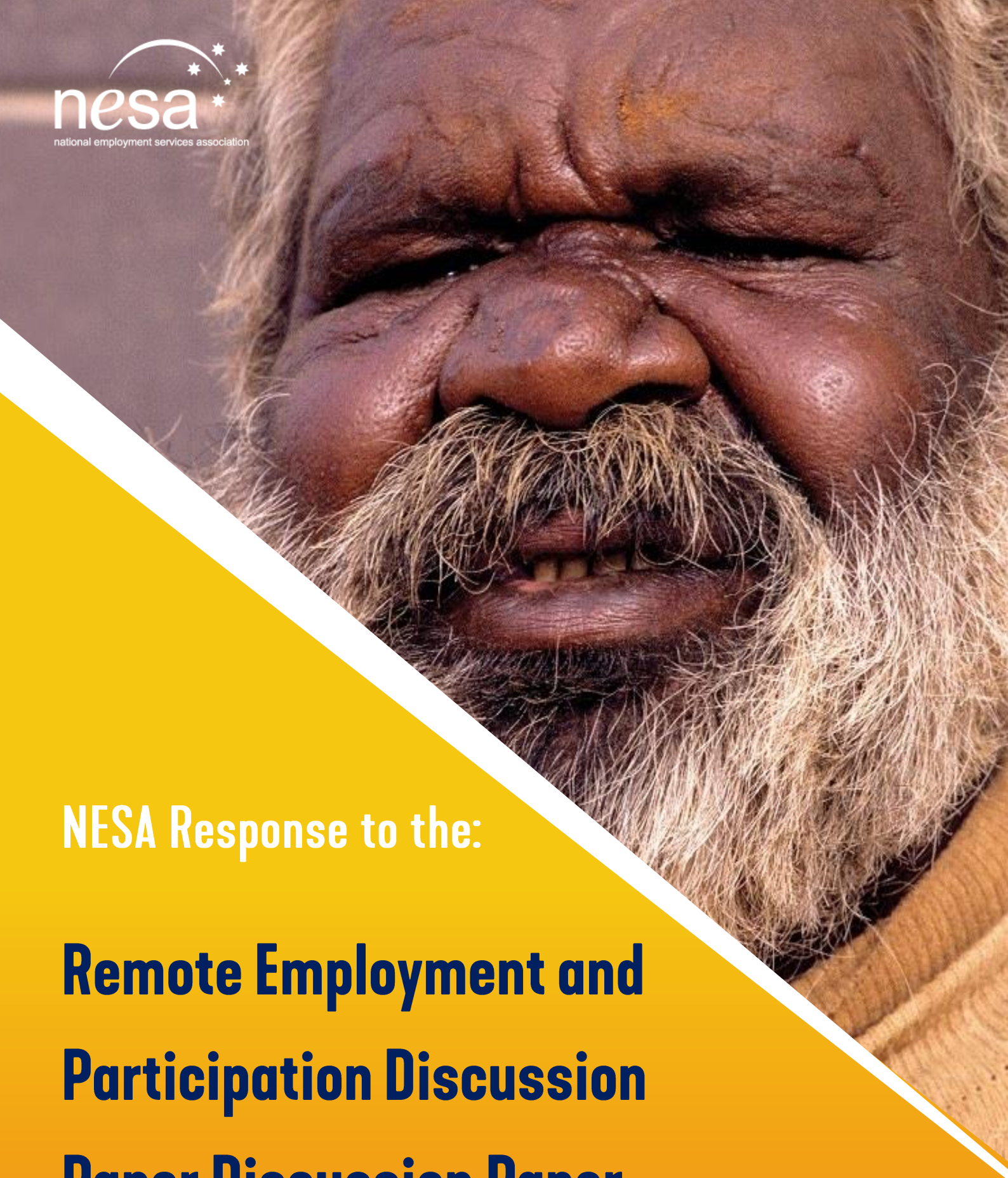
nesa
national employment services association



NESA Response to the:

Remote Employment and Participation Discussion Paper Discussion Paper

February 2018

Contents

About NESA 3

Background 5

NESA's feedback on proposed design principles 6

Consideration of Proposed Models 16

Option 1 – A Tiered Model 16

Developing Tiers 16

"Wage Based" Model 17

Provider Payments 19

Option 2 - CDP2 Reforms 20

Weekly Payments 20

Provider Payments 20

Changing Taper Rates 21

Reasonable Excuses and Exemptions 21

Community Investment Fund 21

Phased Implementation 22

Option 3 – Improvements within CDP 22

Supporting Successful Implementation 23

Contact

Matt Clarke, Deputy CEO

(02) 9119 3090 | deputyceo@nesa.com.au | nesa.com.au

#weR4jobs

About NESA

The National Employment Services Association (NESA), established in 1997, is the peak body of the Australian employment services sector.

NESA is dedicated to a vision of opportunity for everyone through employment and inclusion. Employment inclusion and participation are cornerstones of the economic and social health of society. For the individual, employment participation is more than a means to income; it provides connection, purpose and inclusion. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians, enabling access to such things as a well-functioning health system, quality education and a strong social safety net.

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities. NESA's mission is to lead a sustainable, effective and diverse employment services sector to support individual job seekers and employers and to help our nation achieve employment participation objectives.

