

House of Representatives Select Committee Inquiry into Workforce Australia Employment Services

Asuria People Services Pty Ltd



ASURIA
ASSURED PEOPLE SERVICES



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About Asuria



1 About Asuria

1.1 Our history

Asuria is 100% Australian owned and has delivered outsourced human services to governments for over 30 years, including spanning the entire evolution of the Australian managed pseudo-market model. Our capability and expertise mean we continuously seek to understand government requirements and desired outcomes so that we can develop services that really make a difference.

We have a successful track record of delivering 'frontline' government human services programs across employment and welfare, community services, education and training, allied health services, disability, youth, Indigenous and refugees needs.

Operating from more than 150 locations, we assist on average more than 800 customers into work each month. Asuria delivers the full suite of Workforce Australia Employment Services programs.

We pride ourselves on a culture that drives a sense of innovation, excitement and passion in all programs and services we deliver. Our people are at the heart of all our services. We believe the success of services is in having every employee treat every customer with empathy, dignity and respect. It is this Enterprising Heart approach, matched with our adaptation of the latest thinking in cognitive science and behavioural economics, which ensures we focus on every customer's strengths.

We delivered labour market programs to disengaged youth on behalf of the Federal Government from 1994 to 1996. In 1997, we participated in the trial case management program and successfully tendered and commenced delivery of the first employment services contract in 1998. Asuria has also delivered a range of State and Federally funded employment services programs continuously since then.

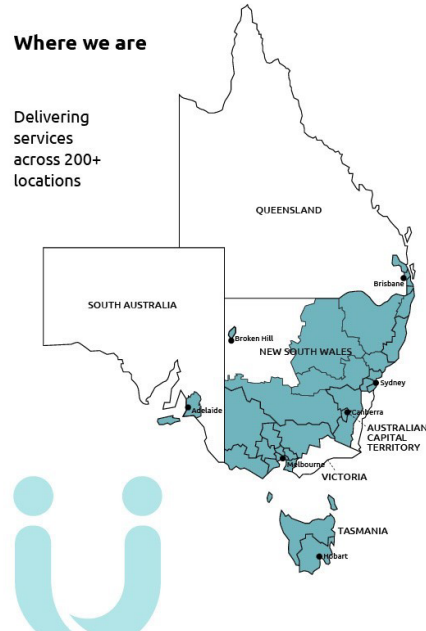
1.2 Our footprint

Asuria currently provides:

- **Workforce Australia:** in Ballarat, Goulburn/Murray, Hobart and Southern Tasmania, North and North Western Tasmania, North Western Melbourne, Sydney East Metro and Sydney Greater West
 - **Employability Skills Training (EST):** in Goulburn Murray, Western Melbourne, Brisbane South East, Capital, Bendigo, Sydney Greater West, Inner Metro Melbourne, Brisbane South East, Sydney East Metro, Somerset, Brisbane South East, Barwon, South East Melbourne, Hobart and Southern Tasmania, Sydney North and West, Gold Coast
 - **Career Transition Assistance (CTA):** in Ballarat, Capital, Bendigo, Sydney East Metro, North and North Western Tasmania
 - **Self-Employment Assistance (SEA):** in Adelaide North, Ballarat, Bendigo, Brisbane South East, Capital Region, Gold Coast, Goulburn/Murray, Hobart and Southern Tasmania, Inner Metropolitan Melbourne, Mid North Coast, North Eastern Melbourne, South Coast of Victoria, South Eastern Melbourne and Peninsula, Sydney East Metro, Sydney North and West, Western Melbourne and Wimmera Mallee
 - **Transition to Work Services (TtW)** in Sydney Greater West, Ballarat, Inner Metropolitan Melbourne and South East Melbourne and Peninsula
 - **Time to Work Employment Service for Ex-offenders (TWES):** in Adelaide North, Adelaide South, Inner Metro Melbourne, Somerset, Sydney East Metro, Sydney Greater West, Sydney North and West and Sydney South West
 - **Disability Employment Services (DES):** in Capital, Mid North Coast, Sydney East Metro, Sydney North and West, Sydney Greater West, Sydney South West, Hunter, Illawarra and South Coast, Mid North Coast, Far West Orana, New England and North West, Central West, Murray Riverina, Ballarat, Bendigo, Goulburn Murray, Gold Coast, Somerset, Brisbane South East and Adelaide North and South, Hobart and Southern Tasmania and North and NW Tasmania
 - **ParentsNext** in Sydney Greater West, Sydney South West, Illawarra and South Coast, Western Melbourne, Adelaide South and North and in a joint venture with [REDACTED]
- [REDACTED]
- **Jobs Victoria Employment Network (JVEN)** – Asuria is the second largest provider of this service funded by the Department of Jobs, Precincts and Regions
 - **Accredited training** services funded by NSW and Tasmanian State governments including Smart and Skilled and Job Trainer
 - **Local Recovery Fund:** Project funded in Sydney East Metro.

Where we are

Delivering services across 200+ locations



1.3 Asuria nationally

Our current organisational capability encompasses case management, training and employment services for over 8,000 of the long-term (+12-months) unemployed; person centred employment and training support for over 11,000 People with Disability; post-release career planning services for over 400 Prisoners in 26 Australian prisons; and both vocational training (e.g., Aged Care, Cyber Security) and soft skills (e.g., communication and teamwork) for over 12,000 jobseekers. In addition, we deliver specialist employment and training programs for Women (including over 10,000 parents of young children), Older Australians and Aboriginal people.

Asuria has shareholdings in six Australian Joint Venture Companies where a specialty, or local place-based approach, is required, including medical expertise for disability services, place-based delivery with local Indigenous partners including in remote Aboriginal communities and subject matter expertise including Digital Curriculum and technology solutions.

1.4 Asuria internationally

In Sweden, Asuria has delivered the Kundval Rusta Och Matcha (KROM) employment and training program on behalf of the Swedish Public Employment Services (PES) since 2019. Our team of local Employment Services professionals currently support a caseload of 600 jobseekers, from a network of 8 sites. We have supply chain arrangements in place with local providers.

Additional international capability includes the delivery of Accredited Vocational Training in Singapore and a commercial agreement with the UK Government's Department of Work and Pensions for the provision of employment and health related services across Northeast England, Southern England, Central England, London and the Home Counties and Wales. In the Middle East, we are forging new business relationships and beginning to make impactful contributions to industry and to employment services, particularly in Saudi Arabia.





Acknowledgement of Country

Asuria acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and Elders past, present and emerging.





2 Executive Summary

Asuria is pleased to have the opportunity to contribute to the **House of Representatives Select Committee Inquiry into Workforce Australia Employment Services**.

As a provider of Workforce Australia, we prepared our submission in consultation with jobseekers, employers, frontline staff and industry experts. We have drawn upon our experience as the largest 100% Australian-owned employment services provider, our international experience and also consulted with international experts and published research. In addition to preparing this submission, Asuria has also contributed to the National Employment Services Association response to the inquiry.

Asuria's response focuses on offering the Committee an insight into the positive impacts of Workforce Australia Services and how it is a significant improvement to the previous contracts. We recognise there are further opportunities for improvements and this paper presents a number of recommendations to explore those opportunities. Asuria supports the need for further innovation to ensure employment services reflect fluctuating economic conditions, including those experienced in recent years.

Asuria recognises the Australian model for employment services has been a good example for contracting out public services and since its inception has inspired similar models and approaches in countries, including the United Kingdom (UK), Canada, Sweden and the Netherlands. A noted strength of the Australian model has been the ability of the Government to manage the pseudo-market, including numbers of providers, their geographical distribution and most importantly the maintenance of strict KPIs.

Workforce Australia replaced jobactive on 1 July 2022. It provided a significant positive shift in the design and servicing of both jobseekers and employers, underpinned by the 'I Want to Work' report, which recognised the ongoing challenges of diverse jobseekers in Australia, in particular, the need to improve services to people with complex barriers, including women, those experiencing family violence, Indigenous Australians, culturally and linguistically diverse (CALD) jobseekers and people with disability.

The report also recognised more could be done for employers and the long term unemployed. jobactive failed to provide employers with candidates needed to respond to the challenges of an increasingly dynamic labour market. The report made recommendations on how a new model could solve the underlying complex problems of employment services in Australia.

Australia has traditionally spent a relatively low proportion of GDP on public employment service provision, in comparison to other OECD countries, whilst ranking among the most efficient and effective delivery countries like Denmark, Germany and the Netherlands¹. This trend changed during the COVID pandemic, when Australia became one of the top three nations in the world in terms of investment in labour market support.

