

The Future of Employment Services

PREPARED FOR:

Employment Services Review

**Department of Education, Employment and Workplace
Relations**

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JUNE 2008

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Overview

AMES supports the new policy framework for Employment Services. The stronger focus on early intervention for job seekers is very welcome. In AMES previous submission to the Minister for Employment Participation the importance of early intervention for CALD job seekers was highlighted.

The increased policy emphasis on training and work experience also acknowledges the need to provide intensive and targeted support for job seekers to provide them with the skills, confidence and work habits to find employment. In our previous response, AMES noted the importance of training to provide CALD job seekers with relevant qualifications. Barriers to employment entry as a result of lack of local work experience were also highlighted – and the importance of work experience in this context.

In this response AMES raises concerns with respect to whether the policy and the intended model for the delivery of Employment Services are sufficiently aligned. AMES acknowledges that a number of very significant changes have been proposed and that the increased flexibility inherent in these proposals forms an excellent basis for some further refinement. AMES also acknowledges that the new model must be delivered within the constraints of a determined funding envelope. The information provided in the Discussion Paper is understandably high level, with a significant amount of detail still to be worked through. AMES is responding in this context.

AMES proposes that the model requires some further consideration in a number of areas to best achieve the objectives of assisting disadvantaged job seekers, including CALD job seekers, into sustainable employment. In summary concerns still outstanding with respect to CALD job seekers are as follows. Responses to particular discussion points take these up in further detail where appropriate.

1. Early intervention in times of low unemployment
2. Building capacity in job seekers
3. Making the best use of training and work experience
4. On going assistance for job seekers with very high levels of disadvantage

1. Early intervention in times of low unemployment

AMES is concerned that job seekers placed in Stream 1 will have insufficient support. Given that it is estimated that approximately 52% of all job seekers will be in Stream 1, a service that adequately supports these job seekers is essential to a functional Employment Services model.

In a climate of record low unemployment, it is acknowledged that almost all job seekers have significant barriers. CALD job seekers in this stream may be short term unemployed but at risk of long term unemployment. An assessment to determine whether a job seeker is truly work ready is essential. If interventions are not targeted and support is not provided early, job seekers who are not work ready have a high risk of becoming long term unemployed.

The new model must build in capacity to deal with the needs of different job seekers in this stream. It must also have sufficient flexibility to acknowledge and address the different barriers faced by a job seeker who has been unemployed

for 12 months compared to one who has been unemployed for 3 months. It is proposed further consideration be given to:

- review processes built into Stream 1 that seek to identify job seekers at risk of long term unemployment and the capacity to provide intervention in the first 3 months
- capacity to provide progressively increasing support during the 12 month period to take account of the different approaches job seekers will need, the longer they are unemployed
- the length of time job seekers stay in Stream 1 before a review
- a re-allocation of some resources from other Streams to circumvent these job seekers moving through Streams rather than moving into employment
- a rethink on providing earlier access to work experience and associated outcome payments in Stream 1

2. Building capacity in job seekers

AMES supports the analysis by a number of other respondents to the previous review with respect to provider brokered and job seeker initiated outcomes. This analysis that agency servicing empowers job seekers to find their own jobs is especially true of CALD job seekers who may need language and literacy training, as well as familiarisation with the Australian workplace culture.

The casualised nature of the workforce means that workers in low skilled jobs need these skills to manage sustainable employment, albeit transitioning from one job to the next. Care must be taken that a new Employment Services model does not act as a disincentive to equipping job

seekers towards independence in negotiating the labour market.

From AMES perspective in working with CALD job seekers, we propose that further consideration be given to:

- how the model can build in providing job seekers with the tools to effectively look for and gain work so that they are equipped to find their next job should they become unemployed again
- a model that does not distinguish between outcome fees for provider brokered and job seeker initiated outcomes and therefore rewards providers assisting job seekers to develop skills, confidence and motivation

3. Making the best use of training and work experience

AMES strongly supports the increased emphasis on training for some job seekers. AMES also strongly supports the increased emphasis on work experience. In AMES previous submission we noted the particular importance of work experience for CALD job seekers for whom lack of Australian experience can be a significant barrier to gaining employment.

To make this work experience effective, it is AMES experience that there must be regular contact with the job seeker. AMES also notes that it is labour intensive to organise relevant experience that leads to employment.