NESA's membership encompasses the breadth of Australia's diverse labour market assistance programmes including the Community Development Programme (CDP), jobactive, Disability Employment Services (DES), Transition to Work (TTW), Youth Jobs PaTH, ParentsNext, Work for the Dole Coordinator Services and Vocational Training & Employment Centres (VTEC). A large proportion of NESA members deliver multiple programs.

Our membership is extensive and diverse, and open to all contracted providers (for-profit, not-for-profit and public). NESA delivers intensive policy, operational and capacity building support to member organisations. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective delivery of labour market assistance and social policy. Our intensive member and stakeholder interaction provides unique insight into the policy and operational settings that underpin labour market assistance.

NESA is committed to working with our members, communities and Government to Close the Gap in outcomes between Indigenous and non-Indigenous Australians. Our advocacy work has focused on industry-led solutions for the employment services sector to increase the employment participation of Aboriginal and Torres Strait Islander people across Australia.

NESA CDP membership represents 60% of current CDP remote regions. NESA members are situated across every state (where CDP is delivered) offering NESA a clear understanding of the unique experience of delivering CDP services across diverse communities and labour markets. NESA has facilitated remote and Indigenous Special Interest Groups (SIGs) since 2000. The CDP SIG has run since the introduction of the programme replacing the former CDEP SIG, providing members with an opportunity

to explore better practice and discuss policy and feedback to the Australian government on programmes and remote servicing.

NESA's advocacy and appreciation of remote conditions has been further strengthened by our direct project delivery experience that includes the Remote School Attendance Strategy (RSAS) Training Strategy Project and the Remote Aboriginal Mental Health First Aid project. Through these projects, NESA has engaged with every CDP, RSAS and Community Night Patrol (CNP) provider across remote Australia, and we continue to support them to strengthen capacity and to deliver critical services across remote communities.

Background

NESA welcomes the release of the Discussion Paper (the Paper) which begins to outline options for redesigning remote employment and participation services. NESA's response reflects:

- Consultation with our extensive membership and networking with providers of remote services
- NESA's extensive knowledge and expertise in design and implementation of labour market assistance programmes and services developed in Australia over the past two decades
- International experience of effective labour market and other assistance to support the social and economic inclusion of first peoples

NESA recognises that the Paper provides high-level concepts to begin discussion. As such, NESA's response focuses on feedback regarding the strengths, identified risks and opportunities of each model and recommends areas that warrant further development rather than identifying a preferred model.

Before addressing the Paper and potential future models, it is important to consider the background to this current iteration of reform. NESA notes that the provision of 'appropriate' employment and participation services to remote communities has been a topic of concern and discussion for many years and has featured in numerous reviews, inquiries, discussion papers and submissions. NESA takes this opportunity to reiterate positions and considerations as a background to the current discussion.

- There is consensus that the unique and complex characteristics and circumstances of remote communities require tailored and specific responses
- Reflecting the diversity of circumstance of each community there is a strong view that a one-size-fits-all model of employment and participation is not appropriate for remote communities
- Employment and participation services in remote Australia have been subject to consecutive waves of reform which have been particularly intense over the past decade
- There has been an absence of evidence-based remote services programme development, with reform often resulting in sweeping change encompassing both effective and ineffective elements
- While intended to deliver improved opportunities for participation and employment, each wave of reform has brought with it destabilising elements that undermine progress on achievement of objectives. In particular, recognition of the criticality of local partnerships and collaboration to support employment and participation and the disruption of these by significant reform and commissioning processes requires strong consideration
- Direction for development of a new approach to remote employment and participation should have a clear focus to achieve fit-for-purpose solutions that deliver better practice, leverage off existing strengths and address identified deficits. In this regard, NESA urges that in particular job seeker assessment processes be a key focus: ensuring appropriate engagement and streaming is a foundational factor to the success of any model.

- Transition arrangements must take into consideration the optimum pace of change and level of support to enable organisations and communities to adapt and prepare for successful implementation

Overall, the feedback provided in this response is intended to contribute to an ongoing iterative process with the sector, as the policy and programme design is refined. We look forward to engaging with Government as this process continues.

NESA's feedback on proposed design principles

NESA supports the proposed objective of a new approach that aims to increase the prosperity of remote Australia and put job seekers on a pathway into employment. NESA considers that the objective may be enhanced and reflect the broader intent implied through the discussion paper by referencing support and participation. For example, ***a new approach that aims to increase the prosperity of remote Australia by supporting job seekers to participate and progress on a pathway into employment.***

Design principle 1

A more simplified system, relying less on a national welfare system, and more on local control and decision-making

NESA supports a simplified system that removes complexity around compliance and simplifies interactions with Centrelink to create a simpler, more flexible and tailored approach. The system needs to be both responsive and tailored to the unique conditions of remote Australia. Strong local control, decision-making, and recognition of the diverse nature of remote labour markets and community infrastructure should underpin any system adopted across remote Australia.

A simplified system does necessarily need to go hand in hand with removal from the national welfare system. There are elements of the national welfare system that are sound, such as mutual obligation, participation and protections for job seekers. The consistency and equity associated with a national system managed through a single Government agency should not be undermined. However, application of a national system to remote communities requires stronger flexibility to enable consideration of the unique characteristics of individual communities and job seeker circumstance such as local labour market conditions, and accessibility of social and health services.