There are many benefits of Workforce Australia. Although the program is new, the market design process that started through the 'I Want to Work' report, and later consultations, has gone a long way in improving on the previous models. This includes providing greater flexibility and choice to jobseekers via the Points Based Activation System (PBAS), recognising there is no one-size-fits-all pathway to employment. PBAS allows individually tailored services to reflect each jobseeker's individual personal circumstances and local labour market conditions. It can be adjusted at any time during their reporting period. Our frontline staff have commented:

¹ OECD Data – Public spending on labour markets (2000-2020), <https://data.oecd.org/socialexp/public-spending-on-labour-markets.htm>

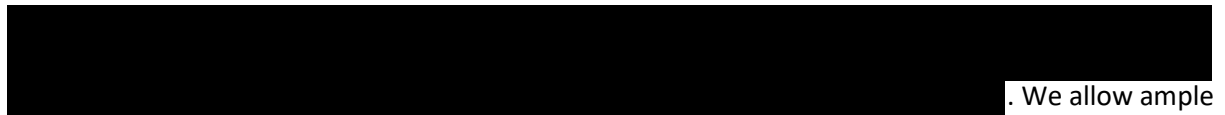


"Under Workforce Australia we have assisted jobseekers dealing with homelessness by accessing shelters and external programs. We have also assisted jobseekers going through drug rehabilitation, requiring us to adjust our services. Jobseekers have mentioned to me that it is so great to have an understanding provider on their side. We have been able to place many very long-term unemployed people into work. These are people who have not worked for many years. They are always so grateful for this." Regional Manager, Hobart and Southern Tasmania

Overwhelmingly feedback from our mentors about the Points Based Activation System supporting the tailoring of services to meet individual jobseekers needs and to address non-vocational barriers has been positive, including:

"I have worked in the Employment Industry for the last 17 years, working across several government contracts. In my opinion the current Workforce Australia contract and Points Based Activation System has a very balanced and holistic approach, especially with the point values for activities. It provides jobseekers a wide spectrum of activities, alongside job search, to meet their mutual obligations and to get job ready. What I love about the PBAS is besides including vocational activities, it also provides recognition for non-vocational activities. It has a holistic approach. Jobseekers are able to participate in activities to help them move forward. PBAS recognises jobseekers can only find and sustain employment when we are addressing their physical and mental health." Mona, Mentor, Asuria

"I really enjoy the PBAS as I can tailor services to the specific needs of my jobseekers and build responsibility for these. It is rewarding adding points and using the points as an incentive to motivate jobseekers to meet their requirements." Elsa, Mentor, Asuria

. We allow ample time to contact us before missed appointments, educating jobseekers to understand the impact of compliance and the importance of taking ownership of their actions.

. As a result of our approach and investment in innovation, Asuria was awarded the second largest market share across all Workforce Australia programs, including seven employment regions for Workforce Australia Enhanced Services.

Workforce Australia services are relatively new and have not yet been evaluated. Our economic conditions continue to fluctuate, from record high to record low levels of unemployment in recent years. Continuing skills shortages, highlight the need for ongoing review of services to ensure Australia has the skilled workforce it needs, and the most disadvantaged members of our community are supported to participate in work. We know the effectiveness of interventions requires tailoring to the economic cycle. For instance, during times of recession, when vacancies diminish, a jobs first approach is not effective, while interventions which focus on training and upskilling people in anticipation of employment opportunities can be. This illustrates the need for Employment Services to have the flexibility to adjust to changing economic conditions and a payment regime that supports this.



Asuria welcomes the opportunity to appear before the Committee to provide any additional detail or clarification, from our submission. Further, Asuria extends an invitation to the Select Committee members to see Workforce Australia services in operation by visiting our operations.

Asuria's recommendations are summarised here and discussed in more detail in part 4. Recommendations (below).

2.1 Recommendations (summary)

1. Maintain the exemplary level of investment in Employment Services relative to the OECD average that was exhibited during the COVID pandemic.
2. Work Force Australia Online services use a more pro-active and personalised matching algorithm, incorporating human assessment, to distinguish it from passive online services.
3. Work Force Australia Online service duration should be reduced to ideally 3 months and no more than 6 months to ensure Jobseekers receive the support they need in a timely manner, with participation reviewed every three months to support faster referral to enhanced services.
4. A change to payment structure be considered with higher service fees to provide greater capacity for providers to invest in supporting the most disadvantaged and very long-term unemployed jobseekers, recognising the protracted time this may take to achieve results and delays associated with outcome payments which may not eventuate.
5. The current mix of small and large, non-profit and for-profit providers be acknowledged as a good and effective blend.
6. The Department continue to pool Employment Funding and broaden its application to allow providers to support the most disadvantaged jobseekers.
7. The Department investigate taking ownership of a system of Communities of Practice at the Employment Region level, drawing together key stakeholders from Human Services, as well as local community groups and local employers, and generalise the practice across all Employment Regions to drive local place-based approaches.
8. The continuation of complementary services such as the Transition to Work Program to support disadvantaged cohorts, as well as equivalent services for single parents, ex-offenders, Aboriginal and Torres Strait Islanders, refugees and migrants.
9. The Department review services provided to ex-offenders pre-release, in particular to support those provided by State and Territory Governments to address the continuing issue of high recidivism rates.
10. The Department streamlines the paper heavy, administrative requirements deterring participation and referral to the Self Employment Assistance (SEA) service, including the paperwork required for business coaching, agreement, registration forms and business information forms.
11. The Department provide clarity on performance against SEA KPIs, especially KPI 2 to ensure providers understand if they have achieved the KPI for each participant.
12. The Department review funding arrangements for Employability Skills Training (EST) providers, either to allow use of the Employment Fund to pay the \$300 contribution or to remove the contribution altogether with the Department paying the full fee for all referrals to increase the financial viability of the service.
13. The Department review referral to commencement ratios and caps to allow EST providers to maximise numbers of participants, given high non-attendance rates.
14. 100% of EST payments should be linked to commencements only, ideally with a minimum fee per course to address low participations rates.
15. Delivery of hybrid EST services be permitted, particularly in regional and remote locations where enrolments are below a set number.
16. Rolling cohorts become a permanent, standard mode of Career Transition Assistance service delivery to ensure viability of the services.
17. The Targeted Compliance Framework be reviewed along with the role of Services Australia and Employment Service providers to provide clear delineation of responsibilities and maintain a minimum level of income for jobseeker living in financial hardship.



18. Provider compliance within the performance rating system be based on clearly defined outcomes (KPIs). Providers be afforded much more autonomy to manage their own internal organisation and processes, provided the government's defined outcomes are met.
19. The guidelines for the Employment Fund acknowledge the benefits of providers delivering wrap around, holistic services, from a common location, where this provides a clear benefit to jobseekers, and maximise flexibility to allow tailoring of services to meet individual jobseeker needs, including the engagement of Indigenous mentors and appropriate post placement support.
20. The Department recognises the benefits of paid work trials, as a means for highly disadvantaged jobseekers, including people with disability, migrants and refugees and the long term unemployed, to secure employment, including capacity to use this where it is of benefit to jobseekers.
21. Government explore the possibility of financial incentives for employers who engage jobseekers, such as a system of tax incentives lasting for up to two years, that are indexed to the new employee's salary, to encourage job placement, professional development and career path evolution.
22. The Department address the issues small businesses are experiencing using MyGov to lodge claims for wage subsidies to ensure this does not become a deterrent to utilisation.
23. The work-first employment services model be shifted to a human-capital model and greater flexibility be introduced to allow providers to adapt their servicing model to the prevailing labour market conditions.
24. In line with Recommendation 23: licensing reviews be conducted at a minimum of a 24-month period rather than 12 months, recognising longer timeframes are required to prepare jobseekers for work and achieve outcomes and to move away from a Work First approach which may not focus on sustainable employment.
25. The Department continue with payment methods that allow for both service fees and outcome payments, with attention to maintaining the ability to shift the focus from one to the other and as the economic environment requires.

3 Introduction

3.1 Workforce Australia Reforms

Workforce Australia, the new employment services model, was designed by the Australian Government to replace jobactive and improve services. Overall, the Workforce Australia contract represents a significant improvement on the jobactive program by providing:

- **More personalised and tailored support:** one of the key criticisms of the jobactive program was that it provided a one-size-fits-all approach to employment services. Workforce Australia is designed to be more personalised and tailored to the needs of individual jobseekers. This means jobseekers will receive more targeted support and advice based on their specific circumstances and employment goals. It is also designed to provide intensive support to the most disadvantaged jobseekers.
- **Greater focus on training and reskilling:** Workforce Australia aims to provide more opportunities for jobseekers to upskill and train in areas in high demand. This means jobseekers will have access to a wider range of training programs and courses designed to increase their employability.
- **Greater emphasis on employer engagement:** Workforce Australia aims to work more closely with employers to identify job opportunities and match them with suitable jobseekers. This means employers will be more involved in employment services and will have more opportunities to provide input and feedback.
- **Increased accountability and transparency:** Workforce Australia will be subject to greater accountability and transparency measures, with performance metrics more readily available to jobseekers and the public and service providers held to higher standards of performance.
- **Improved technology:** Workforce Australia will be supported by a new digital platform designed to make it easier for jobseekers to access employment services and for service

providers to manage their caseloads. This means jobseekers will have more options for accessing support and advice and service providers will have more tools for managing services.

In addition, the Workforce Australia contract allowed the Government to re-enter the market through the provision of on-line services, meaning today government today is the largest provider of employment services to the unemployed. This is consistent with the approach used by many Public Employment Services, who outsource employment services to specialist providers to support the most disadvantaged jobseekers, at the greatest risk of becoming long term or very long term unemployed.

3.2 Asuria's response to Workforce Australia

Asuria has invested in developing an integrated, holistic, place-based approach that leverages innovation and collaboration to meet local needs while also addressing the needs of the most disadvantaged jobseekers. To achieve this goal, we have relied on [REDACTED]

To continue to support the government's efforts to refine employment services and improve outcomes for jobseekers and employers, Asuria has doubled its size and is now one of the leading employment services providers in Australia. We remain committed to investing in the delivery of employment services, drawing on the latest technology and our deep knowledge of local needs to achieve positive outcomes for our jobseekers. With our focus on innovation, collaboration and evidence-based approaches, Asuria is well-positioned to lead improvements in employment services and outcomes for jobseekers and employers.