Remaining concerns for AMES with respect to work experience therefore centre on:

- the inadequacy of funding for contact with job seekers undertaking work experience to effectively capitalise on this experience as a transition to employment
- the length of time that job seekers can productively remain in work experience before

any re-evaluation and refreshing of strategies to gain employment

- the nature of transition arrangements to additional services for job seekers who do not gain employment after a time in work experience
- the level of resources that will be required and the capacity of employers and the community to accommodate large numbers of job seekers who will be requiring some type of work experience

The indicators for re-assessment and further assistance in a new stream for job seekers who have not gained employment after a period of work experience need to be clear. The increased duration of unemployment will compound the level of disadvantage, necessitating continued support and new approaches to engage with the labour market. How this support will be provided needs further consideration in the Employment Services model.

4. On going assistance for job seekers with very high levels of disadvantage

A new Employment Services model that integrates services for all job seekers into one service is a significant improvement. AMES however remains concerned that those with the highest levels of disadvantage continue to receive intensive support over a long period.

To ensure that this new model does provide adequate service for these job seekers AMES proposes that further refinement is made to the long term service provision for job seekers who move immediately into Stream 4 and may have very significant barriers that must be addressed before they can realistically undertake regular employment.

Response to Discussion Points

Discussion Point 1

In addition to the development of job seekers' job search techniques, training and work experience, are there other activities that should be approved as an 'intensive activity'?

How should we best balance the need to ensure a job seeker receives assistance appropriate to their needs with the provider's responsibility to manage funds cost effectively across their case load?

Stream 1 – 'work ready' job seekers

The Government's expectation is that "up to a third of these job seekers will find employment in their first three months, without further assistance". Based on this estimation the majority of Stream 1 job seekers (two thirds) will still be unemployed after 3 months.

Early intervention

AMES argues that early intervention is critical to obtaining employment outcomes. Stream 1 'work ready' job seekers are not exempt from this need. Assistance with the preparation of a résumé, and advice about local labour market opportunities and job search methods may not provide adequate support to get people into work early. This would be especially true for any skilled migrants, recently arrived migrants, retrenched workers or parents who may be placed in Stream 1. These job seekers will not have established employer networks and have little or no recent experience of seeking work.

Longer term unemployment has a negative effect on motivation and confidence. It is essential that adequate funding for Intensive Activities is available early in the period of unemployment (i.e. within the first 3 months) and that outcome fees encourage providers to engage the job seeker early.

Intensive Activity

Intensive Activities should include:

- Motivational / self esteem training and other personal counselling
- Voluntary work

Motivational / self esteem training

Many Stream 1 job seekers will be adequately or well skilled in job search techniques, and may require neither vocational training nor work experience, but they will require individual

support to develop or restore their confidence, self esteem and motivation.

It is therefore important that psychological and other personal counselling is recognised as a key "intensive activity" for such job seekers. This may take place through accredited or non accredited courses, and may be offered utilising the internal expertise of providers or contracted externally.

Voluntary work

Another activity that should be given formal recognition as an "intensive activity" is voluntary work, especially but not only in the case of mature aged job seekers.

Cost effective assistance appropriate to job seekers' needs

There needs to be a further definition of the 'work ready' job seeker profile for Stream 1 and of the services expected to be delivered by providers. There will be different categories of 'work readiness' across job seekers in Stream 1 and this will need to be taken into account when balancing the need to ensure a job seeker receives assistance appropriate to their needs with the provider's responsibility to manage funds cost effectively.

The best way to ensure that job seekers receive assistance appropriate to their needs is for the Government to:

- clearly define the job seeker profile for Stream 1 so as to ensure that job seekers are identified in terms of the degree that they are truly 'work ready'
- describe the range of services that can be delivered to these job seekers
- allow the provider maximum flexibility and professional discretion to develop, with the job seeker, a plan that meets their specific needs and builds on the skills assessment

Discussion Point 2

Employment service providers will be given flexibility to determine the frequency of their contacts and other activities in accordance with the needs of the job seeker. However to ensure a reasonable level of service providers will be expected to meet regularly with job seekers and this will be reflected in the job seeker's EPP.

Should there be a minimum contact requirement? For example should providers need to meet with job seekers at least once per month?

The future Employment Services will be a very different contract. There needs to be some lateral thinking about how to work most effectively with job seekers under the new contract. Approaching levels of service from minimum contact requirements is perhaps not the best approach. There needs to be consideration given to what will work best with different job seekers in the different streams.