The introduction of a simplified system across remote Australia must also address access to Centrelink. Centrelink services to remote Australia are predominately accessed through agencies and via telephone. Consistently long call queues, challenges connecting to the right Centrelink support and lack of timely resolution to compliance matters/assessment are of concern and contribute to unnecessary hardship and disengagement. Significant improvement in ease of access to Centrelink services, the quality of service with particular focus on knowledge of remote communities and cultural competency including support of

those citizens with language and literacy barriers is essential. Improved opportunity for face-to-face services particularly in areas such as assessment to achieve a stronger system should be considered.

A simplified system for remote Australia should adopt the following characteristics:

- A strength-based methodology in assessing capacity to participate, centred on an individual's capacity to engage in employment preparation, social services, community development activities and employment
- Simplified and culturally responsive medical/specialist evidence requirements recognising the limited or inconsistent availability of specialist health services across remote Australia
- Improved access to Centrelink services

Design principle 2

Reinvesting any efficiencies back into communities, for example through 'top up' arrangements for job seekers

NESA supports the principle that a remote employment and participation model should re-invest efficiencies back into remote communities to create additional incentives for participation and ensure job seekers are not disadvantaged by taking up work.

A re-investment approach should encourage immediate levels of participation in local community and recognise the medium and long-term return on investment from building community engagement and ownership. NESA considers that re-investment of efficiencies back into remote communities should be responsive to local needs with safeguards to ensure that achievement of 'efficiencies' does not arise through exacerbation of hardship.

Existing arrangements centred on active participation inadvertently contribute to cycles of disengagement resulting from financial penalties imposed on contracted providers and job seekers for non-compliance. This approach has the following effects:

- As providers are penalised, their ability to invest in forward activities and interventions that support local communities is restricted, further impeding their ability to engage and feeding a cycle of penalties
- Financial penalties imposed on job seekers affect engagement with providers, in turn exposing them to further penalties. Where there are questions about job seekers' actual rather than assessed capacity to comply with requirements this fuels not only disengagement but also negative perceptions of the integrity and fairness of the welfare system

Any efficiencies gained through the delivery of contracted services or through job seeker penalties should be directed back into that community. The establishment of clear guidelines should detail how funding

can be accessed and utilised in the development and support of that community including but not limited to:

- Investment in job creation through enterprise development
- Broadening of incentives tailored toward supporting specific cohorts e.g. single parents, youth, or nil work capacity
- Investment in infrastructure for enterprise, employment and training-related initiatives
- Investment in health and related services
- Investment in mentoring

Potentially, the proposed Community Investment Fund model could be positioned to support this approach. An investment model should consist of a top-up model that is inclusive and accessible to the full caseload.

Design principle 3

A wage-based or 'wage-like' model providing weekly payments to job seekers

NESA broadly agrees with the principle of adopting a 'wage-based' or 'wage-like' model providing weekly payments to job seekers to more closely align with work environments and support budgeting and financial management.

NESA strongly urges Government to ensure clarity in the use of the terms 'wage-like' and 'wage-based' moving forward in the design and consultation process. There should be a clear distinction between income support payment and receipt of a wage, and similarly a clear distinction of legal status as either participant or employee is critical. Issues surrounding the legal status of the relationship between providers and job seekers in such a model need to be clearly resolved in programme design and encompassing national, State and Territory requirements, legislation and statutory obligations. Subject to clarification, associated entitlements and on-costs e.g. State-based Workers' Compensation, long service leave and superannuation must be factored into programme design.

NESA also considers it important that the employment status of participants in the new model be clearly represented to ensure there is ongoing transparency and accurate interpretation of participation of remote citizens in the labour force**.** Access to quality data which captures the levels of employment for Aboriginal and Torres Strait Islander people has been complicated by the treatment of participation in waged programmes in the past. An approach which counts individuals engaged in a Government service as employed (for example for the purposes of Australian Bureau of Statistics data), where they are not inflates outcomes for Aboriginal and Torres Strait Islander people which will have broader implications for investment and support in future years. These issues must also be considered in future design**.**

NESA would support a 'wage-based' or 'wage-like' model where the programme design allows for:

- Protections to ensure job seekers are not financially disadvantaged, with appropriate consideration to the real costs of participation e.g. travel to work-like setting, cleaning and maintenance of uniforms etc.
- Alignment with minimum wage conditions
- Payment of work hours undertaken
- A funding framework that fully provides for relevant on-costs to be met by providers
- Flexible work, enabling tailored and responsive local arrangements accounting for factors such as
    - local labour market conditions
    - seasonal conditions
    - community priorities
    - job seekers' diverse capacity
- An opportunity to 'bank hours' consistent with other waged roles
- Top up
- More regular payments

If these conditions cannot be met, then a remote income support model mirroring the relevant characteristics above e.g. payment of work hours undertaken, ensuring that basic income support levels are maintained is preferable.

In addition to these issues, a broader 'no disadvantage test' should be applied to arrangements as they are tested. For example, an individual's status in regard to receiving income support is used by a variety of organisations as a threshold test to prioritise access to other Commonwealth and/or State and Territory support, as well as other social services. The impact on access to things such as housing, healthcare cards, transport assistance, and family assistance must be considered as the specific payment arrangements for job seekers are determined.

