

The Department of Education, Skills and Employment

Exposure Draft for the New Employment Services Model 2022  
Purchasing Arrangements

Response submitted by:

My Pathway

New Employment  
Services Model (NESM)  
Exposure Draft  
Feedback

July 2021



Employment Services Purchasing Hotline

Email to: [espurchasing@dese.gov.au](mailto:espurchasing@dese.gov.au).

To the Panel,

My Pathway is a social and economic development organisation delivering services from the Torres Strait to Tasmania. We have been developing people, connecting them to opportunities and helping communities to grow since 2007. We are committed to supporting Australian job seekers into sustainable and rewarding jobs, and we value the opportunity to contribute ideas to help shape the future of employment services.

My Pathway delivers a range of employment services and community development programs, most recently jobactive, Disability Employment Services, ParentsNext, New Business Assistance with NEIS and the Community Development Programme. We offer training through our Registered Training Organisation and facilitate community projects that build local skills and deliver important cultural and community infrastructure.

Since commencing the jobactive contract in 2015, My Pathway has placed more than 7,000 job seekers into work.

We believe that the New Employment Services Model (NESM) provides the opportunity to better focus employment services on those job seekers who most need the support. My Pathway aims to deliver the NESM with an emphasis on rebuilding job seeker confidence to overcome entrenched unemployment and enable the ongoing financial and social benefits that employment brings to families and local economies.

My Pathway is preparing for the upcoming procurement process and eager to continue delivering positive social and economic impacts in communities.

Further queries about this submission may be directed to [REDACTED]

[REDACTED] on [REDACTED] or [REDACTED]

Regards,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





## Case management

The new model empowers a significant proportion of job seekers to self-manage their employment services needs through the Digital Employment Services Platform. This will allow Enhanced Services or Specialist providers to offer tailored services to job seekers with higher needs and complex barriers to success.

Our analysis reveals the change may reduce the current caseload by up to 70%. For this reason, the payment model must reward progress and placements appropriately, recognising that providers will be servicing the most disadvantaged job seekers. We are eager to understand the details related to measuring progress and claiming progress payments, including the development of a tool that will be comparable across all providers and facilitate equitable funding.

My Pathway supports the opportunity the new model affords to better tailor support and activities for individual job seekers. Firstly, for job seekers to choose a provider that can offer the support and assistance to develop the foundation skills they need, and secondly, to provide job seekers meaningful activities that support their development.

## Career advice


The new Points Based Activation System (PBAS) will encourage job seekers to take a greater level of personal responsibility for managing their mutual obligations and their pathway to employment.

We aim to connect our current job seekers with valuable and worthwhile opportunities, and this will be supported by weighting points to reward quality job searches and more meaningful activities. Greater clarity regarding how quality job searches are defined and qualified would enable more consistent service levels across providers and regions.

When coupled with the Targeted Compliance Framework, the new model will encourage localised approaches and reward providers who assist job seekers to achieve sustainable outcomes.

## Foundations and employability

We have previously identified many job seekers in our commenced caseload who require help with issues such as low literacy and numeracy; substance abuse; mental health; physical health; homelessness or domestic violence. Including non-vocational activity in the PBAS could better support many job seekers to increase their capacity for employment. We encourage a review of targeted, non-vocational activity that may be included in the PBAS to support foundation life skills to improve the employability of job seekers.



Broadening the eligibility for Employability Skills Training (EST) and setting it as a standard option for all long-term job seekers will significantly expand the service. Organisations providing EST will be required to offer two separate courses to cater for the differing needs of both young and mature jobseekers.

In our experience, current obligations are not strong enough to motivate adequate attendance in EST courses, so moving to the proposed attendance-based payment model will challenge provider viability. This may result in frequent course cancellations and reduced provider performance ratings. To ensure quality programs are developed and offered by RTO's the funding model must be transparent and have guaranteed minimum payment mechanisms in place.

Allowing providers to refer participants to their own EST courses would also help to boost attendance, improving outcomes for both providers and job seekers. If this is accepted, it should be made clear if the Employment Fund may be accessed for course fees where providers deliver EST and the NESM to a participant.

## Employers

Wage subsidies and other incentives remain effective in helping employers overcome the perceived risks associated with hiring disadvantaged job seekers. The PBAS will support employers to receive quality applications from engaged and suitable job seekers.

The new model's focus on tailored support will allow consultants to better match job seekers to employers and service the needs of their local workforce. We welcome any reduction in administration processes to simplify and accelerate the recruitment process.


The Employment Fund, which allows Enhanced Services providers to support job seekers through wage subsidies, goods and services, and relocation assistance will be instrumental in overcoming some of the most common hurdles to employment.

## Provider capability

We believe the new model will be beneficial for job seekers, driving providers to tailor support to each region. There are several components of the NESM that will increase a focus on local contexts.

The difference between Enhanced Service providers and Specialist providers for vulnerable cohorts allows organisations to determine if they are best placed to provide the necessary support to both or one of these groups in any region.

Most importantly, the ten percent total market cap will ensure providers are operating in areas where they can best meet unique regional needs. The cap will help to avoid one-size-fits-all solutions and enhance job seeker and employer experiences, and program reputation. The Capacity Building Fund is



geared to help providers attain necessary accreditations to deliver awarded contracts. This is noble in theory, but disadvantages organisations of any size who have already invested in people and systems to obtain necessary accreditations and licences. The premise of the Fund also assumes that providers without accreditations/licences lack the working capital or capacity to secure these independently, which may indicate inadequate finances to effectively deliver employment services.