Contact requirements

Different job seekers, different types/intensity of contact and different frequencies

It is good professional practice that contact with job seekers is ongoing and regular, but the frequency of the contact will vary from job seeker to job seeker according to their individual characteristics and circumstances.

- For some job seekers and in some situations the contact will need to be one to one and occur more frequently than once a month.
- For others, group contact through training sessions may provide the most appropriate and effective support.
- CALD job seekers, and some other disadvantaged job seekers, may require more frequent and longer contact where there are language or other issues which make communication more difficult.

Funding model

While, as above, we strongly support regular and frequent contact for job seekers who need intensive support, any mandated minimum contact requirement must be tenable under the proposed funding model.

Discussion Point 3

What are the practical administrative issues that will need to be resolved in order to ensure the streams are as effective as possible?

Review of the JSCI

A comprehensive understanding of the needs, aspirations, skills and experience, as well as the barriers faced by the job seeker, are critical to ensuring the streams are as effective as possible.

To ensure job seekers are placed in the most appropriate stream, the revised JSCI needs to:

- ensure comprehensive indicators to identify disadvantage are included
- ensure that job seekers assessed as having high levels of disadvantage are provided with intensive assistance immediately upon commencing with a provider

- mandate questions about refugee status, ex offenders, substance abuse and homelessness to ensure accurate capturing of participants characteristics and therefore referral into the most appropriate stream
- ensure JSCI assessments are not be completed by call centre staff. Some questions refer to sensitive matters and need to be handled by someone who has a comprehensive understanding of job seeker barriers and needs.

Movement between streams

For the streaming approach to be effective processes for movement between streams need to be clear and unambiguous.

Review and update (if required) of a job seeker's JSCI soon after they have been placed with a provider is critical to ensuring a job seeker's circumstances and any previously undisclosed or identified barriers are accurately reflected in the JSCI. It is AMES experience that job seekers will generally disclose more information to their consultant once they gain confidence and trust develops.

Processes need to allow for a move from one stream to another not only for a change in job seeker circumstances, but also in cases of a misclassification at the gateway. In AMES experience incorrect assessments occur because:

- CALD job seekers with low language skills may not fully understand questions, or the intent of questions, and may not respond fully or accurately
- many disadvantaged job seekers are reluctant to disclose certain information at their first interview with Centrelink

Funding/time for initial interviews

For all four streams the funding proposal for an initial interview is 45 minutes @ \$84 ph. With the minimum requirements that have to be met in all cases, 45 minutes is rarely adequate for a job seeker whose first language is not English.

Higher Service Fees for Streams 3 and 4 recognise the higher demands on a provider servicing these job seekers. The time allocated to initial interviews also needs to reflect the more complex needs of these job seekers.

We propose that the funded time for the initial interview be extended to:

Stream 1	60 minutes
Stream 2	60 minutes
Stream 3	75 minutes
Stream 4	90 minutes

Work Experience after the completion of Stream 4 and between streams

AMES strongly supports work experience as a pathway to full employment. Work experience will play a large role in the new Employment Services model and can potentially contribute to both developing skills and experience for job seekers, and to the benefit of the community as a whole.

However, there are several issues around the administration of work experience that need consideration:

- Clarification of the length of time job seekers will spend in work experience before being re-assessed for possible further support and intervention
- The logistics of providing the breadth of work experience required to give individual job seekers appropriate pathways to employment will be administratively challenging
- Many Stream 4 job seekers will require very specific and highly supported work experience – the contact hours currently proposed will not provide for the necessary level of support
- Disadvantaged job seekers not in Stream 4 (for example: job seekers currently in PSP, CALD job seekers – especially refugees) will need higher levels of contact and support during work experience.

Discussion Point 4

What should and should not be able to be purchased with the EPF?

Which is preferable, a principles-based approach to prohibited items or an exhaustive list of prohibited items?

Is there anything about the proposed EPF that may contribute to it being under-utilised?

At what level should purchases be permitted on the basis of a simple invoice and without the need for detailed case-by-case justification?