3.2.1 Meeting the needs of employers and industry

Workforce Australia, as delivered by Asuria, is resulting in significant benefits for employers. We are:

- Partnering with employers to better identify their current and future workforce needs
- Using a demand-led approach [REDACTED]
- Offering large employers a single point of contact and dedicated account manager to tailor services to their needs through our National Employer Services team
- Investing in a Job Matching System with assessment tools to identify jobseekers who are the best fit for the job
- Providing greater support for employers to access workplace training, mentoring and financial incentives
- Delivering Employability Skills Training to prepare jobseekers to better meet employer needs, including working with employers [REDACTED]
- Actively promoting workplace training including apprenticeships and traineeships, as a means to address skill shortages.

Understanding specific workforce needs is fundamental to the employer engagement process. To do this Asuria has created an exclusive partnership with [REDACTED] to understand workforce needs and supply members with suitably qualified and pre-matched jobseekers. This enables us to build stronger relationships with [REDACTED] [REDACTED] understand current and future needs, identify skills shortages, access labour market information, data analytics, local jobs plans and facilitators to understand upcoming opportunities and train for specific skills shortages.

Asuria's unique national alliance with [REDACTED] informs and enhances the delivery of employment and training programs for employers and jobseekers. Under the terms of our partnership arrangement, [REDACTED]

[REDACTED]

Asuria's dedicated National Employer Services team and Account Managers nurture close and personalised relationships with employers. This enables us to better understand employer needs. The National Employer Service team provides tailored, targeted end-to-end recruitment support to employers to fill individual and bulk vacancies. We promote and deliver employer focused easy-to-use, tailored supports and services.

[REDACTED]

We work with employers to understand their requirements including face to face meetings, workplace tours and obtain detailed vacancy details. Where possible, we proactively remove steps in the recruitment process to benefit our jobseekers, getting them into the right jobs faster by reducing reliance on resumes. A critical component of this process is competency profiling of both the jobseekers and the roles employers are seeking to fill. This profiling is driven by data from the National Skills Commission and allows Asuria to present what a jobseeker can do as compared to a resume which only highlights what many of our job seekers cannot do

We also get to know the employer's specific requirements (police check, drug and alcohol testing, hours, transport, cultural fit, physical requirements, award rates, experience and skills required etc) and screen and match jobseekers, in group sessions, 1:1, virtually and by phone, before referring a shortlist to employers. We can provide pre-work preparation and training, including Employability Skills Training (EST), short courses, motivational interviewing and workplace tours.

As an example, to address labour needs in Sydney East Metro we are working with [REDACTED] to create a pre-employment program with the option to study a Cert III in Aged Care. To achieve this, we are building a tailored EST program. [REDACTED] have jobs available and have struggled to retain employees hired through transactional recruitment practices. The industry is challenging for those with no prior experience or first-hand knowledge of the sector). The initial pilot will be delivered across Sydney East Metro and then used in other regions. The Program, whilst tailored to [REDACTED], will be promoted to other aged care providers in the industry. Following a review, we aim to replicate the model in more EST regions

Our demand led approach means we drive projects by leading and coordinating with employers and developing industry solutions. For example, in Sydney East Metro 15 Indigenous jobseekers were selected by the employer [REDACTED] to participate in a Maritime Training Operations Program on Sydney Harbour, co-designed and delivered as part of a collaboration between Asuria, Babana Aboriginal Men's Group and Tribal Warrior. The Indigenous jobseekers were trained in Cert I Maritime Operations. 11 completed training and 6 have been placed in employment so far. A significant amount of this program was funded by Asuria as there was no employment fund provision to support tools and equipment required as part of the training.

[REDACTED]

Mark² from Marrickville graduating from the program says of his participation in the course:

“The past four weeks have been life-changing, giving me a chance to learn a bunch of new skills and set myself up for jobs that I couldn’t have even dreamed of getting before I joined the course.”

By working collaboratively with employers and industry associations we can develop recruitment solutions tailored to the employer’s individual needs. This includes the development of pre-employment pathways and ongoing training and development which leads to better matched jobseekers and sustained employment.

[REDACTED]

[REDACTED]

[REDACTED]

To understand and meet the needs of local in-demand industries we participated in the recent local jobs fair, working with Break O’Day Employment Connect (BODEC) and George Town Council in Tasmania. We built a strong relationship with BODEC and are currently working on a partnership with AVIDITY (a job training network) and BODEC to deliver pre-employment training co-designed with local employers. The first round of training will focus on aged and disability care, farming (using an established relationship with a walnut farm in Swansea) and self-employment. The next round will target hospitality and housekeeping. As there is limited accommodation in the region, training seeks to upskill the local community to meet local tourism and short stay accommodation demands.

Continuous improvement and evaluation are fundamental to our approach to better meeting the needs of employers. We are committed to creating robust systems drawing on evidence, research and best practice. To achieve this, we partner with leading global subject matter experts, including a partnership with Deakin University to independently measure and evaluate our services and pilot programs. A Deakin University representative also sits on our Continuous Improvement Committees, informs development of service delivery models and chairs our Service Delivery Steering Committee.

3.2.2 Identifying and responding to the needs of jobseekers

Asuria’s delivery of Workforce Australia, when compared to jobactive, results in:

- more personalised supports tailored to individual circumstances and employment goals
- a better understanding of jobseeker barriers

² All participant names have been changed to protect their identities



- intensive support for the most disadvantaged
- greater flexibility in the delivery of services.

Key to this is hiring local staff who reflect jobseeker demographics, often with lived experience, able to build rapport quickly and develop more tailored supports for jobseekers. For example, we hire bilingual staff where the numbers of culturally and linguistically diverse (CALD) jobseekers are high and Indigenous Mentors where there are high numbers of Indigenous Australians. This is supported by recruitment of staff with relevant skills, qualifications and experience.

Our experience shows Indigenous Mentors are able to provide culturally sensitive support which increases retention and employment outcomes. Similarly, with nearly 34% of our caseload having a disability we hire people with lived experience of disability, as we know shared experiences accelerate the process of building trust, rapport and engagement, an integral part of the process to moving jobseekers closer to the labour market, as illustrated in this case study:

"My name is Dominic, and my Mentor has been helping me with my journey getting back to work. He's continued to go above and beyond to help me. I would like to formally acknowledge this fact as I have been in and out of jail and drug addiction the last few years. If you look at my work record, I haven't worked since before 2019. Aftab is continually making sure I'm comfortable in my position, but not only that he actually clearly cares and in all my years of trying to find employment this young man has literally been a God send. Now I'm working full time and going to study on top and it's literally all thanks to Aftab, so I believe he is due some sort of credit. I asked for your email as I don't want him thinking I did it out of spite or for a bad reason so if you could also relay this message to him it would be greatly appreciated." Jobseeker, Sydney Greater West

To better understand jobseeker barriers, Asuria utilises comprehensive assessments. These assess employability/transferable skills, literacy/numeracy and career aptitude. In addition, behavioural science and behavioural economics driven assessments measuring motivation and work-readiness are used to promote connection and immediate activation. These tools produce tailored staff servicing guides for each jobseeker. Our algorithm-informed case management approach further highlights jobseeker strengths, capabilities, and aptitudes which leads to more effective interventions and more sustainable employment outcomes.

Kate had been a jobseeker since 2017. During this time, she had undergone a number of Cranio-facial surgeries and although she confided these do not usually affect how she presents herself, she sensed potential employers were focussing on her disfigurement and she found it challenging to concentrate in interviews, as a result. We also discovered, through our use of behavioural science Esher House testing, she did in fact need additional support. Kate's Mentor spent time exploring the type of job she was interested in and worked with the Employment Consultant team to find a suitable employer. Kate commenced a Childcare traineeship in September 2022 with a local employer. Both the employer and Kate are really happy with the outcome.

The Workforce Australia contract empowers our staff to provide intensive support to the most disadvantaged jobseekers.

Asuria's Workforce Australia service delivery is designed to consistently deliver intensive and tailored case management that empowers jobseekers, provides a suitable pathway to employment and assists them to meet their Mutual Obligation requirements. 

[REDACTED]

Jake was disengaged and reluctant to attend appointments. This resulted in him not meeting requirements. Our Mentor Dominic initially spoke to him over the phone and assured Jake we were going to listen and help if he agreed to attend an appointment in our office. He agreed to the face-to-face meeting. Dominic listened to his concerns and barriers, which included a criminal history, currently on the methadone rehabilitation program and a single father with limited work history and skills. Together Jake and Dominic made a plan to address the barriers, one at a time. Jake's goal was to work towards being a Drug and Alcohol Rehabilitation Mentor. Dominic provided in-depth and tailored case management for three months. During this time Jake completed a forklift course (increasing his employability), started a brokered job that suits his caring and legal obligations and started studying a Certificate III in Community Services.

Workforce Australia provides more tailored case management and wrap around support than jobactive. For Asuria this means understanding jobseeker barriers and finding a solution that suits their needs. Asuria's Activation team source activities internally and externally, through partnerships with training and community organisations, to offer a suite of tailored activities to keep jobseekers activated and progressing towards their goals. Each region has a community directory listing local services we refer our jobseekers to for support. These services include family and interpersonal violence, drug and alcohol rehabilitation and housing services. We know addressing these issues helps move jobseekers closer to the labour market.

Compared to jobactive, Workforce Australia allows greater focus and attention on improving and addressing vocational and non-vocational barriers. For example, at Asuria we utilise our Allied Health service as well as local health services to address delays associated with long wait lists or lack of services in rural and regional locations.

In North and West Tasmania, we partner with employment centre BODEC, recruitment company HR+ and TAFE TAS. We deliver a Financial Literacy Program focused on skilling in basic budgets, money management, debt. We also deliver in house digital literacy training focusing on using smartphones, basic laptop functions, setting up an email address.