Design principle 4

Streaming job seekers to enable tailored assistance according to need

NESA supports the design principle of streaming job seekers to enable tailored assistance according to need with the implementation of a tiered approach, based on individual capacity. However, NESA believes that significant and welcome change would need to occur to achieve this principle.

There is consensus that employment participation is critical to the alleviation of poverty, reduced reliance on welfare and social inclusion. Current programme arrangements encompass strong activation policies and programme settings, performance drivers and monitoring arrangements. Despite this, we see persistent growth in the number of long and very long-term welfare recipients and lack of significant progress on workforce participation and employment across remote Australia and for Aboriginal and

Torres Strait Islander people more broadly. NESA believes that improved early intervention enabled by improved assessment and streaming arrangements has potential to lift participation and stem the growth in long and very long-term unemployment.

Current arrangements for assessing job seekers' capacity to participate are a significant and long standing area of concern. Current assessment practice has failed to deliver quality job seeker assessments in remote Australia. The Department of Human Services identifies job seekers' barriers to employment using the Job Seeker Classification Instrument (JSCI). This instrument provides a score reflecting **relative disadvantage** used to stream job seekers into employment services programmes and assign service level. The JSCI uses 18 factors and a number of sub-factors identified as predictors of a job seeker's likelihood of remaining unemployed for another year. Threshold scores are set to ration job seeker access to service levels according to programme architecture and budgetary framework. Effective early intervention requires service provision according to and commensurate with assessment of actual need rather than relative disadvantage.

The JSCI is not an assessment tool as the name indicates, it is a classification tool. DHS most often complete the JSCI in short telephone interviews on first contact with new applicants for income support, which is not conducive to fostering trust nor to the disclosure of factors that require further assessment to determine service needs. Effective streaming in remote settings is hampered by the inability to overcome limited access to health services and medical records to properly gather and consider medical evidence to assess capacity. There is inconsistent and inadequate access to interpreters or other strategies to address significant language and cultural barriers, including those relating to self-identity as a person with a disability or mental health condition, that significantly affect the quality of assessments.

A matter of ongoing concern is how effectively and cohesively the JSCI and associated assessment mechanisms actually work to predict the likelihood of remaining unemployed for another year and therefore enable access to appropriate levels of assistance. It is arguable that underservicing resulting from streaming focused on relative rather than actual need is contributing to long-term welfare reliance and unemployment.

There are also continued issues with timely access to Employment Service Assessments across Australia, most acutely experienced in regional and remote areas. There is poor access to Employment Service Assessment (ESAt) for remote job seekers, with long delays for appointments. While metropolitan counterparts can expect most ESAts to be conducted face-to-face, job seekers in remote Australia are predominately assessed by phone or through case file assessments, further limiting effective assessment of their capacity to participate.

Moving to a tier model providing services according to need has merit, but in the absence of a significantly improved assessment and streaming framework for remote communities, is unlikely to deliver objectives. Measures to improve access to timely and quality assessments must be considered a threshold issue in

the design process. Using the reform process to improve assessments of capability in remote Australia presents a chance to move from a deficit view of capability, to a strength-based view. This would require consideration of what constitutes capacity and capability, and how information can be gathered with rigour to establish this. All impacted stakeholders including the Department of the Prime Minister and Cabinet, Department of Human Services, Department of Social Services, and contracted CDP providers could collaborate on this critical work through the establishment of a working group.

However, it would be a mistake to think tailored assistance is fully achieved by tiering. Other employment programmes show that tiering contributes to creating a deficit approach to supporting job seekers, with a focus being on delivery of minimum services as opposed to delivering against capability.

If a tiering model is to mature and deliver on objectives it needs to take lessons from other programmes. A tiering model would need to include the following:

- A refined assessment process that has been designed for the unique conditions of remote Australia
- A refined job seeker capacity profile, interwoven through a tier model, which acknowledges that a person can be 100% work-ready but still physically/mentally only have the capacity to work/engage 15 hours per week
- An inclusive model that provides flexibility to address cohorts within caseloads and their individual requirements e.g. single parents or youth
- A focus on capability – improving assessments to drive service quality
- Revised evidentiary requirements to support assessments in remote settings, which enable greater use of all information available within community to assess capability and capacity, to overcome the well-documented limitations to meet current evidentiary requirements, with their focus on medical records
- Improved access to Centrelink for providers and job seekers, such as the recommendation of the Senate Committee into the "*Appropriateness and effectiveness of the objectives, design, implementation and evaluation of the CDP"* that dedicated phone lines for remote services be operated by staff suitably knowledgeable of programmes in remote communities

Design principle 5

Improved access to locally delivered health services to ensure job seekers' barriers and capacity for work are properly identified and appropriate support is provided

NESA strongly supports this principle, which intends to ensure that job seekers have access to services locally that will address their barriers. NESA notes that addressing these issues will rely on additional investment to that for reformed CDP services. It should be driven through a coordinated cross Government approach to investment, responding to community need.

A common characteristic of remote communities is the under-representation of health and wellbeing services. In remote servicing, providers by necessity assume a pivotal role of brokering health and other support services where available to support the needs of their job seekers. To do this effectively however, can be resource-intensive beyond the means currently provided for activities and basic case management. A key improvement to any forward model will be acknowledging and providing the investment required to undertake this kind of support. Where there are limited local options, it would be advantageous if local providers could adapt their service model to accommodate the gap. Using provider capacity may also assist to address the central issue of job seeker capacity assessments.