A broader range of assistance - specialist internal delivery

To fully utilise the EPF as a resource to support the job seeker's Employment Pathway Plan we propose that sufficient flexibility to deliver services internally, where appropriate expertise is available, be incorporated. This may include, for example, specialist post placement support and training customised for job seekers with overseas skills. As a specialist provider currently working with CALD job seekers, it is AMES experience that this would:

- give providers the incentive and resources to develop specific training programs to meet the needs of their job seeker cohort
- recognise that in some areas providers are best placed to identify and meet training / specialist support areas for job seekers
- allow providers the funds to invest and develop specialist programs to directly assist job seekers into sustainable employment
- remove the 'red tape' and the need to unreasonably justify using funds for training delivered by provider's own organisation

Principles-based approach

AMES believes that, in general, a principles-based approach would better serve job seekers.

This approach would reduce the under utilisation of the fund and encourage providers to maximise opportunities to overcome barriers and equip job seekers for work.

A set of principles about what are appropriate uses for the EPF would:

- be used to inform purchases permitted without a case-by-case justification
- include a description of the different categories for permitted purchases (categories would cover such areas as clothing, travel, tools and equipment)

- set appropriate limits for each category of expenditure as deemed appropriate to support job seekers into employment
- set permitted limits of expenditure above which justification would be required - for expenditures up to the limit of, for example \$300, an invoice would suffice
- be complemented by a list of prohibited items

List of prohibited items for EPF

Within the broad principle based approach AMES recommends that there is scope to identify some items that should be prohibited. In using the current JSKA, the listing of prohibited items works well, and therefore AMES believes that such a listing would be a reasonable complement for the EPF.

The needs of job seekers currently in JPET and PSP will require consideration in determining what should reasonably be on a prohibited list. Many of these job seekers have needs very different from current Job Network job seekers. For example, it will be appropriate to use the EPF for some Stream 4 job seekers for emergency housing, methadone, or other prescription drugs. A separate prohibited list for Stream 4 may therefore be required, with discretion to use these items of some job seekers in other streams if appropriate.

Under-utilisation of the EPF

To facilitate maximum use of the EPF to provide a broader range of assistance to job seekers it is imperative that audit and compliance procedures are simple and not excessively bureaucratic or time consuming. At the moment they clearly do not meet this imperative. If auditing and accountability demands continue to be excessive the EPF funds will be under-used.

Discussion Point 5

How can the legitimate interests of a job seeker to choose a service provider be balanced with the need to provide certainty for providers?

Choice of provider

The need to balance the interests of the job seeker to choose a service provider with that of providing certainty for providers is the responsibility of Government. In undertaking this role Government should consider real user choice including:

- reintroduction of information sessions by different providers at Centrelink so that job seekers have an opportunity to understand and be fully informed, at the outset, of their choice
- greater business share tolerances with a capacity for providers to request increases up

to a maximum level to enable job seekers to be allocated to the provider of their choice where they choose to nominate a provider - especially when that provider offers specialist services e.g. CALD, youth

Transfer of job seekers

Our experience is that current arrangements for transfer of job seekers between providers and for job seekers to change provider within the ESA work reasonably well for both job seekers and providers. AMES recommend that these arrangements be retained.

Discussion Point 6

Are there any further improvements that can be suggested to deriving and paying service fees? Are there alternatives to claw back mechanisms?

How should fees be shaped to discourage parking?

Utilisation of Service Fees

Funding available through Service Fees is limited, and there are many variables in meeting the needs of job seekers. The introduction of claw back mechanisms would fail to recognise that "one size does not fit all".

Six monthly or quarterly payments of Service Fees credited to a provider would allow consultants to:

- deal efficiently with job seekers who need very defined and minimal assistance and spend more time on those who need a great deal more investment

- allocate their time according to the different job seekers in and across streams and provide different support, attention and monitoring as required

Current experience supports our contention that staff time and Service Fee funds will balance out over a case load with some job seekers needing less support and others significantly more.

Initial Interview fees

Also relevant to the matter of fees are our comments in *Discussion Point 3*.

Discussion Point 7

Should activity test requirements be made more flexible and responsive to job seekers' needs? If so, how?

The Government has already acted to ensure that job seekers participating in approved training are no longer forced to accept work that would interfere with that training. Are there other areas in which a similar approach should be adopted?

Should job seekers with recognised qualifications or skills be permitted to restrict their job search to their chosen field for a period? If so, for how long, and in what circumstances?

Activity test requirements

Activity test requirements need to take into consideration the very different and greater needs of job seekers currently in PSP and JPET who will transition into Stream 4. These job seekers require a different set of flexible activity requirements which respond to their different needs on an individual basis.

