

Alternative to jobactive Employment Model: Tasmania Trial
Joint proposal from the Tasmanian Chamber of Commerce and Industry (TCCI) and
Tasmanian Council of Social Service (TasCOSS)
September 2018

Summary

The Alternative to jobactive Employment Model is a place-based collaboration-focused model to be trialled in Tasmania. A devolved system of decision making will be led and managed by local industry and community partners. The model aims to create an employment services system that is more responsive to local needs; produces higher levels of satisfaction from employers and jobseekers; ensures more efficient use and targeting of resources; and results in better employment outcomes for jobseekers.

Consultation with Tasmanian employers, jobseekers and service providers

Consultation undertaken by TCCI and TasCOSS revealed a number of challenges that need to be addressed as part of the next generation of employment services. These challenges include the following:

- The most disadvantaged jobseekers are not getting the support they need to transition into employment.
- Existing incentive structures do not adequately address education, training and skills needs of jobseekers.
- There is a need for more individualised services for the most disadvantaged jobseekers to ensure better job-matching and pre-employment support.
- jobactive providers are contracted to deliver a broad range of support services to jobseekers but it is clear that many of these services are not being delivered.
- Employers reported a lack of responsiveness from providers and reluctance to re-engage following disappointing experiences. Employers want to be considered as a client of jobactive and expect some effort on behalf of providers to understand their needs.
- Employment services need to be more responsive to local labour market conditions.

Place-based decision making

TCCI and TasCOSS will work closely with members and local communities to trial a place-based decision-making model by establishing a Local Employment Board that has responsibility for local partnership building, evidence-based prioritisation of services, opportunities to pool local funding, commissioning of services and monitoring of service delivery. The Local Employment Board will be supported by a Local Employment Manager and work alongside existing jobactive providers during the course of the trial. It is anticipated that the Local Employment Board model could be replicated in other priority employment areas across Australia. Research and consultation revealed broad support among jobseekers, their service agencies and employers for a regional approach to employment. It is seen as important that the local community owns the solutions to its unemployment and skills shortage challenges.

How will place-based decision making produce better employment outcomes?

- Evidence shows that place-based approaches can enhance labour market outcomes through local collaboration. Employment programs are more effective when agreements, formal or informal, are made among government, industry and voluntary organisations.

- This approach will drive strategic change, with the Local Employment Board shaping employment service responses according to local labour market conditions.
- The Local Employment Board will work to bridge the gaps in service provision and build a system where service providers work together to achieve outcomes for jobseekers, including education, health and human services. The Local Employment Board will drive more effective program implementation and harmonisation of local services.
- The Local Employment Board will commission networking events for jobseekers and employers, directly addressing some of the recruitment barriers that jobseekers experience.

Mutual accountability

The model proposes a shift from mutual responsibility to mutual accountability. The approach will build on the success of 'The Deal' from the current trial program Transition to Work. 'The Deal' upholds the rights and responsibilities of program participants and employment services staff in a culture of reciprocity. In this approach mutual obligation is established up front, not imposed as a consequence. The job seeker is an active participant in setting their own goals, making commitments and shaping their own destiny.

How will a change of focus towards mutual accountability improve employment outcomes?

- This approach is non-punitive and reinforces the concepts of rights, responsibilities, and commitments to the wider community, empowering jobseekers and setting them up to succeed.
- The Local Employment Board will work with providers to ensure existing resources are better utilised to support jobseekers, such as the Employment Fund.
- The Local Employment Board will explore how existing incentive structures can better address education, training and skills needs of jobseekers.
- By broadening the criteria for activation of mutual obligation, jobseekers can focus more time and effort in areas that will improve their chances of securing a job, and reduce the burden on employers.
- Working more closely with service users to understand their needs and priorities will result in a more responsive system.

Licenses for local providers

The Local Employment Board will explore options to implement a licensing process following the trial period, allowing local organisations to apply to deliver various components of the employment services system. This process will reduce barriers to entry, providing opportunities for smaller local organisations to deliver specialist services. The Local Employment Board's commissioning of services, such as networking events, could be used to test the licensing process.

How will a licencing framework improve employment outcomes?

- This approach will encourage place-based solutions from local service providers. Providers that are embedded in the local community are well placed to leverage wider partnerships, collaborate and meet the specific needs of local jobseekers and employers.
- There is potential for a local licensing process to reduce costs associated with complex and lengthy tender processes but it will be important to maintain quality standards for providers.

Skilled consultants, face-to-face services and robust assessments

Jobseekers will be served by highly skilled employment services staff who are committed to helping people achieve their employment, education and training goals. Relieved of the compliance function

and excessive caseloads, they will act as case managers providing an individualised, supportive service to clients. They will have strong local networks and hold knowledge of available local support services, as well as education, training and employment opportunities.

How will measures to improve employment consultant capability improve employment outcomes?

- The Local Employment Board will work with existing jobactive providers to build and maintain appropriate workforce capability, including training and professional development.
- Reduced caseloads and access to a professional development fund will reduce staff turnover, build capability among consultants and improve the quality of services provided to jobseekers.
- Improved capability will ensure better quality face-to-face job seeker assessments that can inform tailored job plans for individuals.

Work readiness and work experience

TCCI's successful Employer Validated Work Readiness project demonstrated how jobseekers can be supported into employment following structured pre-employment support and the provision of work experience opportunities by employers. The model will replicate and build on the strengths of the Employer Validated Work Readiness project, complementing the National Work Experience Program. Importantly, employers suggested that the 'industry led' nature of the Employer Validated Work Readiness project ensured a greater level of trust.

How will this work readiness approach improve employment outcomes?

- Employer participation in the program ensures strong linkages to the workplace and upfront commitments to provide work experience.
- Intensive pre-employment support for all Stream C jobseekers, consistent with resourcing for the Transition to Work program, and coupled with structured work experience, will boost employment outcomes for these jobseekers.

Tailored services for employers – industry specialisation

Tailored services are required to increase employer participation and satisfaction with the system. This can be achieved through the provision of industry specialisation – skilled employment consultants that have expertise in and focus on a particular industry. Cost savings can be achieved by targeting and prioritising incentives for employers who participate in pre-employment and job readiness programs and who provide work experience opportunities. Wage subsidies will be targeted to jobseekers who will benefit most – those unlikely to secure employment without a subsidy.

How will tailored services for employers improve employment outcomes?

- This service will integrate well with employers' existing recruitment activities and approaches, and maximise opportunities for local jobseekers.
- A more tailored and consistent service offering for employers will increase employer confidence and use of employment services.
- Industry employment consultants will screen potential candidates and make referrals. With their industry knowledge and focus on providing a high quality service, employers can be confident that their time will not be wasted with inappropriate referrals
- Financial incentives will be better targeted, enhancing sustainable employment outcomes.

