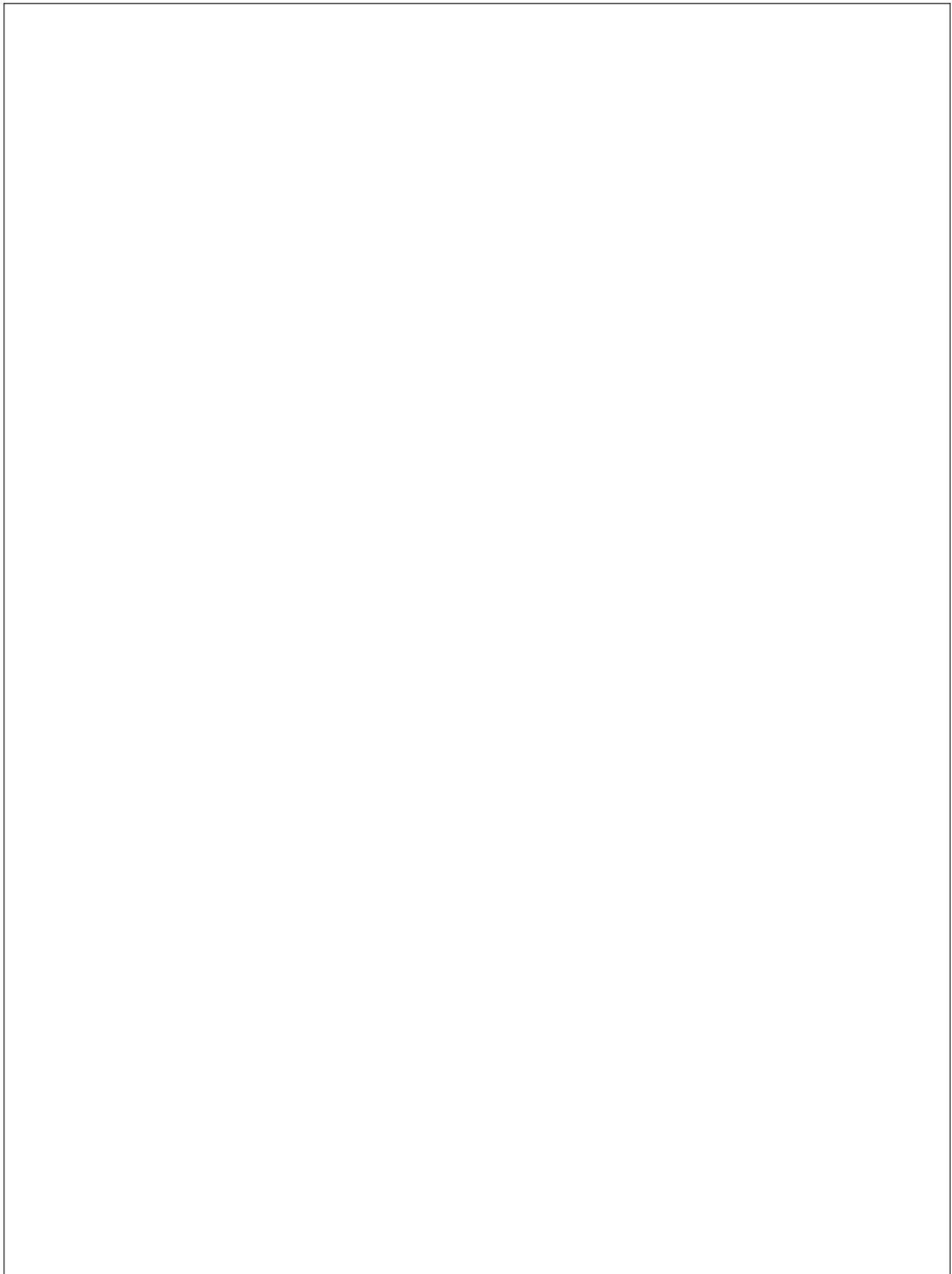
How does the Department intend to assess demand for TtW? Will all new job seekers aged under 25 for whom Digital Services are not suitable be referred to TtW? If not, what proportion of jobseekers will be referred? What will be the difference (if any) in risk factors between eligibility for TtW and NES Enhanced Services?

Questions for feedback – Performance Framework (Continued)

7.5 What factors should the Department account for when determining Funded Places?

Feedback to Question 7.5

Please see the response to 7.4 above.