Job seekers with low language and literacy skills

The Government has already acted to ensure that job seekers participating in approved training are no longer forced to accept work that would interfere with that training. The Language, Literacy and Numeracy Program (LLNP) has been recognised as approved training. AMES fully supports this move.

AMES seeks confirmation that the Adult Migrant English Program (AMEP) also qualifies as approved training for the purposes of exemption from accepting work that would interfere with training.

Job seekers with recognised overseas qualifications or skills

AMES believes that job seekers with recognised qualifications or skills should be given a period of time in which they can restrict their job search to the relevant field. This is particularly important for overseas qualified / experienced job seekers. It takes time for these job seekers to adjust to the nature of the Australian workforce and to develop realistic employment aims. Through this period they need time and support, not pressure to take the first available job. All the evidence is that many qualified migrants and refugees do not succeed in finding employment that enables them

to use their skills. This is a loss to the Australian workforce, especially in a time of skills shortages, to the richness and cohesion of Australian society, as well as to the job seekers themselves.

1. Training

In some cases recently arrived CALD job seekers may need English language training and also some occupational upgrading or refresher course (eg local trade regulations, OHS, or additional study to achieve recognition of their qualifications) that may be mandatory for their occupation. If the government is to most effectively utilise the skills migrants bring to the country the new Employment Services model must be structured to facilitate this.

2. Skills specific job searching

AMES suggests that, in areas of skill shortage, job seekers with relevant and recognised qualifications and experience should have a period of 3 months to find employment in their field of expertise after completing any necessary training (as per above). This may be directly into the occupation, or into a related area which still draws on their skills. The period may be made up of a mix of independent and supported job search and work experience. AMES experience of working with this cohort is that work experience provides the surest pathway into employment in their fields of experience. (The success of this approach has been described in AMES February 2008 paper).

3. Preparation for job searching in other fields

If the job seeker has not been successful in finding work in their skill area at the end of 3 months, a further assessment of their skills, employment goals and re-training needs should be undertaken to establish alternative employment pathways.

Discussion Point 8

How can the needs of parents returning to the workforce be balanced with the need for greater employment participation? Should volunteering be incorporated into participation requirements for parents?

CALD parents – lack of family support networks

One of the greatest difficulties faced by parents returning to the workforce is the need to find work around school times and terms holidays. Without this flexibility many parents, particularly recently arrived CALD parents who do not have family networks in Australia, will find it difficult to obtain or sustain work.

The model therefore needs to account for ways to foster participation by parents in the workforce, and avoid punitive treatment of those who genuinely can't find work or can't continue in a job.

Employer flexibility

It is AMES experience that in times of severe labour shortages employers may be more inclined to be flexible about attendance hours and leave. While the shortages continue, this will work to the benefit of some parents.

Childcare

Childcare during the school holidays is one of the biggest problems for parents returning to the workforce. Practical ways to assist include:

- exempting parents from mandatory job search requirements and other activity tested requirements during school holidays
- tax concessions for employers who assist with funding child care during school holidays and/or provide childcare facilities at the workplace

Volunteering

Accepting volunteering as an option is one way to accommodate the needs of parents. We recommend that:

- volunteering should meet employment participation requirements for parents
- approved activity should only include volunteering in not-for-profit or government organisations

Discussion Point 9

How can universal employment services be better integrated with CDEP and IEP?

AMES does not have the relevant experience to provide a useful response to this discussion point.

Discussion Point 10

How can best practice be disseminated to encourage adoption elsewhere?

How should the success of innovation projects be judged?

To ensure access and equity, consideration needs to be given to the spread of Innovation Funds across projects addressing the needs of highly disadvantaged groups of job seekers.

It is recommended that these funds are tendered out progressively over the course of the contract. The rationale for this approach is that the new Employment Services model is fundamentally different from the current model. It is therefore highly likely that once providers start working in this new and much more flexible model, ideas for innovations will progressively emerge. This will mean that innovative ideas are likely to be richer and more creative if they are developed within the practice of a new model.

Innovations that emerge may well identify new ways of providers cooperating. One important area that will require innovative approaches will be in the development and delivery of work experience. A second area is in the ability to service large employers. Providing new solutions to these challenges will require providers to think differently in a competitive environment. AMES suggests that these concepts and ideas are more likely to develop once providers have secured a share of the market and started to implement their new delivery models.