Duration, scale and location

The model will be trialled over a period of 12 months in West Tamar with up to 500 jobseekers representing each of the three employment streams. The trial will include a focus on Stream C jobseekers. Assuming an average caseload spread, the trial will include approximately 85 Stream C jobseekers. The trial will include a three-month planning and implementation period to establish the new structure and forge partnerships. The new model will be delivered over an initial eight month period with results of the trial being presented to the Australian Government in late 2019.

Reporting, monitoring and evaluation

The Local Employment Board will monitor progress and report on a monthly basis to the Department of Jobs and Small Business. The Local Employment Board will commission an independent evaluation of the trial in late 2019.

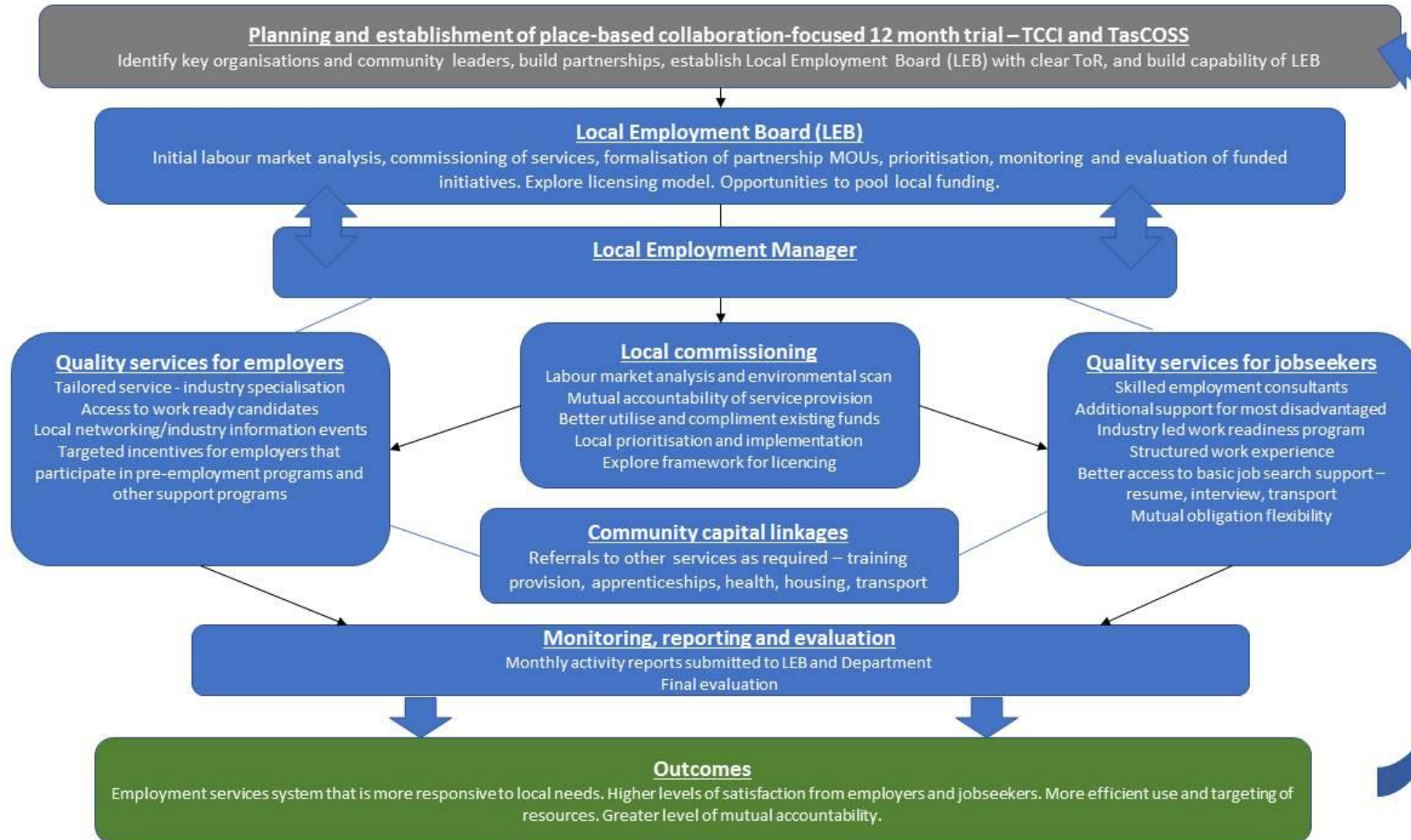
Funding considerations

The trial will require initial grant funding. The grant will cover the establishment of the Local Employment Board, secretarial support and project management, labour market research, professional development for consultants, industry specialisation, workreadiness and evaluation. The planning phase of the trial will require negotiation with and advice from the Department of Jobs and Small Business to determine how the Local Employment Board will interact with existing jobactive providers. The trial is likely to compliment and draw on existing funding packages, such as the National Work Experience Program, the Employment Fund and employer incentive payments. The requirements for preferred providers to report and have accountability to the Local Employment Board will need to be negotiated.

With a focus on improving services for the most disadvantaged jobseekers, it is proposed that Stream C jobseekers receive resourcing consistent with allocations under the Transition to Work program.

Upfront costs for establishing this type of model are relatively high, however it is anticipated that the establishment of robust local governance arrangements and partnership building will result in cost savings and greater efficiency in service delivery over time.

Structure - Alternative to jobactive Employment Model: Tasmania Trial



1. Background

The Tasmanian Alternative to jobactive Employment Model has been designed following a period of research and consultation with employers, job seekers and employment service providers. The model aims to address a number of limitations identified under the current jobactive system, particularly the system's lack of responsiveness to employers and inadequate preparation of job seekers.

The following findings have shaped the design of the model:

- The majority of job seekers want to work
- The most disadvantaged job seekers (Stream C) are not getting the support they need to transition into employment
- There is a need for more individualised services for the most disadvantaged jobseekers to ensure better job-matching and pre-employment support
- jobactive providers are contracted to deliver a broad range of support services to job seekers but it is clear that many of these services are not being delivered to those in most need
- A system of mutual accountability can improve the quality of service provision
- Employers want to be considered as a client of employment service providers and expect some effort on behalf of these providers to understand their needs
- Employment services could be more responsive to local labour market conditions
- Strong local partnerships can improve outcomes for job seekers and employers

The research and consultation phase compiled feedback from 75 employers about how future government employment services could add value to their recruitment practices. In summary, employers highlighted the following:

1. Better preparation of candidates and support to build capability.
 - Employers are frustrated with referrals of unsuitable candidates, poorly prepared resumes and the lack of desire from some candidates to work in their sector.
2. Structured work experience and trial periods.
 - Work experience is highly valued by employers. Work experience can help build confidence and capability and can also serve as a 'try-before-you-buy' type arrangement.
3. Financial support for businesses and better communication of available support.
 - Some employers suggested the financial incentives can offset some of the risk associated with taking on a disadvantaged job seeker. Employers said that a central point of reference for existing support services would be a useful resource.
4. More specific industry knowledge and closer engagement with businesses.
 - Employers reported that jobactive providers have limited industry knowledge and are not responsive to the needs of industry, often ignoring job specifications provided by employers.
5. A centralised service with a local "one-stop-shop".
 - Employers expressed concerns about the number of providers in the market and the subsequent frequency of contact. This tends to create further confusion about the government support available and can create a burden for employers.