To solve complex vocational and non-vocational barriers we co-design and deliver innovative approaches. For example,

an Indigenous female Jobseeker from Sydney East Metro with multiple vocational and non-vocational barriers (anxiety and depression) received a combination of Allied Health support and vocational assistance. Her confidence significantly increased after completing the Mindstrong and Laptop projects. She was able to secure sustainable employment in September 2022 after being on/off Centrelink for 20 years.



Workforce Australia services are designed to be responsive to the needs of jobseekers and to provide greater flexibility in the delivery of services. We find face-to-face servicing is the most appropriate way to engage with our caseload. Where this is not possible, for jobseekers who live remotely, we offer the options of online servicing or via telephone in circumstances such as illness, caring responsibilities or travel limitations. We seek to understand individual jobseeker preferences in how they want to be contacted and supported and to accommodate this where possible. This means we adapt our service offerings for jobseekers like David, who lives in a remote region in Tasmania with significant transport issues.

David is located in Miena in the Central Highlands. We meet David at the Deloraine community house, located an hour from his home. This cuts down his travel journey to Launceston by 40 minutes. The Community House is where he feels most comfortable. David does not have access to a car and where he resides there is no phone service and no post (we collect his mail at our Launceston office). David gets in contact with us using a public phone, located 15 minutes from his home.

Our goal in providing Workforce Australia Services is to ensure all jobseekers are able to meet their compliance requirements via the Points Based Activation System (PBAS). We achieve this by regularly reviewing jobseekers' circumstances, offering choice and control over what activities they participate in, when, where and how. We use a strength based, jobseeker centred approach and ensure jobseekers know how to use MyGov to complete online reporting and support those to do it requiring this. We identify jobseekers at risk of non-compliance or with poor compliance records and provide them with additional support. This includes tailoring the points target based on the individual jobseeker's circumstances and local labour market conditions. Our National Customer Service Team regularly contacts jobseekers at risk of non-compliance to ensure they are on track to meet requirements and have the support they need to do this.

Asuria has also invested in the development of digital literacy skills, including the Laptop Project with One Training which not only upskills jobseekers to allow them to more effectively utilise digital services report on line and apply for jobs, it provides them with a Chromebook to keep.

Asuria provides very clear and accurate information to jobseekers appropriately tailored to their needs and circumstances including Language, Literacy and Numeracy (LLN), including how to look for work; support services available; how to meet Mutual Obligations and implications if not met; description of jobseeker and provider roles; and links to MyGov. All of this information is regularly audited by our Quality Assurance and Compliance Team and specified within our Standard Operating Procedures. Any updates from the Department are documented and communicated to our team via weekly compliance meetings.

3.2.3 Integration and support for local responses

There is growing evidence showing localised solutions deliver stronger results. This fact is borne out by our 30 years of experience. This includes being embedded locally, being part of the local community, understanding local labour market challenges, building networks with employers, industry associations training, government and community service providers with the goal of tailoring services to identify and meet local needs.

As one of the largest Workforce Australia providers we are able to deliver consistent, high-quality services across all locations, provide a single point of contact for employers and continuity of services to jobseekers who move locations. This also means we have the resources to invest in technology and innovation to continuously improve services and outcomes.

We tailor our services to meet local needs by:



- Employing local people, who are part of the local community and understand local issues
- Partnering, investing in, and building capability, of local organisations who understand local needs and can deliver relevant services to customers.
- Having our local Mentors identify and build local resource directories and connections. This is guided by the needs of local jobseekers, as reflected in their assessments and Job Plans. For example, our new Data Warehouse and AI reporting tools, being built by Asuria and Deakin University, will detail barriers identified in Job Plans and assessments, the current referral partners and their associated success rates in addressing barriers. Where we lack sufficient service partners our dedicated Community Engagement Staff find new partners to fill the gaps. Regular machine learning analysis conducted by Deakin University will inform our team as to which interventions lead to 26-week outcomes, so we continue to do more of what is working, as part of our continuous improvement process.
- Using collaborative servicing approaches, including with other employment service providers.
- Gathering, analysing and sharing local labour market information with our local team to inform the tailoring of services to meet local employer and industry needs. We use data led insights (NERO and LIMP) to track these trends. We also enhance this by regularly consulting with local Employment Facilitators, participating on the Local Jobs and Skills Taskforce, using the local jobs plans, partaking in jobs fairs and careers expos and understanding and preparing for local development opportunities by identifying preparatory training that meets local labour market needs. This information feeds into our Data Warehouse, providing staff with an understanding of local labour market conditions, informing in turn the right supports for each jobseeker.

By partnering with local organisations, we help jobseekers access a range of community-led solutions in their communities, on their own terms, through an organisation they trust.

Asuria's active involvement in place-based solutions to address local employment challenges and issues locally is demonstrated by the following case study.

In North and West Tasmania there are low rates of literacy and numeracy. To address this, we are working with Launch Pad in George Town. They are funded by the local council to assist people with digital literacy. Our insights have shown a significant percentage of jobseekers also struggled with financial literacy. As a result, we co-designed with Anglicare a financial literacy course. To date, 35 people have complete the course, improving their management of money in anticipation of finding work.

Asuria's response to Workforce Australia has seen us further collaborate with community organisations to provide holistic support for jobseekers. This includes partnering with community organisations, offering specialist services, to address barriers to employment including mental health and literacy. It has also involved partnering with organisations to enable jobseekers to improve their overall health, wellbeing and quality of life, as demonstrated in the following case study:

When early school leaver, Kyle was referred to the Transition to Work (TtW) program, he was unemployed and unmotivated. He felt lost and was mentally struggling. When he started in the program, he stated that he didn't have much of a routine in his life, where he would get up and just "do nothing". He was unemployed for about three months, but deep down, he knew he wanted to get into content creation and eventually start his own YouTube channel and stream games.



As a Transition to Work provider, Asuria believed in Kyle, provided support and motivation for him to overcome his challenges and pursue his dream job. We empowered him with the knowledge, tools, and skills to help him identify his potential. We supported him every step of the way in finding the most suitable activities and services that helped him achieve his education or career goals. With Asuria, he: developed practical skills to get a job, received career support and counselling, had access to youth-friendly training facilities for face-to-face meetings and group work sessions and received comprehensive, ongoing support whilst in education.

When Kyle started in the program, he was assigned to Nahshon, Asuria's TtW Youth Mentor in Inner Metropolitan Melbourne. Kyle says, "Nahshon put me on the right path, and he was very open to helping me. He started really getting me into a routine that made me push myself more."

Nahshon suggested Kyle start on some studies as he hadn't finished Year 12 and helped him get into a regular routine. Nahshon and Kyle discussed, and decided to enrol in the Certificate III in Business, to pair it with Kyle's interests in content creation, which was paid by Asuria through program funding. Over the course of two months, Kyle came into the office multiple times a week to study and worked closely with Nahshon to stay motivated and complete the course. Throughout his studies, he also engaged with our Asuria's Wellbeing Mentor, to overcome mental health barriers he was experiencing.

Today, Kyle is still coming in weekly to see our Wellbeing Mentor and is now engaged in Nahshon's "Young Guns" activity, which gives Kyle access to holistic business training, by joining a supportive community of young entrepreneurs on a journey together. Nahshon continues to work with Kyle to help him in both his vocational and non-vocational goals, assisting Kyle with moving out of home, starting up his content creation channels and giving Kyle the confidence to return to work.

3.2.4 Qualified staff

Asuria has invested in building a workforce experienced and comprehensively trained in disciplines relevant to the caseload and service, including formal qualifications. We know this is critical to providing effective, tailored services to jobseekers and to achieving the best outcomes.

87% of our staff hold at least a Certificate IV, or degree level qualification. We enrol staff without professional qualifications in Cert IV Employment Services and we aim to have all customer facing staff have a relevant post school qualification.

All Asuria staff receive training in safety, diversity and inclusion; managing aggressive behaviours; mental health safety; and child safety and jobseeker risk assessment. **We also provide membership to the Institute of Employability Professionals (IEP), the only professional membership institute for the employability profession.** It represents its members to key influencers and sets the standards for the profession.

4 Recommendations

Note to the Committee: Our recommendations are divided into topic sections, starting with a statement of the Questions for Consideration Asuria deems relevant to the subsequent discussion. Our recommendation(s) in each case follow(s) the discussion.



The Australian procurement model has evolved from government operated, contracted purchasing to the new licencing model which allows for higher provider viability in regional distribution and provides higher certainty in business planning. License reviews based on performance will secure quality services and support some providers to specialise at regional and specific jobseeker cohort level.

The new Workforce Australia model provides greater flexibility and choice for jobseekers via the use of Generalist and Specialist providers and the new Points Based Activation System. It recognises there is no one size fits all pathway to employment. Asuria feels Workforce Australia is a net improvement over the jobactive model, notably:

- Using place-based approaches to build long term capability by active connection and collaboration with local community services which support holistic servicing and build capability to respond to local industry and employer needs and skill shortages
- Providing more co-ordinated services to employers across programs and using a demand led approach
- Ensuring sufficient program flexibility to allow providers to change interventions to respond to changing economic circumstances
- Increasing program flexibility to drive innovation and greater investment
- Using a demand led approach to address skill shortages and ensure Australia has the skilled workforce it needs.

More time is required to realise the benefits of the new services and to fully evaluate outcomes achieved. A demand led approach also requires considerable time to build relationships with employers and responses to their needs.

Despite these improvements, however, there are still areas Asuria feels could benefit from review.

4.1 Government investment

Between 2000 and 2018, Australia's investment in labour market support programmes was comparatively low, compared to other OECD nations (between 0.71% and 1.2% of GDP)³. In response to the COVID pandemic, that proportion rose to 4.5% in 2020, placing Australia in the top 3 along with New Zealand and Canada.