A specific pool of funding accessible by providers (akin to a Participation Account) could be considered to permit the purchasing of external services and to enable providers to build this capacity internally in a structured manner, e.g. by engaging health professional or the development of support groups.

Design principle 6

Establishing better arrangements for job training and a pathway to real employment

NESA supports this design principle, which intends to create a model that engages job seekers in meaningful work or job training activities with the ultimate aim of transitioning into employment. Further exploration of concepts would be required to determine effective arrangements to enable objectives to be met across diverse remote communities.

Ensuring there is the ability to support people at vulnerable transition points is important in establishing better arrangements for job training and a pathway to employment. The new Time to Work is one example of this, supporting ex-offenders to transition to services. Similar initiatives could be considered for things such as transition from school to continued engagement in services and work.

NESA's members support the continuation of meaningful work activities focused on transitioning people into work in a new programme. In doing so, we acknowledge the work done by providers to create these opportunities within the current CDP programme framework.

Remote conditions vary from one community to the next and the labour markets are diverse. There needs to be a mechanism for providers to demonstrate their community investment in the short, medium and long term. There are benefits to exploring the principles of the Remote Jobs Community Programme (RJCP) that focused on an overarching Community Action Plan (CAP) and the Workforce Development Strategy (WDS) as guiding a local approach to community priorities and real employment opportunities. These arrangements aimed to create transparency around services and support that providers developed in consultation and delivered in a manner consistent with local labour conditions and community priorities.

NESA members clearly advocate for flexibility in how they structure their activities and removal of unnecessary limitations in their design. Our members are experienced in managing consultative

processes and the expectations of communities to advance local employment opportunities but need a framework that does not limit employment outcomes through being overladen with prescription.

NESA also encourages further review of those supports being offered in non-remote Australia to engage employers and support job seekers into real work opportunities. Youth PaTH offers one such model which could be reviewed, with positive elements of the programme being contextualised and taken to remote locations.

Design principle 7

Encouraging businesses to hire and invest in local people.

NESA supports any initiatives that encourage businesses to hire and invest in local people including those achieved through wage subsidies to employers and outcome payments to providers.

Opportunities to do this include:

- Developing the outcome payment framework in consultation with providers and their representative bodies to ensure the full costs of delivery are factored into the model to deliver the intended incentive
- Investigating how the conditions of the Employment Parity Initiative (EPI) could be extended across to Small and Medium Enterprises (SMEs)
- Greater understanding and investment in Indigenous trainees and apprenticeships across remote Australia
- Stronger requirements on Government-funded contracts to have formal partnerships with local CDP providers to bid for work in those CDP regions
- Stronger IPP requirements for investment in communities
- As noted above- reviewing programmes such as Youth PaTH for learnings that can be applied in remote Australia
- A remote wage subsidy programme

Design principle 8

Delivering subsidised labour for contracting opportunities, while not crowding out existing investment and jobs

NESA supports arrangements that increase opportunities for communities to respond to local employment opportunities. We view offering subsidies where appropriate as a tool to achieve this, as opposed to a principle in service design.

Design principle 9

Increasing the number of Indigenous owned and controlled organisations providing services under CDP

NESA supports increasing the number of Indigenous owned and controlled organisations to provide CDP services. However, we stress that the provision of quality services to remote communities should be the first priority for Government.

We also advocate that non-Indigenous organisations have the potential to contribute to objectives for remote communities. Fostering partnerships and collaboration between Indigenous and non-Indigenous organisations to support and enhance service delivery should be encouraged.

Closing the Gap has not yielded the intended results for stakeholders, including Government and contracted providers. To move forward, NESA supports a commitment to strengthening local service provision but would caution against steps that could further isolate remote communities. The commitment to Closing the Gap needs all stakeholders at the table with a genuine intention to work together.

Design principle 10

Equipping providers to work with local opportunities e.g. providing access to a region-by-region database on the pipeline of jobs available and establishing accreditations to improve understanding of the programme

NESA supports the design principle which seeks to ensure providers are equipped so they can do their job well and fully understand the local labour market.

NESA appreciates that capacity building support for providers is a design principle and considers the Government's provision of tools, support to achieve accreditation and effective programme implementation to be a welcome sign of collaboration and partnership between purchaser and provider, indicative of the shared commitment to successful delivery.

NESA has advocated strongly on the need for a national resource that enables all contracted employment providers to identify employment opportunities in their region – particularly those created due to significant Government investment.

NESA has advocated that this be started by gathering and promoting every opportunity through the Employment Parity Initiative and then be extended by including every government contract that requires a new workforce to be engaged.

The Indigenous Procurement Policy provides a focus on Indigenous employment, yet it is difficult for an employment provider to identify created opportunities. A national centralised repository for these opportunities would enable better connection between services.

To strengthen opportunities further, Government-funded services should have a requirement to engage with CDP providers in building their workforce when entering a CDP region.

Design principle 11

Supporting Indigenous enterprise development, particularly in the delivery of Commonwealth contracts

NESA supports investment in Indigenous enterprise, particularly in the delivery of Commonwealth contracts to create more job opportunities and local economic development through supporting Indigenous business.