Dissemination

Dissemination of best practice would be most effective if done through industry associations and bodies such as NESAs. If providers were actively encouraged to propose projects that required cooperation, dissemination would be built in to a certain extent.

Success of innovations projects

The extent to which the Innovation Fund as a whole (not individual projects) assists identified cohorts within Employment Services (including highly disadvantaged, LTU, VLTU, indigenous, CALD, parents, disability, mature age, youth) will be a measure of the success of the program.

Criteria for assessing the success of projects supported through this fund could include:

- capacity to transition highly disadvantaged job seekers in to work
- ability to replicate the project
- capacity to value add to the Employment Services model
- links built with other services
- reach to new groups or markets
- sustainability without need for additional funding

Discussion Point 11

If a benchmark was adopted, how would it be set? Would each provider's benchmark be the same, or would it differ based on the make-up of their case load or the nature of their labour market?

How could the interests of the hardest to place be advanced by the performance management system?

How can the experience of job seekers and employers best be included when assessing the performance of providers?

Benchmarking

AMES considers that the main benefits of a benchmark approach is that it does not assume a predetermined number of providers are poor performers and that it provides a model where providers are judged and focussed on their individual job outcome results against a set of pre-determined criteria.

If benchmarking is to be used for ongoing performance management purposes, the following would be required:

- benchmarks of expected performance levels would need to be set at ESA level and for the four streams
- recognition that performance standards will vary according to stream – i.e. performance expectations for Stream 1 will differ significantly to those for Stream 4
- benchmarks would need to reflect the make-up of case loads and the nature of the labour market
- degrees of performance based on the score achieved i.e. met benchmark, exceeded benchmark, significantly exceeded benchmark.

A benchmarking system could be used to compare performance across like ESAs and Labour Market Regions with performance management benchmarks based on characteristics of the local labour supply and local labour market. For example, there could potentially be 5–10 categories of Labour Market Regions (LMR) across Australia and the four streams could be benchmarked within each LMR category. For example benchmarks for Stream 4 within LMR category 1 would be similar across Australia. Categories of Labour Market Regions could be based on the supply/demand ratio within the LMR and rated on a scale of high employment opportunities to low employment opportunities (Local Labour Market Indicator – LLMI).

Advancing the interests of the hardest to place job seekers

As noted above, expectations in terms of performance standards will vary according to stream. Performance expectations for Stream 4 will differ significantly from expectations for Stream 1.

Experience of job seekers and employers

It would be useful to include the experience of job seekers and employers when assessing the performance of providers. However this can be a very subjective process. AMES proposes that instead of including the experience of job seekers and employers directly in benchmark model calculations, this could be built into the broader contract / performance management framework.

While it would be useful for providers to know in advance via benchmarks what levels of success are needed to retain business, the challenge in recognising the multitude of variables could make this extremely complex. The alternative is a revised Star Rating system published quarterly.

Revised Star Ratings model

The current Star Ratings performance system needs to better acknowledge that the Very Long Term Unemployed (VLTU) and Highly Disadvantaged (HD) CALD job seekers require considerable servicing to support, gain and retain employment. AMES does not consider that the current speed of placement indicator (12% of Star Ratings) adequately takes this into consideration.

Additionally, whilst the current star ratings take account of individual job seeker characteristics, including Non English Speaking Background characteristics, AMES considers that the grouping of these job seekers into only three categories of origin does not sufficiently or adequately capture the distinct differences of clients within these groups – for example a refugee from Sudan will have very different characteristics and levels of disadvantage compared to other job seekers within the same star rating model CALD grouping.

Speed of placement: Adjustments to the Star Ratings model

The Government's recent decision to include Language Literacy and Numeracy Programs as a part of the Productivity Places Program (PPP) is welcome, in particular the decision to account for this in the speed of placement component of the Star Ratings.

As a provider who specialises in working with CALD job seekers, AMES proposes that this adjustment be extended to those jobseekers referred to the Adult Migrant English Program. This would ensure that the CALD cohort receive the language tuition necessary to access

employment while concurrently learning about the local labour market and Australian systems and workplace cultures.

More frequent release of Star Ratings

AMES considers that real benefits would be gained from more frequent release of star ratings, for example quarterly rather than half yearly. This would enable both providers and DEEWR to better monitor and manage performance and ensure more responsive and timely strategies are implemented to improve performance and services to job seekers. Timely and accurate performance data will be particularly important with the introduction of an entirely new service model.