The pandemic caused major perturbations in labour markets across the world, and it is still too early to fully anticipate the long-term effects. The surge in unemployment, particularly amongst the 25-34 year old age bracket, is not being reabsorbed quickly, and the numbers of long-term unemployed are increasing⁴.

If investment in labour market programmes falls quickly back to its pre-COVID, below OECD average levels, Australia's ability to service its inflated numbers of jobseekers will be compromised. Asuria therefore urges government to maintain the strong investment, proportional to OECD averages, demonstrated over 2019-2020.

Recommendation 1: Maintain the exemplary level of investment in Employment Services relative to the OECD average that was exhibited during the COVID pandemic.

³ OECD Data – Public spending on labour markets (2000-2020), <https://data.oecd.org/socialexp/public-spending-on-labour-markets.htm>

⁴ COVID-19: Labour market impacts on key demographic groups, industries and regions, Parliament of Australia, 2020.



4.2 Time spent in digital servicing

(4.1) How could the current caseload of jobseekers be best understood and categorised? What proportion of jobseekers may fall in different categories?

(4.11) How long should a jobseeker have in online services before they get more intensive assistance? Are the safeguards in place for online services enough and working well to ensure that no one in online services get left behind?

(6.9) What new policy options could be considered in relation to very long-term unemployed people who are furthest from the labour market and less likely to secure paid employment?

With Services Australia now handling digital servicing the Australian model more closely resembles that used in countries such as NZ and Sweden, where government delivers core services while outsourcing more specialised servicing to specialist providers. Furthermore, Australia is following the model of digitisation that is already evident in an increasing number of nations around the world, most notably Estonia.

However, Australia's digital servicing model is passive – many users have reported that their experience is not dissimilar to using online job boards and resources of the kind offered by SEEK. Most European models use pro-active matching systems that personalise the user's experience in an important and significant way.

The dangers of a passive system, even for highly capable jobseekers with few barriers, are disengagement and an inefficient use of the resources leading to longer than necessary servicing periods, which are negative for government as they represent longer periods of welfare support, and negative for jobseekers, as the evidence shows that the longer one spends unemployed, the greater the risk of the accumulation of negative effects generally referred to as “scarring”, which themselves lower participants' job-readiness, and sharply increase their risk of becoming long-term unemployed.

But these risks are all the more serious in the case of people who should not be in digital servicing in the first place.

Issues with the accuracy of the JSCI data have been raised by providers since 2016. In *The evaluation of jobactive final report*⁵, the Department noted that, despite broadly functioning as expected, the JSCI still produced unexpected results. 77% of providers surveyed indicated that they had seen misclassifications (most commonly, participants classed as Stream-A who were clearly more appropriately B or C) amongst ex-offenders, while 66% said they had seen this with (V)LTU participants, 65% with Low English Proficiency participants, 44% with Indigenous participants etc. Significantly, 10 quite distinct participant categories were reported overall as showing misclassifications, and the report concludes that “[f]urther refinement would help to overcome these anomalies.” (pp. 68-69)

In a 2022 policy brief⁶ the OECD points out “the use of AI for delivering employment services involves risks [...]. Poor-quality data will result in poor outcomes, performance of these tools is much better for an average individual than for people belonging to marginal groups, [...and...] even if these tools perform well on average, these are tools only, which lack the soft skills needed to correctly understand people facing particularly difficult situations.” (p.7)

Misclassification to digital servicing carries both financial and human risks. Those misclassified will spend up to 12 months struggling in a digital environment which they may lack the skills to navigate, with the inevitable scarring effects that this implies: diminished self-confidence, skill erosion and

⁵ *The evaluation of jobactive final report*, Australian Government Department of Employment and Workplace Relations, Nov 2022

⁶ *Harnessing digitalisation in Public Employment Services to connect people with jobs*, OECD 2022



compounding other barriers that they may already be struggling with. All of this renders the job of the Employment Services, to whom such jobseekers are eventually correctly referred, that much harder, and therefore ultimately more costly to government.

The OECD's observations go not only to the accuracy of the streaming tools, but also to the necessity of adopting *hybrid systems*, as most European nations have done, that incorporate human intervention, rather than depending solely on AI. Hybrid models assure that individual users, particularly those with unusual or complex situations, are being serviced in the most appropriate manner. Australia's disastrous experience with Centrelink's abortive automated debt-collection system, now universally known as "Robodebt", is a fine example of how completely removing humans from the system can go horribly wrong. Nations such as Belgium and Estonia have also found that fully digitalised employment services fail to offer the kind of closely tailored experience that is most effective in providing meaningful and efficient early intervention for digitally serviced jobseekers, and it is early intervention and activation that are the key.

The OECD definition of long-term unemployed is 12 months or more. This rather arbitrary standard has been adopted by many nations, including Australia. Interestingly, the state of Victoria, and some Canadian authorities consider anything over 6 months to be long-term unemployed. But the numerical values are not really the issue. *The longer one spends out of work, the more the scarring effects accumulate.* Early intervention/activation has a powerfully positive effect on re-engagement with the workforce, and as such the system needs to be constructed in such a way as to assure that jobseekers spend the shortest time possible in a state of unemployment.

Asuria considers 3 to 6 months to be the absolute maximum that a job seeker should remain in digital servicing before being mandatorily referred out to enhanced employment services.

Recommendation 2: Work Force Australia Online services use a more pro-active and personalised matching algorithm, incorporating human assessment, to distinguish it from passive online services.

Recommendation 3: Work Force Australia Online service duration should be reduced to ideally 3 months and no more than 6 months to ensure Jobseekers receive the support they need in a timely manner, with participation reviewed every three months to support faster referral to enhanced services.

4.3 Capacity to benefit

(4.4) Are there currently cohorts in employment services who are not able to benefit from the assistance on offer? Are there better alternatives to respond to the needs of these jobseekers?
(4.10) Are jobseekers who need face-to-face help being referred to online services?
(5.8) At what stage(s) should the types of assistance offered be changed? Should triggers be linked to improved job-readiness and/or increasing duration of unemployment?
(6.9) What new policy options could be considered in relation to very long-term unemployed people who are furthest from the labour market and less likely to secure paid employment?

Work Force Australia Enhanced Services are designed to support the most disadvantaged and long-term unemployed jobseekers. To truly address their needs and to stop the increasing growth in numbers of long-term unemployed services need to ensure every jobseeker is supported so they have the capacity to benefit and can ultimately engage in the workforce.

The solution has three parts:

- Effective upstream triage of candidates to the correct services so they receive the relevant support



- Flexibility to allow employment services providers to re-direct jobseekers mis-classified or referred to the wrong stream, level of support or service
- Adequate resourcing of services which have been adapted to assisting jobseekers with the most extreme barriers, without onerous compliance requirements.

Services Australia's onboarding and referral process needs to do its utmost to accurately determine needs and to refer jobseekers to the service best adapted to assisting them.

It is unrealistic to expect this process will always result in perfectly accurate placement every time. Further jobseekers' situations can continually change, necessitating the need for ongoing reviews.

It should also be noted the Job Seeker Screening Classification Instrument (JSCI), administered by Services Australia, is the key tool for determining level of support provided. This is completed online or over the phone, often at an initial interview, with many jobseekers reluctant to disclose highly personal information to a stranger. It is not surprising therefore, in jobactive, employment service providers regularly sought reclassification of service streams to reflect changes in circumstances or the provision of new information. This is motivated by a desire to ensure jobseekers receive the support they need.

The Evaluation of Jobactive: Final Report⁷ states:

"Prior to the commencement of jobactive a review of the JSCI was undertaken so that it might better reflect the current circumstances. This resulted in some changes for JSCI scoring, for some cohorts. Analysis by department evaluators found that while the JSCI is working broadly as expected for most participants there were some groups for whom assessments resulted in unexpected outcomes. The findings were supported by providers, who reported some streaming anomalies, which often occurred for ex-offenders/pre-release prisoners, participants with low English proficiency, Indigenous participants and participants with complex mental health and drug and alcohol addictions.

This highlights the need for ongoing review of the tool and the ability for providers to seek reassessments as required. Similarly, it has ramifications for jobseekers in Work Force Australia Online Services having the ability to provide new information which could support an earlier move into Enhanced Services.

The final part of this solution is also crucial and recognises the use of streams was designed to ensure providers have the support and are remunerated in a manner which supports the allocation of resources into supporting the most disadvantaged jobseekers to ensure they receive the support they require. Providers supporting the most disadvantaged jobseekers must be adequately resourced to do so. Purely outcome-driven fee models are insufficient, as the period of servicing for such jobseekers is unpredictable and often protracted. Provider payments are predominantly linked to outcomes, often only achieved after long delays – or in some cases not at all. Former models such as the Personal Support Program and Job Services Australia Stream 4 were more appropriate to supporting those in need of longer-term interventions and complex support. A reduced compliance framework is also required to support this, along with a larger employment fund allocation and the ability for providers to deliver wrap around holistic services including allied health services.

These concerns will be echoed below in section 4.13.

Recommendation 4: A change to payment structure be considered with higher service fees to provide greater capacity for providers to invest in supporting the most disadvantaged and very long-

⁷ The evaluation of jobactive final report, Australian Government Department of Employment and Workplace Relations, Nov 2022



term unemployed jobseekers, recognising the protracted time this may take to achieve results and delays associated with outcome payments which may not eventuate.