Input was also compiled from individuals with direct experience in the employment services system, employment program managers, and community services leaders in Tasmania.

The Tasmanian Alternative to jobactive Employment Model incorporates this feedback as well as ideas outlined in the Australian Government's discussion paper. The model is consistent with the framework developed by the Employment Services Expert Advisory Panel.

In addition, the model incorporates findings from the Tasmanian Employment Partnership: Jobs Action Package, a partnership between the Tasmanian Chamber of Commerce and Industry (TCCI), the Tasmanian Council of Social Services (TasCOSS) and the Tasmanian Government. The model builds on the Jobs Action Package commitment "to enable local solutions to local issues that impact on employer and employee barriers and enablers to employment".

2. Overview

The Alternative to jobactive Employment Model is a place-based collaboration-focused model to be trialled in Tasmania. A devolved system of decision making will be led and managed by local industry and community partners. The model aims to create an employment services system that is more responsive to local needs; produces higher levels of satisfaction from employers and job seekers; ensures more efficient use and targeting of resources; and achieves a greater level of mutual accountability.

There are many examples of place-based solutions to systems challenges including those funded by Primary Health Tasmania, the TCCI-TasCOSS Jobs Action Partnership, and the Local Learning and Employment Networks in Victoria. There are now many successes being reported in employment service program trials in Tasmania that can be drawn on, including Transition to Work, Backswing and Youth Entrepreneurial Services.

TCCI and TasCOSS will work closely with members and local communities to trial a devolved decision-making model by establishing a Local Employment Board that has responsibility for local partnership building, prioritisation of services, commissioning of services, exploring a licensing process and monitoring of services.

The model incorporates a number of elements to be trialled:

- Establishment of a local evidence base to better target services
- Industry specialisation – skilled employment service consultants responsible for specific industries
- Framework for mutual accountability
- Process for licensing of providers
- Local partnerships and networking – opportunities for job seekers and employers to interact and share information
- Job readiness program incorporating structured work experience – replication of the successful TCCI *Employer Validated Work Readiness* project.
- Job seekers will be given a choice of activities to undertake that meet mutual obligation requirements
- Better coordination and marketing of existing support services for small businesses to target demand side employment barriers.

Critics of the jobactive system argue that it provides little financial incentive for service providers to assist disadvantaged job seekers, and the large caseload is a structural impediment to getting these

individuals job ready.¹ While the service may work reasonably well for job seekers who are work ready, the service has a poor record of supporting more disadvantaged groups who are not work ready.² The most disadvantaged job seekers (Stream C) spend an average of five years on the employment services caseload.³

The cultural barriers that impact on the wellbeing of those experiencing long term unemployment include prejudice, stigma and exclusion. While it is difficult to quantify the impact, job seekers have talked about the shame, humiliation and powerlessness they experience being part of the employment services system.

Research and consultation revealed broad support among job seekers, their service agencies and employers for a regional approach to employment. It is seen as important that the local community owns the solutions to its unemployment and skills shortage challenges.

The proposed model aims to create highly functioning, self-reliant individuals and communities. The model will achieve this by systematically addressing the barriers that contribute to long term unemployment through a regional, strategic and collaborative local governance model.

Treating employers as clients and delivering a consistent high-quality service to participating employers is a priority of the model.

The model acknowledges that not all communities are ready to take on the required level of responsibility, and there may need to be investment in local leadership capability.

3. Place-based decision making

The complexity of unemployment as a social and economic issue requires collective action at a local level. TCCI and TasCOSS propose a model whereby the local community takes responsibility for employment through a Local Employment Board.

Research shows that, while there is limited specific evidence on the particular impact of decentralisation, positive evaluations from wider OECD experience suggest that giving lower tiers of government or partnerships responsibility for funding of services, benefit payments and responsibility for programmes has encouraged innovation and enabled local actors to design and provide more coordinated services better tailored to the needs of local communities and employers.⁴

Other research has shown that labour market programs are more likely to be effective when they take into account the local characteristics of the target groups and seek to dovetail them with local labour market needs.⁵

¹ Borland, J., Considine, M., Kalb, G. & Ribar, D. (2016). *What are the best practice programs for job seekers facing high barriers to employment?* Melbourne Institute Policy Briefs Series, Policy Brief No. 4/16. Faculty of Business and Economics. The University of Melbourne.

² Brotherhood of St Laurence (2015). *Submission to the Victorian Government Employment Program Review*. http://library.bsl.org.au/jspui/bitstream/1/7765/1/BSL_subm_Vic_Government_Employment_Programs_Review_2015.pdf

³ Australian Government (2018). *The next generation of employment services: discussion paper*. The Department of Jobs and Small Business. Australian Government. Canberra

⁴ Finn, D. (2016). *The Organisation and Regulation of the Public Employment Service and of Private Employment and Temporary Work Agencies: The Experience of Selected European Countries – the Netherlands, Denmark, Germany and the United Kingdom*. Policy Research Report Prepared for the Korea Labour Institute. Learning and Work Institute.

⁵ Martin, J. and Grubb, D. (2001). "What Works for Whom: a Review of OECD Countries: Experience with Active Labour Market Policies," Working Paper 2001:14, IFAU (Office of Labour Market Policy Evaluation), Stockholm, Sweden.

As noted in the Australian Government's discussion paper⁶, the Organisation for Economic Cooperation and Development (OECD) has shown that the most successful government programs are flexible and adaptable to local conditions, allowing communities to create local solutions to their distinct needs, maximising employment opportunities and building their capability to identify and drive strategic change.⁷

The Employment Services Expert Advisory Panel's initial framework to guide a future model for employment services included "devolved decision making to better connect regional and place-based services across portfolios for job seekers". Devolved decision making is particularly important for Tasmania in the context of poor performing regional economies and lack of jobs, as well as lack of access to transport, childcare, education and training, services for mental health issues, alcohol and drug addiction, and literacy support.

Local Employment Board

The Local Employment Board has a focus on local collaboration where strategic local partnerships are formed to generate meaningful, sustainable outcomes for job seekers and employers. Its membership will include local employers, business and industry groups, education and training providers, community sector organisations, local government, and community members with lived experience of unemployment.

This approach will drive strategic change, with the Local Employment Board shaping employment service responses according to local labour market conditions.

The role of the Local Employment Board will be to provide a strategic overview of the barriers and opportunities to create employment in the community, including mapping the local community capital. This could include using the 'five capitals' framework as outlined in the Productivity Commission Study Report on Transitioning Regional Economies. The five capitals - human, financial, physical, natural and social capital - would be used as a strategic framework to assess the adaptive capacity of the region.⁸

By identifying emerging and growth industries for the region, a strategic view would be taken on the education and training required to build targeted skills and capability. The Local Employment Board may consider earlier connections with schools in the region to help in developing employment, education and training pathways for young people entering the workforce.