Discussion Point 12

How should ESAs be determined and how can they be aligned more closely with natural labour markets?

AMES considers that some realignment would be beneficial. Data on local labour markets would be more accessible if ESAs were aligned to ABS Statistical Subdivisions. This realignment would need to be undertaken quickly to take account of

the timelines for the next tender. Star Ratings would also need to be calculated using the new subdivisions to give providers sufficient information on which to base their tender strategy and business decisions.

Discussion Point 13

Should both Centrelink and employment service providers be required to contact job seekers about Participation Reports?

The current system of Centrelink contacting the job seeker when they have failed to meet a requirement should be continued. Without additional resources, any system which removed or reduced this Centrelink involvement would result in a diversion of providers' resources away from assisting job seekers into employment.

However, AMES supports the proposal that providers are given increased discretion not to submit Participation Reports when they are satisfied with a job seeker's explanation for their absence or where they believe that it will assist the job seeker's chances of obtaining employment.

Discussion Point 14

Remembering that the comprehensive compliance assessment is an opportunity to identify barriers or service options what number of Participation Reports submitted in a particular time-frame should trigger an assessment?

Should the trigger be the same for rapid reconnection failures as for 'No show, No pay' failures?

AMES considers that three Participation Reports or three 'No show, No pay' events in a 12 month period should trigger an assessment. At the end of each 12 month period there should be a 'clean slate' approach.

In considering rules about engagement and re-engagement it is important to frame them in such

a way that they accommodate the special set of difficulties faced by Stream 4 job seekers. AMES recommends that further consideration be given to re-engagement of Stream 4 job seekers.

The current arrangements for rapid reconnection are working well.

Discussion Point 15

What should happen if the job seeker re-engages through participation in an intensive activity but then again fails to meet their requirements (a persistent no show)? Should payment be lost on a 'No show, No Pay' basis or should the job seeker, at some point, become fully precluded from income support for a period?

If a job seeker is unable to undertake intensive activities for 50 hours per fortnight due to personal circumstances, what is an appropriate activity for them to undertake?

'No show, No pay'

AMES supports the idea that job seekers who re-engage in an intensive activity but fail to meet their requirements should lose pay on a 'No show, No pay' basis. They should not automatically be fully precluded from income support, although this may be an appropriate penalty in some cases. A simple administrative process would be required to underpin this requirement.

Stream 4 job seekers

As with *Discussion Point 14*, great care needs to be taken in framing requirements and penalties for Stream 4 job seekers.

Intensive activity of 50 hours per fortnight

The requirement that for an eight week cancellation of payment to be lifted, a job seeker needs to undertake 50 hours per fortnight for 8 weeks, will be administratively difficult to

implement. Establishing and implementing an activity of this duration and intensity, will require planning if it is to be of benefit in transitioning the job seeker to employment. Depending on the individual circumstances of job seekers, 50 hours may be too intensive.

The important issues are that job seekers are required to engage very regularly and that the activity is a meaningful step towards employment. Providers should be able to use discretion to negotiate an appropriate activity and intensity with the job seeker, and to reduce the intensity to 30 hours per fortnight, where appropriate. (It should be noted that in the case of training, few courses are as intensive as 25 hours per week.)

As a way of ensuring compliance, the job seeker could be required to enter into an agreement to participate in an activity once a 'suitable' activity is sourced.

Discussion Point 16

Based on your experience with previous transitional periods what are the key issues that you believe will need to be managed? How can we learn from what has worked and what hasn't worked in the past?

Transition

The new Employment Services model represents significant change to the system. This is not ESC4, but a whole new employment service in a completely new environment and therefore there are major transitional issues both for providers and for job seekers. Because of the magnitude of the change there needs to be as much time as contractually possible for transition to the new model.

Job seekers

AMES considers the following to be important transition issues for job seekers.

- In the interests of access and equity, all job seekers should be considered new job seekers, with access to fully funded services in the new contract.
- Every transitional job seeker will need / should have a JSCI review to ensure referral to the most appropriate stream.
- Based on a JSCI/JCA, PSP participants may transition to Streams 2, 3, 4 and / or work experience whereas JPET participants transition into Stream 4 only. Where the characteristics and needs of these two groups of job seekers are similar, transition arrangements should be the same.
- PSP participants 12 months+ unemployed and 70% of job seekers 24 months+ unemployed transition into work experience with very low levels of support. Logistics of finding work experience for this number of people during the transition period will be challenging and levels of support (contact every two months) are inadequate.
- For job seekers registered with providers or at sites where services will not be delivered under the new contract, consideration needs to be given to managing ongoing support and services during the months leading up to the end of the current contract to ensure that standards do not decline and that job seekers do not become disillusioned with the current Job Network.