4.4 Sector profile

(2.3) Does the mix of organisations make a difference to services delivered?
(2.5) Who is best placed to provide specialist services for disadvantaged groups, including the long-term unemployed? What advantages and disadvantages do local, community, private, and public providers have in assisting highly disadvantaged jobseekers?
(3.2) How can smaller, local organisations that have social capital and employer networks and a desire to help be engaged in the national employment services system?

Since the 1990s, Australia has adopted a bold and ground-breaking approach to finding the best fit for an effective Public Employment Service. By 1997, the formerly entirely government-run Commonwealth Employment Service (CES) – originally established by the Re-establishment and Employment Act of 1945 as a service designed for returned servicemen following the Second World War – had shown itself to be outmoded and no longer capable of meeting the needs of an evolving labour market. The 1998 introduction of the managed pseudo-market, initially called Job Network, in which the former CES, rebranded as Employment National, was the biggest provider, quickly showed the weakness of the former government service model, as Employment National quickly lost all of its market share under the performance criteria of the time and disappeared from the sector. Job Network became Job Services Australia and saw the introduction of allied specialist services. The logic of constant attention, adaptation, specialisation where required and systematic improvement continues into the present Workforce Australia model, as exemplified in the work currently being undertaken by the Committee and is the strength of a system, now benefitting from 25 years of constant refinement.

Asuria contends the current model and mix of for profit and not for profit providers, large and small, is a significant evolutionary step in this ongoing process and is on the right track.

We are furthermore encouraged to read the Committee's comments in Recommendation 24 (5.129) of the Interim ParentsNext Report, where it is acknowledged that there is *"insufficient evidence to support a recommendation that only non-profit organisations should be permitted to deliver the service which replaces ParentsNext (notwithstanding some suggestions received)"*.

We are of course aware of the polemic surrounding the distinction between non-profit and for-profit providers. Asuria believes the current mix of providers, large, small, for-profit, non-profit, local and national, is a distinct and important advantage, offering choice to both employers and jobseekers. It provides the government with both small, locally connected not-for-profit providers who are often excellently positioned to provide perfectly adapted place-based solutions in difficult service locations, through to large for-profit providers, more able to invest in innovation and drive best practice, whilst delivering consistent quality services and a single point of contact for larger, state-wide or national employers.

There is however a danger involved in awarding market share to small independent providers whose financial base is insufficient to weather the inevitable fluctuations in the labour market, especially if only present in one or a handful of locations. Furthermore, the risks associated with companies that do not have a robust quality system and that cannot adequately protect data is significantly heightened. The Committee has asked how smaller organisations can be engaged, and Asuria's response is the most effective way is through encouraging sub-contracting, consortia and collaborative servicing arrangements.



It should be recognised the investment and resources required to establish employment services can be considerable. Larger providers may be better placed financially to sustain the lead-in periods to new programs and initiatives, which take some time to begin running in an economically viable manner due to the majority of payments being outcomes based, with delays associated in achieving these. Establishing new services also requires a significant investment by providers.

It is also important all providers are able to meet the stringent quality, right fit for risk and compliance requirements to maintain consistent high quality services.

Recommendation 5: The current mix of small and large, non-profit and for-profit providers be acknowledged as a good and effective blend.

4.5 Employment Fund Flexibility

(4.13) What needs to change to foster and support innovation in the delivery of employment services?

The recommendation from the Inquiry into ParentsNext for the creation of a skills passport offers as an example of an annual credit of \$500 - \$1000 per jobseeker, offered on a use-it or lose-it basis, which we understand to mean zero-based annually (non-cumulative). The Passport is an individual fund, in contrast to the formerly pooled nature of the Employment Fund.

Asuria's concern is twofold:

- a. if the Employment Fund is no longer pooled, and the individual credit amount is capped too low, it will actually serve to limit the flexibility of the credit system rather than maintain or improve it; and
- b. the Skills Passport concept limits the application of funding to discreet, individual services, precluding the possibility of funding more complex programs.

These concerns are particularly important as Workforce Australia Services are designed to support the most disadvantaged jobseekers. Our data indicates a range of Employment Fund expenditure per jobseeker, often up to \$10,000 – excluding wage subsidies. Providers have traditionally used pooled funding to provide a higher level of support to the most disadvantaged jobseekers which would not be possible in a Skills Passport model where employment funds are allocated to particular jobseekers.

Similarly, Employment Fund guidelines have traditionally included restrictions that limit their application to those cohorts that most need them. For example, the guidelines don't allow for the engagement of Indigenous mentor services, proven to be effective in the engagement, placement and retention of Aboriginal and Torres Strait Islander jobseekers.

The current Employment Fund guidelines did not support the cost of providing tools and equipment to support Asuria's Maritime Operations Training program with [REDACTED], discussed in section 3.2.1 above. This very successful program was designed for an Indigenous cohort who required more than just training in order to succeed. In this instance Asuria funded the cost of the training as it believed the outcomes justified doing so. Not all providers have the capacity to do this, indicating the limitations of the current Employment Fund system. Moving to an individually capped Skills Passport concept will only exacerbate this limitation.

Guidelines for the use of Employment Funds must be sufficiently flexible to allow for services and supports to be tailored to the needs of the most disadvantaged jobseekers both individually and in more complex programs.

Recommendation 6: The Department continue to pool Employment Funding and broaden its application to allow providers to support the most disadvantaged jobseekers.



4.6 Communities of Practice

- (3.1) To what extent are services at the state/territory or local level currently integrated into the employment services system? How can this be done better?*
- (3.3) What steps might the Commonwealth take to better understand and respond to workforce demand at the local level?*
- (3.4) What role can and should the Commonwealth play in building connections between national, state/territory and local initiatives?*
- (3.5) Where does the system need more collaboration with other human services? How could this be built into the employment services system?*
- (3.6) What can be done to reduce the incidence and risk of duplication and service saturation?*
- (7.1) What is needed to better enable employment services to understand and meet workforce needs?*
- (7.4) How much should the employment services system support businesses beyond their recruitment and workforce planning needs?*
- (7.5) Are there any examples of demand-driven initiatives that deliver positive employment outcomes to disadvantaged jobseekers? Are they scalable and/or transferrable to the national employment services system?*
- (11.8) How can examples of best practice in employment services be better identified and disseminated?*

To understand and respond to local level needs Asuria established Communities of Practice committees in each of the six regions in which we run ParentsNext. Initially utilised in South Australia, these communities proved so effective, we subsequently implemented them across our entire geographic footprint.

These meetings are tremendously helpful to allow experience-sharing, both within and across service sector silos, and to bring services personnel and community together in an open collegiate exchange.

Other providers have joined in willingly, and now take turns hosting meetings. Unfortunately, Services Australia and other Departmental representatives have traditionally not been regular attendees at these events.

The value of these kinds of regular meetings cannot be overstated, providing as they do visibility for local services and how they might cooperate to maximise service efficiency, a forum for discussion of ideas with key Government representatives, and a more general sense of collegiality which contributes positively to engagements and intercommunication amongst allied services.

They also contribute to a place-based approach to addressing local needs and have been used effectively in programs such as the Skills for Education and Employment and the Adult Migrant English Program.

Recommendation 7: The Department investigate taking ownership of a system of Communities of Practice at the Employment Region level, drawing together key stakeholders from Human Services, as well as local community groups and local employers, and generalise the practice across all Employment Regions to drive local place-based approaches

4.7 Enabling choice in the types of assistance

- (4.8) Should the assessment process be utilised to identify those that may be interested in self-employment and other complementary programs, and/or benefit from expenditure under the Employment Fund?*
- (5.3) What should be the role of complementary programs in the employment services system?*
- (5.11) Are there any activities or complementary programs within the current system that need to be retained? Is there evidence linking them to employment outcomes?*

The complimentary programs within Workforce Australia are important and draw on specialist expertise of providers to meet specific needs of jobseekers. Many Public Employment Services use a



similar approach to identify jobseekers at risk of becoming long term unemployed and provide tailored support, often from specialist providers. This includes cohorts such as youth, single parents, people with disability and mental health issues, Aboriginal and Torres Strait Islanders, migrants, refugees and ex-offenders.

This allows the engagement of specialist providers, who engage specialist staff, trained to meet the specific jobseeker cohort needs, including Aboriginal and Torres Strait Islanders, bilingual staff and people with lived experience. It also offers greater choice and control for jobseekers and a more diverse range of providers.

These complimentary services also provide jobseekers with choice of provider and how they engage.

4.7.1 Transition to Work

Transition to Work services use a human capital approach to build capability of jobseekers, including taking the time required to address educational shortfalls. Services are provided in different locations, where youth are comfortable, and strategies are used to build trust, rapport and engagement. Key to this service is early identification of risks of self-harm and threat to others. Addressing education and training is a key focus, along with providing a holistic, wrap around service. This program also continues to recognise and remunerate providers for the achievement of education and training outcomes and encourages jobseekers to engage in a diverse range of activities with a wide range of service providers.

The compliance framework is used only at the initial engagement phase to ensure jobseekers attend the initial interview to understand how the service may assist them. Participation is voluntary with jobseekers who don't engage exited from the service without financial penalty and moved to Work Force Australia.

Importantly the program achieves the right balance in providing support as it is not subject to the same compliance requirements as Work Force Australia, which can result in the balance between support and compliance not being adequately maintained.

Continuation of Transition to Work is important in recognition of the continuing high levels of youth unemployment post COVID⁸.

4.7.2 Time to Work Employment Services (TWES)

As a provider of Time to Work Services, Asuria is disappointed to see this program drawing to an end in June 2023. We note TWES has been extended for a further year for providers delivering Community Development Programs.