Questions for feedback – Performance Framework (Continued)

7.6 How might performance be benchmarked in the new model?

Feedback to Question 7.6

In relation to benchmarking, Workskills believes that 'efficiency' and 'quality' indicators should be subject to nationally

consistent benchmarks set by the Department. Consideration should be given to 'effectiveness' benchmarks being set based on the outcomes achieved across all types of employment services in each Employment Region, adjusted to reflect: (a) the disadvantages of the cohort and (b) the level of unit cost investment in each jobseeker.

As discussed at 4.1, TtW and NES Enhanced Services will adopt similar service approaches from 1 July 2022. Both TtW and NES Enhanced Services participants will be referred based on risk factors identified in their JSCI. Both services are designed to develop human capability and provide intensive, tailored services to disadvantaged clients, addressing both vocational and non-vocational issues. Both services seek to provide lower client to staff ratios than is currently the case with *jobactive*. Both services require maintenance of strong local connections and will need to proactively address mental health issues.

Given the similarities between TtW and NES Enhanced Services (vis a vis *jobactive*), Workskills believes there could be benefits in having the same, or similar, performance framework to enable comparison between the performance of each service in supporting clients facing significant barriers to employment, both within the same employment region, and between different employment regions.

Question for feedback – Youth Advisory Sessions

8.1 Is there anything that the Department should change or improve in the way that Youth Advisory Sessions are currently running?

Feedback to Question 8.1

Workskills is supportive of the Youth Advisory Sessions initiative introduced in March 2021 for young people in Online

Employment Services and the digital stream of the New Employment Services Trial (NEST), noting there is currently insufficient information to assess its effectiveness.

Workskills notes the benefits of having only TtW providers deliver this service (for \$125 per hour) up until 30 June 2022. However, Workskills believes consideration should be given to NES Enhanced Service providers also being eligible to deliver this service from 1 July 2022.

Questions for feedback – Other Service Settings to improve outcomes

9.1 Is there anything in the Transition to Work program that should change in order to have the right balance between ensuring national service standards are maintained, while also allowing providers the flexibility needed to enable local collaboration and engagement in their communities?

Feedback to Question 9.1

Workskills is a strong supporter of all employment service providers investing time and resources into community, regional and state-level employment initiatives. In dispersed Employment Regions with pockets of very high unemployment (such as Hobart and Southern Tasmania), it is particularly critical that all providers can work cooperatively to provide the best solution to individuals, families, employers and communities across all services. Workskills is pleased to report that providers of *jobactive*, TtW, DES and supplementary employment programs in Hobart and Southern Tasmania currently contribute positively and cooperatively to regional initiatives in the South-East, Derwent Valley, Huon Valley, and South-Central areas, and a new initiative in Hobart's Northern Suburbs.

Workskills suggests that participation in local, regional and state initiatives should be a requirement of the TtW 2022-2027 Deed, and an element of the 'Quality' performance indicator.

9.2 What role can the Transition to Work service play in ensuring that young people are engaged in the design and delivery of policy and services?

Feedback to Question 9.2

Workskills is supportive of young people guiding TtW providers in ways to continuously improve TtW service design, policies and service. Workskills can see merit in making this a requirement of the TtW Deed (and an element of the 'Quality' performance indicator).

Workskills believes this involvement should be focused on young people who have a lived experience of being unemployed and/or living on income support payments, with a particular focus on those who have achieved a job and/or education outcome via employment services, to ensure participants can assist providers with 'what works'.

The best approach to achieve meaningful youth engagement in each region – and at different times within each region during the contract term – will vary. Providers should be provided with flexibility to use different methods, which may include (but are not limited to) Youth Employment Committees; Youth Employment Focus Groups; and Youth-led Employment Research Projects.

Questions for feedback – Other Service Settings to improve outcomes (Continued)

9.3 Is there anything in the current service settings that might be seen as limiting youth engagement?

Feedback to Question 9.3

Currently, there are engagement issues in relation to TtW Commencement and TtW Exits.

Measures to address these issues are discussed at 5.3, 6.1 and 7.3 above.

Questions for feedback – Other Service Settings to improve outcomes (Continued)

9.4 What do you think constitutes best practice with regard to supporting the mental health of participants in an employment service and how do we improve the ability of the service to deliver to this standard?