Members of the Local Employment Board would bring a wealth of local knowledge and relationships enabling them to broker initiatives in a range of areas, including barriers such as transport, housing and access to services.

Evidence shows that place-based approaches can enhance labour market outcomes through local collaboration. Employment programs are more effective when agreements, formal or informal, are made among government, industry and voluntary organisations.⁹

⁶ Australian Government (2018). *The next generation of employment services: discussion paper*. The Department of Jobs and Small Business. Australian Government. Canberra

⁷ OECD (2017). *Increasing productivity, job creation and inclusion from the bottom up*. 13th Annual Meeting of the OECD Local Economic and Employment Development Forum on Partnerships and Local Development, Prague, 10-11 April 2017.

⁸ Productivity Commission (2017). *Transitioning Regional Economies. Productivity Commission Study Report*. December 2017. Australian Government.

⁹ Giguere, S. (2005) Local employment development, decentralisation, governance and the role of government. In S. Giguere, Y. Higuchi and the Japanese Institute for Labour Policy and Training (JILPT) (eds.), *Local Governance for Promoting Employment: Comparing the Performance of Japan and Seven Countries*, JILPT, Tokyo.

Local Employment Board responsibilities

The Local Employment Board is responsible for the strategic direction, commissioning and monitoring of local employment services. Main responsibilities include the following:

- Research and data collection
 - Commission local labour market analysis and environmental scan
- Achieving a higher standard of service delivery
 - Develop a mutual obligation framework
- Local partnership building
 - Oversee MOU agreements with community partners
 - Identify opportunities to pool local funds to deliver more strategic outcomes
- Consider a licensing model
 - Identify options to implement a process of licensing for local providers
- Financial management
 - Budget allocation and commissioning of services within the region
 - Finance and budget management
- Reporting, monitoring and evaluation
 - Monitoring of service delivery, reporting to the Commonwealth and final evaluation of the trial

The Local Employment Board will work to bridge the gaps in service provision and build a system where service providers work together to achieve outcomes for jobseekers, including education, health and human services. The Local Employment Board will drive more effective program implementation and harmonisation of local services.

The Local Employment Board will commission networking events for jobseekers and employers, directly addressing some of the recruitment barriers that jobseekers experience.

Evidence-based decision making

The Local Employment Board will be responsible for strategic direction and local innovation in service provision. The effectiveness of the Local Employment Board's strategic direction will be dependent on evidence and accurate local labour market information. One of the first tasks of the Local Employment Board will be to commission an 'environmental scan' to create an evidence base for decision making.

The environmental scan will involve mapping the community capital, including the following elements:

- Labour market analysis
- Local demographic information
- Mapping of local training provision, including community colleges
- Overview of local health and community services
- Information about previous or existing labour market programs implemented in the region
- Identification of key partner organisations and community leaders
- Information from local economic development strategies

The Local Employment Board will commission this piece of work which will involve a combination of desktop research and local consultation. For cost effectiveness and robust analysis, the Local Employment Board could directly approach the University of Tasmania to conduct this piece of work. Academic institutions can often provide better value for money than consulting firms.

Local Employment Board structure

TCCI and TasCOSS will bring together a Local Employment Network comprising broad local representation from industry, health and community services, education and training, local government and other community leaders. The Local Employment Network will be briefed on the Alternative to jobactive model and make nominations for the Local Employment Board. TCCI and TasCOSS will work with the Local Employment Network to agree on terms of reference for the Local Employment Board.

TCCI and TasCOSS will create a shortlist of nominations and the Local Employment Network will be asked to vote. Voting will be structured in a way that creates a balance of representation.

The Local Employment Board will include following members:

- Local employers (including a representative from an industry body such as a local chamber of commerce)
- Education and training representatives
- Health and community services representatives
- Local government
- Regional Development Australia
- An individual who has been a client of the employment services system
- Depending on availability, an individual with expertise in labour market economics

The Local Employment Board secretarial and project support function will be delivered by a Local Employment Manager to be appointed for the duration of the 12-month trial. The Local Employment Manager will have experience in employment services or a related field, have good local networks and a passion for local economic development. The position will require a combination of strategic planning and project coordination skills. The Local Employment Manager will be responsible for:

- Local Employment Board secretarial support
- Project coordination and management
- Strategic partnership brokerage – managing MOU agreements
- Supporting the Local Employment Board in its development of a licensing process, a mutual obligation framework and identifying opportunities to pool local funding

The Local Employment Manager will drive many of the activities of the trial. The Local Employment Manager will have a role in the facilitation and monitoring of project based activities, such as the work readiness program.

The Local Employment Board will meet bi-monthly and members will receive a small fee to cover the costs of participation and recognise their contribution. It is proposed that each Local Employment Board members receive payment for their work over a twelve month period, including six meetings.

For practical reasons, the Local Employment Board will identify one preferred provider to deliver services as part of the trial, with partnership arrangements supporting the delivery of services and projects.

The Local Employment Board may choose to appoint reference or working groups to assist with strategic direction and prioritisation.

Existing local governance arrangements

Broad involvement from a wide range of community partners will be important. Early engagement with local government bodies, for example, will ensure a solid foundation for collaboration.

Existing structures, governance arrangements and relevant programs will be identified, including initiatives delivered by Regional Development Australia.

The model aims to achieve enhanced coordination of local services and greater collaboration. Early planning will acknowledge already complex economic development arrangements in the trial region and seek to avoid adding greater complexity to local governance.

Summary

3. Place-based decision making

- Establish a Local Employment Board made up of community leaders, responsible for strategic direction and commissioning of services
- Appoint a Local Employment Manager to provide secretarial and program support for the Local Employment Board
- The Local Employment Board will commission an 'environmental scan' to create an evidence base for decision making
- The Local Employment Board will work alongside existing jobactive providers during the course of the trial.

4. Mutual accountability

The model proposes a shift from mutual responsibility to mutual accountability. The approach will build on the success of 'The Deal' from the current trial program Transition to Work. 'The Deal' upholds the rights and responsibilities of program participants and employment services staff in a culture of reciprocity.

In this approach mutual obligation is established up front, not imposed as a consequence. The job seeker is an active participant in setting their own goals, making commitments and shaping their own destiny. The mutual obligation activity is then tailored to the barrier the job seeker is experiencing. For example, a young person who lives in a small regional town needs to get their drivers' licence and can get support in a placement that helps him achieve that.

To enable this to work effectively a broader range of mutual obligation activities would need to be accessed by job seekers, including work experience, volunteering, attending networking events and a wider variety of training options and skills opportunities (for example, getting a drivers' licence).