Providers

AMES considers that for the transition and start up for the new contract to be smooth a number of requirements need to be met.

- Providers need to be given adequate notice of tender results – AMES would suggest that, given the significance of the changes, anything later than 31 March will cause transition difficulties for continuing providers and job seekers, and start up difficulties for new providers and providers with new sites.
- Testing, piloting and trialling of the IT system needs to happen well in advance so that bugs and design flaws or omissions can be rectified before staff training takes place.
- Whatever IT system is to be used needs to be fully available in final, tested, operable form no later than mid May, for staff training. No transition can be smooth if staff are not trained by 1 July.
- For continuing providers and staff the IT training can take place in May and June, while new providers or new staff will probably have to undergo training as late as possible before contract start, in the second half of June.
- Training of both new and continuing staff in the way the new contract is to work (i.e. training other than in IT systems) will need to be before 1 July, which again requires early advice of tender results.
- Training will need to continue for some time after 1 July as new or expanding providers steadily take on new staff.
- The IT system needs to transfer job seekers to the new system and to new providers on a specified date or on a limited number of specified dates, not in the ad hoc manner as at the start of ESC 3.

The transition period does not end on 1 July but will continue for several months. This needs to be considered in assessing provider performance in this period.

Discussion Point 17

How can we best ensure the new employment services system retains specialist providers?

Is there anything DEEWR can and should do to assist providers in delivering a quality service for the remainder of this contract period?

Ensuring Employment Services retain Specialist Providers

AMES position is that Specialist Providers are critical to ensuring equal access to employment services for all job seekers. AMES supports DEEWR and the government in seeking specific ways to ensure that such providers are retained.

Specialist service for a designated group of job seekers such as indigenous, youth or CALD are needed to respond to the special needs and challenges of these groups which may not be met by providers delivering generalist services. Specialist providers bring special skills and considerable experience to assisting the relevant group.

There is generally an acceptance from DEEWR that such job seeker cohorts do in fact need special support and it is critical that when assessing responses to tender that the Government ensure capacity to deliver specialist services is well evidenced.

AMES proposes that the new Employment Services model incorporates two approaches to the need to retain specialist services.

1. Providers with the capacity to deliver **all** required assistance to Streams 1, 2, 3 and 4 **and** with the skills and experience to deliver specialist services to a specialist cohort will be identified as an Employment Services Provider with a Specialist Focus. In AMES case this would mean providing specialist assistance to CALD job seekers, while also working with all other eligible job seekers.

Others with the appropriate expertise would provide specialist services to, for example, indigenous or youth. This would provide real user choice for job seekers with specialist needs and challenges.

2. Providers with the capacity to deliver required assistance to Streams 1, 2 and 3 but without the specialist capacity to deliver services to Stream 4 may partner with providers specialising in these type of assistance – for example, those currently delivering PSP, JPET and NEIS programs. This will require a major realignment of partnerships and alliances. Allowance will need to be made for flexibility to adjust partnerships and relationships throughout the contract.

JSCI

The revised JSCI will be critical in ensuring disadvantaged and highly disadvantaged job seekers are identified and referred not only to an appropriate stream, but also to providers who can deliver the types of specialist assistance they need.

The special challenges faced by some of the cohorts are not given due recognition in current JSCI scoring, or in performance management of providers. For AMES one of the most important factors in ensuring that our tender proposals can be viable, and as supportive of job seekers as their needs require, is the redrafting of aspects of the JSCI relevant to CALD job seekers – especially refugees and humanitarian visa job seekers.

Discussion Point 18

Are there any specific issues you would like addressed as part of the DEEWR information technology information sessions?

Information Technology

AMES welcomes the upcoming IT development information sessions and would like to see the following aspects covered as a part of these sessions:

- Detailed timetable of development including testing and training
- Overview of current functionality expected to be retained / enhanced
- Expected provider system and hardware requirements
- Role of third party software
- Expected capability of two way data transfers (data uploads)