NESA notes the success of NEIS in non-remote locations and believes that there is benefit in considering the development of a similar programme for remote Australia. Such a programme could draw on learnings from NEIS in a non-remote context, taking into account access to business support, business training, and ability to receive income support while developing their enterprise. While CDP has some ability to mirror this, investment in specialist services is also necessary.

Consideration should be given to expanding this principle with additional strategies to support business development including direct interventions, which require external contractors to engage with local CDP providers in developing their local workforce.

NESA proposes an additional design principle:

That programmes contribute to the long-term development of the communities in which they operate

All remote programmes should be designed to enable responsiveness to place and support long-term planning and development of the community in which they operate. Contracting, performance and delivery options should take a short, medium and long-term view of success in this context. Delivery of services should be driven through whole-of-Government collaboration, aligning to locally driven priorities and Closing the Gap targets.

Consideration of Proposed Models

Option 1 – A Tiered Model

Developing Tiers

To introduce an effective tiered approach two essential elements are required

1. Development of 'tiers' which capture the breadth of job seeker service needs, with the intended cohort for each tier being clearly articulated

2. An assessment and streaming framework that accurately identifies job seekers' actual needs and capability and connects them to a corresponding tier

In determining the structure of servicing tiers, we urge for a granular analysis of data to ensure the range of complexity of job seeker issues is investigated, together with consultation about the intensity of services provision required to address circumstance. NESA cautions against use of the Job Seeker Classification Instrument (JSCI) as a streaming tool without robust independent assessment of its efficacy in remote communities. NESA notes that current providers welcome the opportunity to offer their skills and expertise to the design process. In relation to development of tiers, analysis of case studies from existing caseloads in partnership with providers could assist in gaining preliminary understanding of the characteristics of intended participants in each tier.

With regards to the current proposed tiers, we offer the following views:

- Tier 1: An approach that provides non-vocational support to highly vulnerable job seekers with low capacity to work is welcome. NESA considers that the title/descriptor for this tier be reconsidered to reflect the services to be received e.g. Intensive support rather than basic services. As this tier will be serviced by DHS, a greater understanding of the deliverables to remote job seekers is required to comment on the adequacy of the proposed tier. We encourage review of the Personal Support Programme model to inform development of this tier and consideration of supplementing DHS services with contracted services to enable expanded access to meet individual needs. NESA is pleased that the tier is intended to be developmental to ensure that vulnerable job seekers do not become entrenched in this tier as a destination.

- Tier 2: As it is currently constructed, Tier 2 would need to provide for a wide range job seeker circumstances, from those who have built capability which enables them to increase their participation to more work-like activities (i.e. move from Tier 1 to 2), to those ready to move into employment, or back from recent work (Tier 3). Programme design should ensure flexibility is maintained to meet this wide range of needs.

- Tier 3: Supporting people into employment should remain a core function of a remote employment and participation programme. Activities proposed for job seekers in Tier 3 are consistent with this. However, consideration of supplementing work-based support provided by the employer post placement with contracted providers could strengthen the tier and the sustainability of employment. Adaptation of the Disability Employment Services ongoing support model that includes capacity building to the workplace to develop effective work place support such as supervisor/peer training/coaching/mentoring may prove beneficial.

Transition between tiers should be simple and encourage participation. Assessments conducted in the programme should form a baseline of a job seeker's participation requirement. Where they seek to participate in a tier with greater requirements, or with additional responsibilities they should have the option to do so voluntarily, with the support of their provider. Over time, as capability is built, and based on regular formal assessments, these requirements should be shifted. Tiers must not become a destination for job seekers due to poor programme design.

The transition between Tier 1 and 2 may be complex given the interaction between DHS and providers making payments as proposed in this model. Separating arrangements between these two groups could present an unnecessary complexity in the delivery of services. As such, consideration of a system where individuals are paid through the same system (either provider or DHS) is preferable to this arrangement.

Modelling the types of supports and cost of delivery should be examined as tiers are developed. The programme design must take into consideration the significant health and welfare needs of community members, and ensure resources to respond are provided and accessible. NESA notes that variability in local social infrastructure and remoteness of communities varies considerably and will similarly affect cost of delivery. It will be critical that the funding model accounts for such variability to ensure programme viability across the diversity of remote Australia, and that job seekers receive adequate services regardless of location.

NESA would suggest that the use of *numbers* to categorise support streams for job seekers would benefit from review in future iterations. A numerical system lends itself to a perception of prioritisation of job seekers. As suggested Intensive services for Tier 1, for example may better communicate the level of support provided. Job seekers could be engaged for feedback on how best to describe service tiers in a way that give meaning to participants and encourages engagement.

"Wage Based" Model

NESA supports a model that more closely replicates work-like conditions. Our feedback on clarity of the specific nature of these payments remains.