A visit to the local employment services provider may be the only opportunity for a person experiencing disadvantage to receive help. In the Tasmanian trial the aim is to give individuals access to information about services wherever they present. Mapping the community capital will give employment services providers detailed information on the range of support services, training and employment options that are available for their clients. They can then share that information and make referrals as part of the quality client services they provide to clients.

In this way they may adopt a version of the 'no wrong door' approach. Different versions of this approach have been implemented in the Huon Valley, Clarence and Brighton with funding from

Primary Health Tasmania. The approach would require a commitment to provide job seekers access to information and support wherever they enter the service system.

The Tasmanian trial will ensure the employment consultants have adequate knowledge of all relevant support services in the region.

This approach is non-punitive and reinforces the concepts of rights, responsibilities, and commitments to the wider community, empowering jobseekers and setting them up to succeed.

The Local Employment Board will work with providers to ensure existing resources are better utilised to support jobseekers, such as the Employment Fund. The Local Employment Board will explore how existing incentive structures can better address education, training and skills needs of jobseekers.

By broadening the criteria for activation of mutual obligation, jobseekers can focus more time and effort in areas that will improve their chances of securing a job. Working more closely with service users to understand their needs and priorities will result in a more responsive system.

Mutual accountability framework

The Local Employment Board will be tasked with developing a mutual accountability framework and agreements to ensure that all parties understand their obligations and make a strong commitment achieving employment goals. The mutual accountability framework will incorporate parts of the existing job seeker compliance framework and the employment services code of practice.

The framework will include clear rights and responsibilities for all parties and a shared commitment to work towards a common goal. Governance bodies, service providers, job seekers and employers will be held to mutual accountability requirements when entering into agreements under the model.

Initial training will be provided to the 17 employment consultants participating in the trial. The Local Employment Manager will facilitate the workshop - outlining the rationale and elements of the framework; providing access to the environmental scan; and covering the role of employment consultants in briefing job seekers and employers on their obligations under the framework.

Summary

4. Mutual accountability

- The Local Employment Board will develop a mutual accountability framework
- The Local Employment Manager will support the Local Employment Board in its development of the mutual accountability framework
- Employment consultants will develop a deep understanding of local support services to ensure a 'no-wrong-door' service for job seekers

5. Licenses for local providers

As noted in the Australian Government's discussion paper, the Productivity Commission's Independent Review of Job Network (2002) recommended that competitive tendering for employment services be replaced by a licensing system. The Productivity Commission concluded that "competitive tendering is complex and expensive for providers and disruptive to services. Accordingly, licensing of providers should be adopted, ultimately with free entry to the Job Network

by accredited agencies, subject to ongoing assessment of quality. Prices should be set administratively as quality of service cannot be assessed adequately ex ante.”¹⁰

The Local Employment Board will explore options to implement a licensing process, allowing local organisations to apply to deliver various components of the employment services system. This process could reduce barriers to entry, providing opportunities for smaller local organisations to deliver specialist services. These services may involve a focus on specific industries, pre-employment support, work experience coordination, job search training, services for job seeker cohorts, or other elements of employment services.

The Productivity Commission argued that a licensing process should be characterised by the following:

- Licensing would be dependent on a provider meeting some minimum standards and agreeing to various contract provisions (such as a Code of Conduct, undertaking assessment of job seekers and whatever activity testing was agreed).
- The standards set would be similar to those established for pre-tender qualification.
- Renewal of the licence would be tied to performance, so that the vital role performed by existing arrangements in driving poorer suppliers from the market would be maintained. For example, this could initially be implemented by removing a licence if a provider were to score below some reasonable performance benchmark for two successive years.
- Subsequent re-entry by a poor performing provider would then be barred for some mandatory period and only then permitted if the provider could demonstrate that its performance would be acceptable.
- A longer-term licensing system should be an open entry model, consistent with current competition policy. This would allow any agency that met and maintained the prescribed standards to provide services at the going prices.¹¹

The licensing process could be tested as part of the trial through the Local Employment Board’s commissioning of different elements of the model, such as the work readiness program.

This approach will encourage place-based solutions from local service providers. Providers that are embedded in the local community are well placed to leverage wider partnerships, collaborate and meet the specific needs of local jobseekers and employers.

There is potential for a local licensing process to reduce costs associated with complex and lengthy tender processes but it will be important to maintain quality standards for providers.

Summary
5. Licenses for local providers

- The Local Employment Board will explore options to implement a licensing process, allowing local organisations to apply to deliver various components of the employment services system
- The Local Employment Manager will support the Local Employment Board in its development of the licensing process to be implemented post trial

¹⁰ Productivity Commission (2002). *Independent Review of the Job Network*. Inquiry Report No. 21, 3 June 2002.

¹¹ Ibid

6. Skilled consultants, face-to-face services and robust assessments

The clients will be served by highly skilled employment services staff who are committed to helping people achieve their employment, education and training goals. Relieved of the compliance function and excessive caseloads, they will act as case managers providing an individualised, supportive service to clients. They will have strong local networks and hold knowledge of available local support services, as well as education, training and employment opportunities. The staff will be supported in their work by a healthy workplace culture that has a clear sense of purpose and strong leadership.

Role of technology

The staff in the trial will provide a personalised face-to-face service. Tasmanian employers and job seekers value personal relationships over online technology in meeting their employment needs.

Online technology platforms provide opportunities for improving communication and access to information for those job seekers with less complex needs. However, many Tasmanians, including those with disability do not have access to technology or the internet. According to the 'Measuring Australia's Divide': The Australian Digital Inclusion Index 2017, Tasmania is the least digitally included state (49.7 or 6.8 points below the national average).¹² Many people who need additional support find the online environment disempowering and find that the push for online services marginalises them further.

Intensive support for the most disadvantaged

The aim to provide more intensive support for the most disadvantaged, as outlined in the Australian Government's discussion paper, will be a core element of the model to be trialled in Tasmania.

The range of programs currently being trialled in Tasmania have shown that face-to-face interaction with skilled staff is key to understanding the needs of people with disability, long term unemployed, young people and those experiencing complex disadvantage.

Blind referrals are not delivering the outcomes that are needed for job seekers and employers. The absence of genuine conversation with candidates and employers leads to unsuitable candidates being referred for positions. This contributes to a sense of failure on the part of the job seeker and time wasted for employers.

While service providers are currently contracted to provide face-to-face support and guidance, these services are not being delivered consistently and many job seekers are not receiving the support they need. The trial will create a process for the consistent delivery of core support services for job seekers, particularly the most disadvantaged. Employment consultants will get to know the job seekers and their individual circumstances. The assistance will include a range of services such as:

- writing a résumé, improving interpersonal skills and preparation for interviews
- tailoring employment plans to suit individual job seekers
- accessing pre-employment and work experience opportunities
- gaining new skills or qualifications
- overcoming other barriers to employment
- information about local employment opportunities and industries

¹² Thomas, J., Barraket, J., Wilson, C., Ewing, S., MacDonald, T., Tucker, J. & Rennie, E. (2017). *Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2017*, RMIT University, Melbourne, for Telstra.