The program was never funded sufficiently to achieve the benefits which could be realised by providing pre-employment release services to ex-offenders, with whom securing employment, accommodation and support are significant factors in reducing recidivism rates. Doing this prior to release further contributes to the effectiveness of the intervention. Recidivism rates remain too high, in particular for Aboriginal and Torres Strait Islanders.

This service has been critical for Aboriginal and Torres Strait Islander ex-offenders to ensure they are quickly connected to Services Australia income support and to relevant Workforce Australia Service providers. It provides valuable support to access services and to help ex-offenders reintegrate into society.

⁸ COVID-19: Labour market impacts on key demographic groups, industries and regions, Parliament of Australia, 2020.



Importantly, registering with TWES ensures ex-offenders' details, including JSCI, ESAT, Transition Plan, medical and training information are in their Services Australia account, ready for their post-release provider to act on as soon as they connect. This makes the transition process easier and provides a continuing level of support.

Whilst there are new Specialist Ex-offender services in Workforce Australia these may not provide support pre-release, with significant costs and limited financial incentives to do so due to many prisoners relocating upon release. This reduction in servicing increases the risks of newly released ex-offenders falling between the gaps in services, in what is a critical and often overwhelming time, especially for those who have been incarcerated for extended periods of time.

Asuria would welcome the opportunity to provide further insight it how best to support these jobseekers.

Recommendation 8: The continuation of complementary services such as the Transition to Work Program to support disadvantaged cohorts, as well as equivalent services for single parents, ex-offenders, Aboriginal and Torres Strait Islanders, refugees and migrants.

Recommendation 9: The Department review services provided to ex-offenders pre-release, in particular to support those provided by State and Territory Governments to address the continuing issue of high recidivism rates.

4.7.3 Self-Employment Assistance

As the second largest Self Employment Assistance provider nationally Asuria recommends:

Recommendation 10: The Department streamlines the paper heavy, administrative requirements deterring participation and referral to the Self Employment Assistance (SEA) service, including the paperwork required for business coaching, agreement, registration forms and business information forms.

Recommendation 11: The Department provide clarity on performance against SEA KPIs, especially KPI 2 to ensure providers understand if they have achieved the KPI for each participant.

4.7.4 Employability Skills Training (EST)

Implementation of this service has been problematic with referral numbers well below those anticipated. This has resulted in trainers engaged to deliver the services being stood down. With the influx of referrals in 2023 providers had to quickly rebuild a workforce to deliver services, which is far from ideal.

Asuria is currently in discussions with the Department to address these issues. The program requires a review to ensure providers can deliver it in a manner which is financially viable.

The Department allowed EST Providers the option to waive the \$300 contribution fee from WFA Providers if they felt it was necessary to gain referrals. All EST Providers implemented this to ensure they could capture referrals, but without this contribution EST funding has effectively been reduced for providers from \$1250 to \$950 for Workforce Australia referred participants, leaving providers to bear the excess financial burden.



Recommendation 12: The Department review funding arrangements for Employability Skills Training (EST) providers, either to allow use of the Employment Fund to pay the \$300 contribution or to remove the contribution altogether with the Department paying the full fee for all referrals to increase the financial viability of the service.

Recommendation 13: The Department review referral to commencement ratios and caps to allow EST providers to maximise numbers of participants, given high non-attendance rates.

Recommendation 14: 100% of EST payments should be linked to commencements only, ideally with a minimum fee per course to address low participations rates.

Recommendation 15: Delivery of hybrid EST services be permitted, particularly in regional and remote locations where enrolments are below a set number.

4.7.5 Career Transition Assistance (CTA)

Similar issues have been identified in achieving adequate participant numbers for efficient and economic delivery of services. To address this the Department has approved the use of a rolling cohort model to help make CTA viable.

Recommendation 16: Rolling cohorts become a permanent, standard mode of Career Transition Assistance service delivery to ensure viability of the services.

4.8 Targeted Compliance Framework

- (9.6) Are there alternative frameworks to the TCF that could better support the achievement of employment outcomes?*
- (9.8) To what extent should payment cancellations continue to have role in the employment services system (as opposed to payment suspensions or other penalties)?*

The Targeted Compliance Framework (TCF) has been criticised as an overly harsh control mechanism creating tension and resentment, and one that is based on a reactive, punitive logic rather than a logic of support, encouragement and service.

Asuria notes the policy directions indicated by the interim report on ParentsNext, released by the Committee on the 1st of March, which are clearly intended to make the program less punitive, more accessible, more responsive to individual needs and less administratively onerous. Asuria praises all these policy directions and looks forward to seeing a similar philosophy generalised across Workforce Australia Services.

The Committee's recommendations for ParentsNext include a suggestion of a new framework within which payments cannot be cancelled or suspended (Rec #20 [4.55]), and Asuria would like to see this logic extended to all Employment Services programs. The threat of cancellation of welfare payments is an enormous source of stress and resentment and is an unjustifiably harsh threat to impose over people who are already in financial difficulty.

A more moderate system of financial "holdbacks" is proposed, as is a clear separation of service delivery and payment, with the latter being handled exclusively by Services Australia. The ParentsNext recommendations also include the provision that no decision on financial penalty be taken by an automated system, but rather by consideration and judgement of a human staff member of Services Australia.



Asuria supports all these points.

Recommendation 17: The Targeted Compliance Framework be reviewed along with the role of Services Australia and Employment Service providers to provide clear delineation of responsibilities and maintain a minimum level of income for jobseeker living in financial hardship.

4.9 Reducing complexity

(8.6) How can flexibility best be implemented to ensure that the tasks and activities undertaken are relevant to the jobseeker and best support them in getting a job?

The Committee has specifically asked how complexity could be reduced in the system as a whole. Complexity arises from too great an emphasis on seeking to control *process*, as opposed to focussing on maintaining quality *outcomes*.

The Australian Employment Services pseudo-market model has been praised by international Public Employment Service specialists since its inception⁹. The Australian model has been a good example for contracting out public services and has inspired similar models or contracting approaches in countries like the UK, Canada, Sweden, and the Netherlands. The idea of government establishing clear performance targets and controlling market share based on performance against those targets is fundamentally sound.

However, in recent years, the tendency has been more and more towards controlling *process* and creating ever more complex procedural guidelines which attempt to legislate for contextual variation. This kind of top-down “direct control” approach is ineffective, creating tension, resentment, and disengagement, and in the context of a national human services program is non-sustainable. Already the compliance overhead for both providers and Government alike is overwhelming, drawing resources away from the core responsibilities of both.

No top-down *direct control* management model will ever succeed over a national Human Services program without becoming unmanageably complex, which is the path we find ourselves on at present.

The solution has two crucial elements:

1. Define clear required *outcomes* (KPIs) for Employment Services providers and maintain the pseudo-market management based on those outcomes (i.e., through the Star Ratings System or something comparable),
2. Allow providers more autonomy and freedom to manage their own internal processes however they need to, to best suit the requirements of their jobseekers, and to best meet their KPI outcomes for government.

The distinction between managing *outcomes* and managing *process* is crucial, and it is the latter that creates rigid, overcomplex systems and guidelines, divests providers of agency and hence responsibility and generally drags the system away from effective, efficient operation.

Asuria fully supports the continued application of rigorous quality frameworks (QAF, RFRF), as these can effectively define quality in terms of measurable outcomes, without having to additionally stipulate internal processes and organisation.

⁹ for example, OECD (2012), *Activating Jobseekers: How Australia Does It*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264185920-en>.



Recommendation 18: Provider compliance within the performance rating system be based on clearly defined outcomes (KPIs). Providers be afforded much more autonomy to manage their own internal organisation and processes, provided the government's defined outcomes are met.

4.10 Self-referrals

(4.9) What evidence is available on the appropriateness, or otherwise, of the referral process?

Recommendation 17 of the Committee's ParentsNext report states,

"The Committee recommends that a clear default principle be established that providers are not permitted to use the Participation Fund to pay for activities, services, or programs that they deliver, or which are delivered by a related entity, except with express approval from the department. Guidelines should also be developed to clarify the circumstances in which approvals may be given."

While Asuria completely understands the probable motivation behind such a recommendation, and the potential for misuse it is seeking to overcome, it is nevertheless the case that a capacity to self-refer provides a number of significant benefits to jobseekers which should not be overlooked.

The service landscape, from the perspective of the jobseeker, is complex and confusing. People in need of Human Services are most commonly in a state of elevated stress and anxiety and, given the punitive history of Employment Services, may well be antagonistic toward Services Australia and toward providers from the outset. Adding *complexity* to this environment is only compounding the problem. Experienced providers know the most effective service occurs once trust and rapport have been established, and rapport cannot be built between a jobseeker and a *provider*, much less between a jobseeker and a *system*. Trust and rapport are based on individual connection.

Asuria is a people-oriented service, placing this kind of individual rapport-building very high on our list of service priorities, and an ability to keep a jobseeker in-house, and provide them with a place-based, wrap-around service is tremendously important in creating the right conditions for the jobseeker to feel supported and noticed as an individual.

In many regions, Asuria is the *only* local service provider offering certain services, which clearly makes any rule disallowing self-referral an immediate barrier to effectively servicing jobseekers in the way they need, but even where this is not the case, being required to refer jobseekers to another service renders the process of trust-building much harder and introduces more complexity and potential difficulty into their experience of the service landscape, particularly if jobseekers are transport disadvantaged. This is particularly the case for allied health services, which often have long wait lists or are not readily available in rural and remote locations.

Mandatory referencing to multiple service providers also unfortunately introduces the threat of contradictory messaging. In an ideal world, this should not happen, but with the complexity of the systems currently in operation, even minor differences in interpretation can cause wildly different messages coming to jobseekers from alternative service sources. This is disruptive and confusing and does nothing to improve the effectiveness of the service overall.