- If income is deemed to be wages, establishing an employee-employer relationship between participants and providers or the Commonwealth, it should include appropriate workplace entitlements such as leave, workers' compensation and superannuation. Further, where this occurs, CDP providers should be given appropriate guidance and funding to meet all workplace-related requirements for job seekers/employees
- If the intention is that income support be paid, this should be clearly communicated

Incentives for Participation

The opportunity to earn additional income for work undertaken (top-up) will operate as an incentive for some job seekers and is seen as a positive feature of this option. Further incentives to participate will be created through:

- Offering pathways to local employment, with which the subsidised job measures will assist
- Services via CDP that address complex barriers to participation being resourced and increased in communities (for example, improved health services)
- A continued focus on expanding local decision-making, including involving job seekers in the design of activities: providers must retain the flexibility to design activities in response to community needs
- Retaining the ability of providers to exercise discretion in recording participation of job seekers in activities, based on local information and engagement strategies

Participation Hours

Participation requirements of job seekers in remote Australia should reflect job seeker capacity and capability, as determined through a robust assessment process. Requirements for benefit should not exceed those of job seekers in non-remote locations.

Further, the arrangements and participation of individual activities to meet hours should be flexible, balancing job seeker needs and availability of activities and local opportunities. Review of current programme participation requirements of five hours a day, five days per week should be undertaken to support flexible tailored place-based responses.

Providers should be given the flexibility to align hours with job seeker capacity and other commitments, as well as with available opportunities. This may, in some locations, result in individuals participating in activities daily as per the current arrangements or in other locations completing requirements over a different period.

Dealing with Persistent Non-Compliance

Reasons for non-compliance are varied. Hard levers such as removing access to income support have not been effective in driving re-engagement. Additionally, suspending income support across communities has the impact of worsening conditions in already vulnerable parts of Australia.

Case by case review of each scenario of serial non-compliance needs to be explored on merits. Measures such as the ability to earn top-up may operate as an incentive, however further investment in case management is required to manage engagement effectively.

A new programme should include the opportunity to provide more intensive support to enable providers to better work with disengaged job seekers and address persistent non-compliance. Providers could:

- Provide additional case management to serial non-attenders to assess their barriers to participation and put in place structured planning that rebuilds attendance
- Offer alternatives to meet participation requirements. Enhancing broader options for reengagement in addition to Work for the Dole activities may promote positive engagement and a pathway back to active participation.

An opportunity exists to engage with community members to identify solutions to non-compliance. Providers should be resourced to undertake this work.

Access to Subsidised Employment Opportunities

NESA believes that roles created as result of a targeted job creation packages in remote Australia should be for Indigenous people only. Subject to the nature of the investment, and available job seekers, consideration should also be given to limiting these opportunities to CDP participants.

Provider Payments

The case for providers making payments has been framed in the context of them being able to more quickly action compliance penalties for job seekers, shifting this responsibility to the provider network.

The alternative option of ensuring DHS is structured to meet remote servicing conditions and respond appropriately has not been adequately explored. In NESA's view, further consideration of DHS's role would be of value.

This change is considerable in the context of service provision in remote Australia. Off the back of a period of consistent reform over the past decade, NESA cautions moving too rapidly. A working group of DHS, DSS and other relevant stakeholders should be convened to consider the impacts of transition to provider payments over time.

If an approach where providers make payments were to go forward, we reiterate the following implementation concerns that need to be addressed:

- **Administration:** Managing the payments of job seekers will result in increased administration for providers. If additional funding isn't provided for this to occur, it will require the shifting of resources in the programme to administration as opposed to investing in activities and frontline services.
- **Staff Safety:** In some locations, the safety of staff implementing payment-based decisions will be a significant concern. It may also have the unintended consequence of local staff inconsistently applying payment reductions or other penalties, due to community concerns. The ability to provide better training, security and upgrades to local premises in these locations must be factored into programme design.
- **Ability to attract local staff**: In some locations, there will be increased challenges on service delivery resulting from inability to attract local staff to a programme where they have to make decisions about payments.
- **Diluting expertise:** Extending the requirement of providers to manage income support further dilutes their core focus on supporting community development and placing job seekers into employment. There is a perception that recent contract iterations have swung the pendulum away from these core functions to activity management. The addition of further requirements on providers may shift their focus even further from core objectives.

Option 2 - CDP2 Reforms

In providing the comments below, NESA has reflected on Social Security Legislation Amendment (Community Development Programme) Bill 2015, draft legislation, explanatory bill and first reading documentation. NESA has also drawn on information contained in the 2016 Discussion Paper in providing comments.

Weekly Payments

As noted above, NESA supports proposals that mirror work-like arrangements. If responsibility for weekly payments is on providers, the funding model must provide appropriate full compensation for administration costs.

Provider Payments

Concerns relating to providers making payments detailed above apply equally to consideration of CDP2 Reforms.

Changing Taper Rates

NESA is supportive of policies that create opportunities for individuals to access paid employment more easily. Changed taper rates offer a means to achieve this, particularly in areas of low or variable labour market opportunities.

Changed taper rates would need to be considered in conjunction with the development of the accompanying outcome guidelines and performance framework. Higher income taper rates affect eligibility for an Employment Outcome and programme performance. As has been done previously when a change in taper rates occurred there should be corresponding review of outcome requirements such as off-benefit measures.

Reasonable Excuses and Exemptions

NESA supports this aspect of the reforms but notes that the ability to exercise discretion and to support reasonable absences from participation is already available within the current CDP programme. If there is a perception that flexibility is not being exercised, this could be explored in collaboration with the sector to understand and address barriers.

Greater consideration is required regarding application of exemptions to participation. Generally, providers indicate a preference for this to remain with DHS, seeing minimal advantage to transferring responsibility to them. If a new programme did seek to transfer this responsibility, it would need to be done with appropriate guidelines, training and payment.