Targeting more intensive services to the most disadvantaged job seekers is a more efficient use of resources. Those job seekers who are well placed to secure employment may be better served by online services and less intensive support. The Australian National Audit Office has reported that Stream A job-seekers (including volunteers) account for 43.8 per cent of the overall caseload and are considered to be the most competitive and ready for work. Those job-seekers in Stream B (38.8 per cent) have some assessed barriers that will need their employment service provider to play a greater role to become job ready, such as language barriers. The most disadvantaged job-seekers, those with multiple barriers to work such as drug and alcohol addiction, are assisted through Stream C (17.1 per cent).¹³

Robust assessment of job seekers

The objective of the initial needs assessment process in the Tasmanian trial is to determine the capability of the job seeker, and to identify the interventions they need to build their capability to become viable candidates.

Holding face-to-face conversation is more likely to build trust and help identify the specific needs to be addressed, which may include personal hygiene and literacy. The assessment will then lead to a classification based on the degree of complexity of the individual's needs.

In an approach similar to that outlined in the Government's Discussion Paper, there will be three tiers of support, corresponding to the three jobactive Streams:

- 1) Low complexity job seekers could have access to low level supports such as resume writing, contacts and networks, and some limited coaching support. Online technology options would be appropriate for this group.
- 2) Medium complexity job seekers may need help with a specific barrier for a time limited period, as well as access to coaching and networks.
- 3) High complexity job seekers are more likely to need the full spectrum of support through programs and services.

The medium and high complexity cohorts are more likely to need face-to-face supports around the barriers they face rather than having to participate in an online system. They would also benefit from access to coaching that helps them identify broad goals that include employment and education, as well as their relationships and lifestyle. This approach would build on the experience of current program trials such as Youth Entrepreneurial Services (YES).

In many cases, informal networks in Tasmania lead to job seekers finding employment. Those people who are experiencing isolation and disadvantage do not have access to these networks and this contributes to their exclusion from the market. Providing support in the form of networking events and work experience with local employers would greatly benefit job seekers (see sections 7 and 8).

Identify skilled employment consultants and limit caseloads

The model will involve 7-10 highly skilled employment consultants each with a maximum caseload of no more than 70 individuals.¹⁴ Individual caseloads will be roughly spread across the caseload

¹³ Australian National Audit Office (2017). *jobactive: Design and Monitoring*. Published Wednesday 12 July 2017.

<https://www.anao.gov.au/work/performance-audit/jobactive-design-and-monitoring>

¹⁴ The average employment services consultant manages a caseload of around 148 job seekers.

profile. Two additional employment consultants will be industry specialists serving specific industries.

The Local Employment Board and Local Employment Manager will review the backgrounds of employment consultants and select 15 most suitable for the trial. This will require some negotiation with local employment providers and the Department of Jobs and Small Business. It is proposed that the wages and costs for the two industry specialist positions be covered by the grant payment for the trial.

Under the model, employment consultants will be encouraged to strengthen and expand contacts with local employers and develop a deep understanding of other support services available to job seekers. Employment consultants will have access to parts of the environmental scan commissioned by the Local Employment Board, which will a map of local services. In addition, consultants will make better use of the existing Employment Fund to provide job seekers with the support that they need.

Re-designing the Space

There are cultural barriers for people who are unemployed including prejudice, stigma and exclusion. Through the Tasmanian trial we aim to tackle these barriers by building trust and understanding in communities. An important symbol of change in the culture of the system is in the physical premises of employment services centres.

The Local Employment Board will consider how the physical space of employment services could be re-designed to better meet the needs of clients. Job seekers have provided feedback that they find the current environments too clinical and soulless, and they want a more confidential space to share their personal information. Clever interior design can achieve outcomes in feelings of positivity, calming anxiety and respect for others. The allocation of licenses, as noted in section 6, could result in a broader range of physical environments where job seekers can use services.

Funding considerations

The payment structure to best support more intensive face-to-face support for disadvantaged job seekers is the current Transition to Work program structure. The payment structure is summarised at Appendix B. It is proposed that approximately 75 Stream C jobseekers receive the Transition to Work payment structure.

The Local Employment Board and Local Employment Manager will work with the Department of Jobs and Small Business to determine the cost of reducing caseloads to 70 job seekers per consultant.

The Local Employment Board will work with existing jobactive providers to build and maintain appropriate workforce capability, including training and professional development.

Reduced caseloads and access to a professional development fund will reduce staff turnover, build capability among consultants and improve the quality of services provided to jobseekers.

Improved capability will ensure better quality face-to-face job seeker assessments that can inform tailored job plans for individuals.

Summary

6. Skilled consultants, face-to-face services and robust assessments

- More intensive face-to-face support for the most disadvantaged job seekers through a trial of Transition to Work level payments for Stream C jobseekers.

- Identify 7-10 skilled employment consultants to deliver services under the trial.
- Limit the caseloads for each of these consultants to a maximum of 70 job seekers.
- Caseloads will reflect the profile of low, medium and high complexity job seekers.
- Consultants will be supported through a professional development fund.

7. Work readiness and work experience

Research shows that employment programs for job seekers experiencing disadvantage should substantially address their deficiencies in job readiness and skills and provide a pathway to employment via meaningful work experience. This is most likely to be feasible where programs are implemented at a local level through a partnership between service providers and employers.¹⁵

TCCI's *Employer Validated Work Readiness* project demonstrated how job seekers can be supported into employment following structured pre-employment support and the provision of work experience opportunities by employers.¹⁶ The project involved the development and validation of a work readiness framework and included structured work experience opportunities for job seekers.

The Alternative to jobactive Employment Model presents an opportunity to build on the strengths of the Employer Validated Work Readiness project and compliment the National Work Experience Program. The project incorporates many of the best practice approaches to job readiness, identified by Borland et al. (2016) – see Box 1.

The model will provide all eligible job seekers with an opportunity to participate in the work readiness program prior to being considered for work experience opportunities with employers. Eligibility for the program will be considered following initial assessments of job seekers. Participation in the program will be prioritised for Stream B and C job seekers.

Recommendations from the final Employer Validated Work Readiness report have been reviewed and will be reflected in the model. The reintroduction of the Employer Validated Work Readiness program will incorporate the following:

- Community partners will develop work experience tool kits to help employers provide structured and meaningful work experience opportunities. This will involve the consolidation of existing resources
- Build employer capability – employers hosting work experience and work placement participants to access subsidised Mentor in the Workplace training alongside accessing tool kits to increase the number of employers willing to offer placement or work experience opportunities.
- Formal linkages will be made with the current National Work Experience Program, with some of the costs of delivering the program captured under existing funding allocations.
- Link TCCI Work Ready to jobactive work experience requirements and offer the program to job seekers prior to undertaking work experience in order to familiarise them with acceptable workplace behaviours and employer expectations of employees.