Another important consideration must be given to jobseekers who have experienced trauma and who can be triggered by having to tell their story more than once.

The advantages of being able to keep a jobseeker in one place for a wrap-around service experience are very important and must be considered in the implementation of rules around self-referrals.

Recommendation 19: The guidelines for the Employment Fund acknowledge the benefits of providers delivering wrap around, holistic services, from a common location, where this provides a



clear benefit to jobseekers, and maximise flexibility to allow tailoring of services to meet individual jobseeker needs, including the engagement of Indigenous mentors and appropriate post placement support.

4.11 Workplace training & employer incentives

(6.2) How could the system incentivise helping people into secure work? What are the most effective incentives?

(8.9) Should Work for the Dole be retained as part of the employment services system? If so, why? If not, why not and what should replace it?

In their latest labour market review of Australia, the OECD recommends a focus on skilling systems which allow workers to continuously train throughout their working lives, and at their own pace. This includes an increased focus on workplace-based training, as well as preparatory and employability skills training. It recommends targeted support in reskilling and upskilling for the most in need – including the long term unemployed and jobseekers with multiple barriers.

A crucial part of the re-engagement process for jobseekers and the employment process for employers, is to be able to get the prospective worker into the workplace for a realistic trial period before committing to any longer-term arrangement such as an apprenticeship, traineeship or indeed an offer of employment. This is important to allow employers to appreciate the jobseeker's qualities and capacities, as well as for the jobseeker to be able to decide whether the work environment is what they were expecting and represents a pathway they want to follow, and for providers to identify the support they require. This is particularly important for people with disability, migrants and refugees without Australian work experience and the long term unemployed.

Asuria's DES experience underscores the importance of this kind of process, not only to provide valuable experience to both employers and jobseekers, but also to combat preconceptions, which contributes positively to the opening of opportunities for disadvantaged jobseekers across the labour market.

As programs such as NWEF and PaTH, and WfD are phased out, there is a need for a paid work trial to replace them.

Asuria proposes a system providing over a short period (one or two weeks) a full-time equivalent salary for the jobseeker and a financial incentive of some kind (direct payment or tax incentive) for the employer to offset the disruption of introducing a new employee into their work environment, with implied organisational requirements and associated costs. This could be as part of a wage subsidy payment – with the first one to two weeks being subsidised at 100%.

Such a system could be limited to jobseekers who remain unemployed for more than a given period and limit the number of placements a jobseeker could access.

Employers who rarely offered positions to work trial candidates would stop being seen as worthwhile referral targets by providers and would naturally be weeded out. Employers who took full advantage of the system and became strong referral sources might be eligible for increased incentives under the system.

Recommendation 20: The Department recognises the benefits of paid work trials, as a means for highly disadvantaged jobseekers, including people with disability, migrants and refugees and the long term unemployed, to secure employment, including capacity to use this where it is of benefit to jobseekers.



Recommendation 21: Government explore the possibility of financial incentives for employers who engage jobseekers, such as a system of tax incentives lasting for up to two years, that are indexed to the new employee's salary, to encourage job placement, professional development and career path evolution.

4.12 Wage subsidies

(7.7) How can wage subsidies be leveraged to create more opportunities for jobseekers? Who should wage subsidies target? How should they be administered? How should effectiveness be monitored and assessed?

Employers, in particular small employers, report dissatisfaction with the current wage subsidy arrangements and difficulty accessing them. There is currently a 28-day time limit on entering into a wage subsidy agreement. Employers also report difficulties linking their business accounts through MyGov, and in general the process is deemed sufficiently opaque and onerous by employers to discourage them from engaging with the system, to the detriment of jobseekers who might benefit from it through the opportunities it provides with employers.

In order to operate effectively to the benefit of jobseekers, the wage subsidy system needs to be as simple as possible to access and administer.

Recommendation 22: The Department address the issues small businesses are experiencing using MyGov to lodge claims for wage subsidies to ensure this does not become a deterrent to utilisation.

4.13 Human Capital Model

(2.7) In light of expert scepticism about the limitations of outcome-based funding models, especially for highlight disadvantaged jobseekers, what alternative funding arrangements could be considered to support effective and efficient services?

Asuria supports a shift in underlying service logic, away from a *work-first* model toward a *human capital* approach.

Research presented in the US OPRE Report No. 2021-291¹⁰ has found employment assistance interventions need to be adjusted with respect to the economic cycle. During a recession, an approach with a focus on finding jobs will not be effective, wasting time and resources, and risking the entrenchment of self-esteem and mental health issues in those who remain unemployed despite engaging with the system. Interventions which focus on training and upskilling people in anticipation of employment opportunities, on the other hand, are far more beneficial, both in times of low job availability, in the longer term once the economy improves.

A *human capital* approach, however, requires a congruent shift in fee structure away from outcomes-based fees toward service-based fees. In fact, irrespective of any shift in underlying logic, movement toward service-based fees is necessary under the Workforce Australia model in any case, as the former "A-stream" jobseekers are no longer on the caseload at all, meaning servicing the hardest-to-place has become the central role of the Employment Services. These kinds of jobseekers frequently need greater and longer-term support that is difficult to sustain in a purely outcomes-based approach.

Furthermore, pushing such jobseekers into work (which is what the *work-first* approach and the Workforce Australia performance framework encourages) without sufficient allied health and pre-

¹⁰ Stanczyk, Alexandra, Dana Rotz, Erin Welch, Andrei Streke. (2021). Synthesis Report: What Works During Economic Recessions and Recoveries? Evidence from the Pathways Clearinghouse. OPRE Report # 2021-229, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services



employment training only sets jobseekers up for failure, which compounds their barriers and risks propelling them into the realms of the long-term unemployed, with all of the drain that represents on the welfare and health systems. More effective service fees would encourage the opposite, providing robust pre-employment support, the engendering of lasting transferrable skills, and a much greater chance of employment success, which translates into reduced government expenditure in the long term.

This approach will also support a focus on quality jobs, which are secure and sustainable and lead to ongoing employment.

Additionally, in a *human capital* model, a 12-month performance review of licences is too soon. It takes time to develop relationships with allied services and employers, to understand the local labour market and to establish hard-to-place jobseekers on the right path for their particular needs. NESAs has advised Asuria that *"Human capability models consistently show a longer time frame is required to achieve outcomes – potentially 2 – 3 years"*. Asuria would suggest at least a 24-month – 36-month period before the initial review.

Recommendation 23: The work-first employment services model be shifted to a human-capital model and greater flexibility be introduced to allow providers to adapt their servicing model to the prevailing labour market conditions.

Recommendation 24: In line with Recommendation 23: licensing reviews be conducted at a minimum of a 24-month period rather than 12 months, recognising longer timeframes are required to prepare jobseekers for work and achieve outcomes and to move away from a Work First approach which may not focus on sustainable employment.

4.14 International Comparisons

(2.8) Is there evidence of a particular operational structure having worked well elsewhere? Would international examples be transferrable to the Australian labour market? Why do they work? What could Australia learn from other jurisdictions and what changes would we make to move closer to best practice systems?

(11.1) What are the world's best employment services systems? Why do they work? What could Australia learn from other jurisdictions and what changes would we make to move closer to best practice systems?

Asuria notes the current procurement model, allowing for higher provider viability in regional areas, and higher certainty in business planning. This model has evolved over the last 20 years from contracted purchasing to a new licensing structure allowing for providers to specialise on regions and target groups and therefore increase the range of employment services offered and improve the profiling and matching of jobseekers.

Workforce Australia is the culmination of 25 years of refinement and fine-tuning since the initial Job Network model was launched in 1998. It showcases Australia's success in finding the right balance between risk-assessment, performance-driven design and delivery of services.

Other models used in jurisdictions around the world have struggled to find this balance:

Contracting approach	Characteristics
Cost reimbursement contracts	Providers are paid for incurred expenses determined during the procurement; performance goals are not primarily used for decisions on payment but on contract length (e.g., The United States of America)
Fee-for-service contracts	Fixed price for provided service independent from actual cost; high financial risk; low performance incentive; transparent pricing (e.g., the Netherlands)



Payment by results	Rewarding providers for achieving employment outcomes; performance-based (e.g., United Kingdom)
Voucher systems	Varied payments depending on jobseeker; Focused on consumer choice. Providers need to market services to attract jobseekers (e.g., Germany and Italy)
Non-contracted cooperation	Project-based, memorandum of understanding, framework agreements for specific service provision, often trainings or other specialist delivery (e.g., Belgium and Estonia)

In the UK, the New Deal, Employment Zones scheme and the Environmental Task Force offered greater opportunity for social innovation in employment services. They still struggled with significantly improving the inclusion of the most vulnerable jobseekers in the labour market, in particular the long-term unemployed. Therefore, the UK government took steps to make programmes more effective and less fragmented. This included the contracting of a single larger, mostly private prime providers, with more delivery capacity, creating increased competition among providers across most regions, and a “black-box” delivery model which abstains from prescribing how services should be designed, as long as they achieved the desired outcomes (which corresponds to our Recommendation 18: above).

The Australian model, particularly in its most recent incarnation, has much to recommend it, having achieved admirable balance over the 25 years of its existence, without succumbing to complacency, and maintaining a good rhythm of review and refinement. Asuria would like to ensure this balance is maintained, along with the flexibility to adjust the mix of service fees and outcome payments as required, to match the prevailing economic conditions.

Recommendation 25: The Department continue with payment methods that allow for both service fees and outcome payments, with attention to maintaining the ability to shift the focus from one to the other and as the economic environment requires.