Community Investment Fund

The CDP2 Reforms noted the introduction of a Community Investment Fund (CIF). NESA supports a mechanism that ensures that funding intended for job seekers which is not paid as the result of a No Show/No Pay policy be retained and reinvested within communities.

Funding should be redirected back into the specific community from which the No Show/No Pay penalty resulted. This would ensure a baseline of investment in one form or another at the community level. This would also avoid the potential issue of communities competing or accessing money because of another community's participation patterns.

Any processes and procedures for accessing funding for investment should be streamlined and supported by local priorities and local decision-making. Funding should not be directed into a generic fund under the Indigenous Advancement Strategy. A suggested approach is that a 'notional account' be created for each community/CDP provider. Over time, as allocations against this fund were credited, providers would be able to, within a set of agreed guidelines, invest in activities that support economic development, employment and training activities. This could also include top-up payments as an incentive for job seekers to participate in additional activities.

Phased Implementation

A phased implementation is dependent on the timeframes in which policy and programme design is bedded down, and the scope of the reforms. Phased implementation provides the benefit of allowing for policy and processes to be tested and refined prior to broader roll out. Where detailed policy development and programme implementation is in place with sufficient transition time, phased implementation is less critical. Importantly, if phased implementation is preferred, regions should be given a clear opt-in process.

Option 3 – Improvements within CDP

NESA has long advocated for the retention of those aspects of CDP that are effective. Within the current programme structure there are a range of mechanisms delivering good results. These include:

- Outcome-based payments that direct effort toward Government and community priorities
- The requirement to engage with local community members in determining activities and supports that meet local needs
- Individualised services for job seekers
- Flexibility in the design and delivery of activities and supports by service providers
- Regular performance discussions
- Long-term contracts that provide stability in service provision and support the achievement of long-term change in communities

While noting these positives, NESA's paper – *Optimising Performance in CDP* offered many suggestions for improvements to the programme. These remain relevant. NESA has also sought further suggestions from providers on opportunities to improve on the programme moving forward. Suggestions received include:

- A dedicated focus on improving the assessments and compliance arrangements for job seekers. This issue remains fundamental for any future programme evolution.
- Connected to this, a full review of the Comprehensive Compliance Assessment process and resourcing to respond in a timely fashion to reports within DHS
- Reviewing the arrangements for outcome payments to ensure that they meet the requirements of remote Australia. For example:
    - Introducing a four-week outcome of $2,500.00 to better reflect remote labour markets and provide greater incentive to place individuals into work. Such an outcome could be capped at a maximum of two placements per job seeker in a twelve-month period
    - Removing employer incentives payments, and reintroducing wage subsidies
    - Increasing wage subsidies to $10,000.00 to provide additional support and incentive to employers to hire Indigenous staff

    - Introducing a bonus subsidy of $2,500.00 for young people aged between 15-24 who obtain and remain in work for six months
    - Introducing relocation support to assist those who move to take up work opportunities
    - Introducing additional funding for training where that training is linked directly to employment outcomes
- Considering community engagement structures such as those offered under the previous Community Action Plan and Workforce Development Strategy to guide investment, activities and support in the community in a transparent way
- Reviewing offerings in non-remote Australia (for example aspects of the Youth PaTH programme) and testing their application in remote locations
- Providing remote-specific investment into English literacy and numeracy support
- Encouraging other forms of participation and engagement by individuals (outside compulsory Work for the Dole) subject to their needs
- Providing additional funding supports that complement CDP service delivery to allow service providers to address the non-vocational barriers to employment that individuals have (for example, bringing specialist support to community where it isn't otherwise available)

NESA believes that the opportunities presented above could be incorporated within the current CDP service offering and would continue to build the incremental changes to the programme seen over the previous years.

Supporting Successful Implementation

Good policy counts for little if it is unable to be successfully implemented. It is critical that as the policy design matures, the practicalities of implementation are considered in parallel. This should take into consideration issues such as:

- Time required to transition to new arrangements
- Involving end users in the design of IT systems that underpin service delivery
- Development of materials and supporting documentation for service providers, job seekers and communities which assist in building understanding of any changes
- A payment model which enables providers to implement flexible, locally-driven responses
- A performance framework that focuses provider effort on the changes being sought at a community level
- The impact of design on the ability to attract, skill and retain staff in remote locations
- Changes required within support agencies such as DHS to enable the implementation of programme changes
- Contract durations (five years minimum) that allow for long-term change to be delivered

- An evaluation and development framework that enables better practices to be incorporated into the model iteratively, negating the need for significant reform, which can destabilise progress

NESA and CDP providers can make a valuable contribution to this process. An ongoing working group that examines practicality of policy from a delivery perspective should be considered.

nesa
national employment services association

#weR4jobs

NATIONAL EMPLOYMENT SERVICES ASSOCIATION

ACN 079 065 428 | ABN 69 079 065 428

MELBOURNE OFFICE

Level 8, 20-22 Albert Road
South Melbourne VIC 3205 Australia
PHONE +61 3 9624 2300

SYDNEY OFFICE

Level 1, 33-35 Belmont Street
Sutherland NSW 2232 Australia
PHONE +61 2 9119 3090

EMAIL nesa@nesa.com.au
WEBSITE nesa.com.au