¹⁵ Borland, J., Considine, M., Kalb, G. & Ribar, D. (2016). *What are the best practice programs for job seekers facing high barriers to employment?* Melbourne Institute Policy Briefs Series, Policy Brief No. 4/16. Faculty of Business and Economics. The University of Melbourne.

¹⁶ Tasmanian Chamber of Commerce and Industry (2015). *Employer Validated Work Readiness Project Final Report*. September 2015.

The new specialist industry employment consultants will work to customise the program for specific cohorts of participants or for particular industry sectors focusing on base level skill requirements for the host employer's industry sector.

Box 1: A best practice template for providing job readiness (Source: Borland et al. 2016)

- An audit of the job seeker's available skills as a starting point for assessing what he or she is able to offer to employers and where job readiness could be further developed;
- English language training;
- Literacy and numeracy skills;
- Job search and job application skills;
- Development of inter-personal skills;
- Training in basic tasks required in the workplace (such as using IT);
- An introduction to the workplace (for example, expectations of employers regarding behaviour and dress; working in teams; working with people from different cultures);
- Opportunities for work experience and volunteering;
- Facilitated access to formal training; and
- Assistance in addressing barriers to work such as lack of transport (for example, assistance in obtaining a driver licence) or childcare.

Findings from the project emphasise the importance of networks and the need for job seekers to move beyond standard approaches to job hunting such as responding to advertised roles. The project also demonstrates the benefits that can arise from job seeker and employer forums that encourage engagement and the exchange of information. Job seekers who participated in the regional trials reported that the project increased their awareness of industries they previously had no knowledge of and gave them a greater appreciation different roles.

Importantly, employers suggested that the 'industry led' nature of this program ensured a greater level of trust. That is, employer bodies have a better understanding of the need of employers and would not, for example, place an unsuitable candidate into a workplace as it would reflect badly on them.¹⁷

Employer participation in the program ensures strong linkages to the workplace and upfront commitments to provide work experience.

Intensive pre-employment support for all Stream C jobseekers, consistent with resourcing for the Transition to Work program, and coupled with structured work experience, will boost employment outcomes for these jobseekers.

Funding considerations

Costs will be dependent on employer participation in the program. It is anticipated that program costs will be partially offset by National Work Experience Programme and Employment Fund

¹⁷ Tasmanian Chamber of Commerce and Industry (2015). *Employer Validated Work Readiness Project Final Report*. September 2015.

payments.¹⁸ This will need to be negotiated with the Department of Jobs and Small Business. The trial will target 75-100 job seekers for participation in the Work Readiness program.

Summary

7. Work readiness and work experience

- The successful TCCI Employer Validated Work Readiness program will be delivered as part of the new model
- The Employer Validated Work Readiness program will be aligned with the existing National Work Experience Program

8. Tailored services for employers – industry specialisation

The success of any public employment services system is dependent on its ability to attract and retain employers. There is scope to increase employer engagement in the public employment services system. Figure 1 shows that the proportion of recruiting employers using public employment services providers fell from 8 per cent in 2011 to under 4 percent in 2014. In 2018 the proportion sits at 4 per cent. Under 2 per cent of employers, surveyed in the development of this model, identified public employment services as a preferred recruitment method.¹⁹

Specialised industry employment consultants

Tailored services are required to increase employer participation and satisfaction with the system. This can be achieved through the provision of industry specialisation – skilled employment consultants that have expertise in and focus on a particular industry. Focus industries will be determined by a local labour market assessment, including industry employment levels, projected employment growth and recruitment activity.

This element of the model is consistent with the idea of providing tailored recruitment services for employers identified in the Australian Government’s discussion paper. Skilled recruitment consultants with a focus on specific industries will provide employers with advice on a range of services, including financial incentives, pre-employment, work experience, and post placement support. These consultants will also screen potential candidates and make referrals. With their industry knowledge and focus on providing a high quality service, employers can be confident that their time will not be wasted with inappropriate referrals.

The trial will include the appointment of two industry specialists for an initial period of eight months. The target industries will depend on the region selected for the trial. The data displayed at Appendix A suggests that target industries will likely include Construction, Health Care and Social Assistance, and Agriculture. Large employers and industry associations will be contacted to explore potential secondment arrangements.

¹⁸ Payments are made available for providers and host businesses to encourage take up of the program. \$300 incentive payment for host businesses. \$400 outcome fee per completed placement of at least two weeks for jobactive and Transition to Work providers.

¹⁹ Tasmanian Chamber of Commerce and Industry (2018). *Alternative to jobactive: Tasmanian Trial, Research and Consultation Report*. August 2018

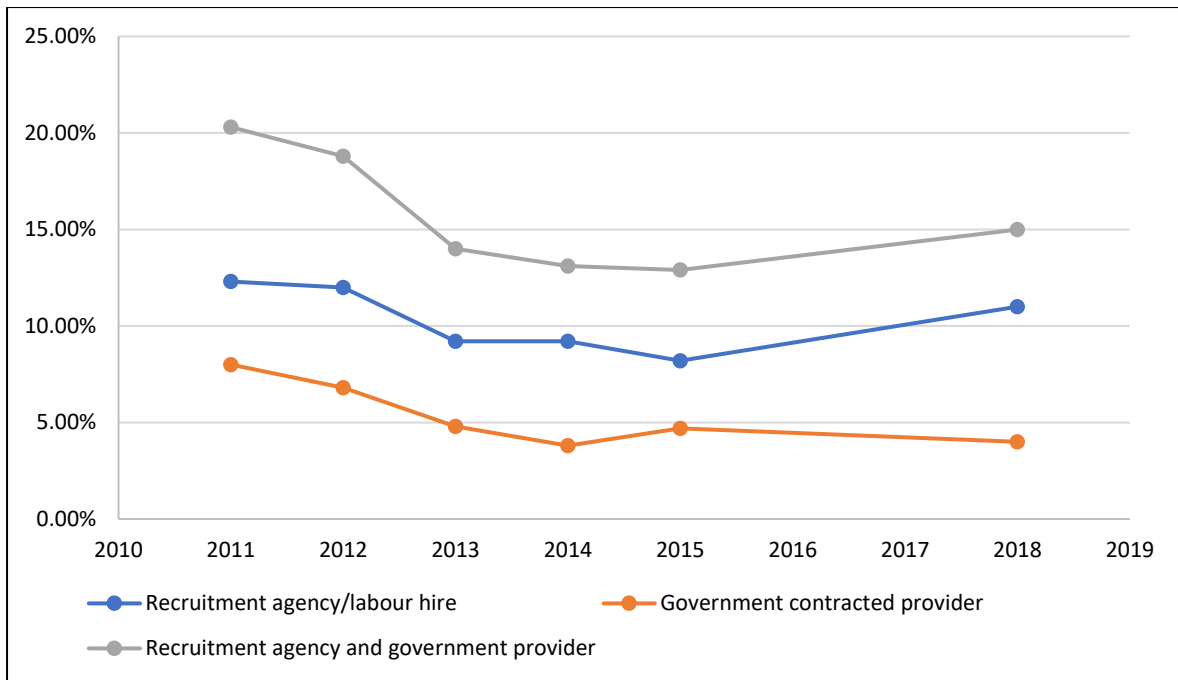


Figure 1: Proportion of recruiting employers in Australia that use a recruitment firm or employment provider (NOTE: data for 2016 and 2017 was not publicly available). (Source: Department of Jobs and Small Business; KPMG)