Feedback to Question 9.4

Workskills notes that mental health issues are among the most prevalent barriers facing jobseekers in Hobart and Southern Tasmania, across all age groups, including young people.

Workskills also notes that when assessed internally (for example, through Workskills' Troublesmiths youth program) the rate of self-reporting of mental health issues is often more than 50% of participants, which is a significantly higher proportion than the 'mental health flag' in *ESSWeb* for the same cohort.

Due to the long wait times for public mental health services in Southern Tasmania, Workskills has entered arrangements with suitably qualified private services to receive rapid, warm referrals for Workskills' *jobactive* clients who request mental health assistance. Sessions are free of charge for participants, can be delivered face-to-face or over phone/internet, and can be organised to coincide with a participant's regular *jobactive* appointment to minimise transport and attendance issues. The feedback from participants and staff on this initiative has been overwhelmingly positive. The Department may wish to consider this type of arrangement being a feature of national TtW service standards and/or Deed requirements.

As referred to above, Workskills believes that consideration should be given to adjusting the JSCI to enable it to better capture self-reporting of mental health issues by jobseekers.

9.5 What are appropriate servicing strategies or principles in situations where there are longer waitlists for specialist services, in contrast to locations where there are readily available specialist mental health services?

Feedback to Question 9.5

Please see the response to 9.4 above.

9.6 What are the features of a service that acknowledges the significant mental health challenge across the youth caseload and embeds appropriate responses into the default service offer, including by addressing particular issues such as disclosure and stigma?

Feedback to Question 9.6

Please see the response to 9.4 above.

Request for clarification of the procurement relationship between TtW and NES Enhanced Services

- Will the similarities between TtW and NES Enhanced Services impact whether an organisation can be both a TtW provider and a NES Enhanced Services provider? If 'yes', how will this impact the NES Licensing system?
- Will an organisation be able to tender for both TtW and NES Enhanced Services in the same Employment Region? If so, what will be the process if they are successful in both?

Executive Summary

- Workskills is a non-profit *jobactive* and ParentsNext provider in the Hobart and Southern Tasmanian Employment Region (ER).
- Workskills delivers holistic and innovative youth employment initiatives through *jobactive*, supplemented with State Government funding.
- Workskills broadly supports the Australian Government's proposed changes to Transition to Work (TtW) from 1 July 2022, including in relation to eligibility; duration of service; attendance at initial appointment; and payment structure.
- In this submission, Workskills makes suggestions in relation to the TtW Performance Framework; Youth Advisory Sessions; maintaining local connections; involving young people in service design; and providing mental health support.
- In this submission, Workskills encourages the Australian Government to clarify aspects of the future policy, service and procurement relationship between TtW and New Employment Services (NES) Enhanced Services.

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 been contracted to deliver employment services under the Job Network, Job Services Australia and *jobactive* systems. Workskills is also a provider of ParentsNext.

Workskills has a particular focus on supportive, holistic approaches to developing the human capability of young Tasmanian jobseekers. For example, Workskills operates the successful 'Troublesmiths' youth employment social enterprise in Hobart. The 'Troublesmiths' initiative emerged from the Australian Government's 'Empowering Youth Initiative' program and is now mainly funded by the Tasmanian Government. An independent evaluation report conducted by the University of Tasmania (which can be downloaded at: <https://www.utas.edu.au/social-change/publications/special-focus/troublesmiths-evaluation>) provides further details of Workskills' approach to building the confidence and employability skills of disadvantaged young people.

Within *jobactive*, young people aged under 25 are approximately 20% of Workskills' clients. Workskills has a greater proportion of jobseekers who are young people under 25 than the average for these cohorts in *jobactive* nationally and in both Tasmanian ERs. Over the last four decades, Workskills has supported thousands of young people to build capacity, re-enter education and secure meaningful employment.

In preparing this submission, Workskills has consulted with people who have worked directly with TtW since 2016, across multiple ERs, and has drawn on the experiences of its *jobactive* staff, who interface with TtW on a daily basis. Workskills' representatives participated in the livestream of the TtW Conference on 10 June 2021, and have closely considered the *Transition to Work Final Evaluation Report* (May 2021). This submission is also drafted with reference to the recently released *Exposure Draft for the New Employment Services Model 2022 Purchasing Arrangements*.