This approach aims to reflect the benefits of specialised industry recruitment services, as identified by KPMG (2016):

- Develop an in-depth knowledge of their industry specialisation. This includes understanding the needs and challenges of employers, the types of roles that exist and attributes that candidates will require to successfully perform the role.
- Recruit staff with the necessary skills, qualifications and other attributes to effectively service their clients. For example, a different staffing profile is required for blue-collar jobs, compared to white collar, compared to technical IT specialists, compared to Executive positions. In addition, some recruitment agencies will recruit staff from industry to train as recruiters, to bring deep industry knowledge to both employers and candidates.
- Recruiters are able to build a network of candidates with the relevant industry skills and experience. As a result, recruiters can target their effort at a particular candidate cohort and potentially place the same candidate with multiple employers within the one industry.
- Greater experience and larger pools of candidates provide more contacts and a wider network to call on for future recruitment processes. Those unsuccessful candidates may be suitable for future processes.²⁰

Local networking opportunities

The range of recruitment methods used by employers emphasises the need for job seekers to use a variety of job search strategies to avoid missing out on employment opportunities. Roughly 40 per cent of roles are not advertised and advertised roles can attract large numbers of applications.

²⁰ KPMG (2016). *The Australian Recruitment Industry: A comparison of service delivery*. August 2016. Commissioned by the Australian Government.

Employers rely on existing contacts, networks and 'word of mouth' to fill other vacancies. These methods are more common in regional areas.

jobactive clients who experience disadvantage are unlikely to have the same access to industry and community networks. Employers interviewed as part of this research expressed support for measures to create networking opportunities for job seekers, such as industry networking evenings where individuals can learn about local industries and meet employers in person.

Over the trial period the Local Employment Board will commission 8 networking events for job seekers and employers. Employment consultants will track the progress of job seekers who attend the events and report on any outcomes resulting from networking activities.

Financial incentives

Employers suggested that financial incentives could offset some of the early challenges associated with taking on an individual who has been long term unemployed. However, wage subsidies are no substitute for placing a well-suited candidate. Evidence shows that wage subsidies are effective for particular cohorts of job seekers if the subsidy is appropriately designed. Wage subsidy programs increase the employment rate of participants and can result in better long-term employment outcomes for participants.²¹

Cost savings can be achieved by targeting and prioritising incentives for employers who participate in pre-employment and job readiness programs and who provide work experience opportunities. Wage subsidies will be targeted to job seekers who will benefit most – those unlikely to secure employment without a subsidy. The trial will limit wage subsidy payments for Stream C clients. Better targeting will reduce dead weight outcomes. Employers will also be provided with full information about the range of support services available in an easy to access format. This information will be provided as part of the initial specialised industry service

Post placement support

The industry employment consultants will provide post placement support for job seekers who have successfully secured employment. This service will include any support required by employers. The industry employment consultants will visit workplaces at one month, three month and six month intervals to monitor progress and assist with any challenges. The employer and job seeker will have the option of contacting the industry employment consultant outside of these check-in periods if additional support is required.

Supporting employer capability

Many small businesses can struggle with recruitment processes, human resources requirements and meeting regulatory obligations. This can result in barriers for job creation and limit business growth. The Local Employment Board will consider the scope to incorporate additional services for small businesses in the broader context of local economic development.

Supporting employer capability is particularly important for the facilitation of more work placement and work experience opportunities for job seekers. Some effort is required by employers to create meaningful and structured work experience.

²¹ Tasmanian Chamber of Commerce and Industry (2018). *Alternative to jobactive: Tasmanian Trial, Research and Consultation Report*. August 2018

These findings are consistent with the Derwent Valley workforce scan that recommends a 'Jobs Bank Trial'. The trial would involve employers undertaking the following:

- Participating in a program to build capability
- Engaging with the program with the view to creating jobs
- Receiving human resources and workplace relations support and advice
- Receiving support to facilitate employment outcomes
- Engaging with a regional broker who will work with stakeholders to match businesses with the right job seekers and ensure appropriate levels of job readiness²²

In the first instance, small businesses will be provided with all relevant information about existing State and Commonwealth programs. All relevant information for employers should be presented in an easy to access format as part of new online resources to be developed through the reform of employment services.

This service will integrate well with employers' existing recruitment activities and approaches, and maximise local opportunities for local jobseekers. A more tailored and consistent service offering for employers will increase employer confidence and use of employment services.

Industry employment consultants will screen potential candidates and make referrals. With their industry knowledge and focus on providing a high quality service, employers can be confident that their time will not be wasted with inappropriate referrals.

Financial incentives will be better targeted, enhancing sustainable employment outcomes.

Funding considerations

It is proposed that the two specialist industry employment consultant costs be covered as part of the initial grant payment. The eight networking events will also be covered by the grants and managed by the Local Employment Board.

Summary

8. Tailored services for employers – industry specialisation

- Two industry employment consultants to service specific industries – site visits and continuity of service
- Eight local networking events for employers and job seekers
- Financial incentives to be prioritised for employers that participate in pre-employment programs and the most disadvantaged job seekers
- Employment consultants to provide post placement support for employers and job seekers
- The Local Employment Board will explore options to support small businesses in creating employment opportunities through capability enhancements

²² Tasmanian Chamber of Commerce and Industry (2018). *Tasmanian Employment Partnership: Derwent Valley workforce scan*.

9. Reporting, monitoring and evaluation

The Tasmanian trial will measure the employment outcomes generated in a region where local communities have responsibility at a strategic level. More specifically, it will measure the Local Employment Board approach against other approaches around the country. It will also evaluate the effectiveness of the Local Employment Board approach in addressing barriers to employment and building strategic relationships.

The Local Employment Board and Local Employment Manager will develop a reporting framework for agreement by the Department of Jobs and Small Business. The Local Employment Board will submit monthly progress reports during the course of the trial. The reports will be prepared by the Local Employment Project Manager, approved by the Board and submitted to the Department of Jobs and Small Business.

Reporting will capture both qualitative and quantitative information. Reports will include data such as:

- Count of job placements
- Proportion of job-seekers employed three months following participation
- Proportion of employment consultant appointments attended
- Count of work experience placements and proportion of employment outcomes resulting from work experience
- Count of job seekers successfully completing the work readiness program
- Count of employers participating in trial activities
- Level of employer satisfaction with services

The Local Employment Board will collect feedback from job seekers about the impact of different physical environments on their motivation levels and receptivity to services provided.

The Tasmanian trial will measure the impact of a comprehensive face-to-face assessment process that identifies an individual's needs, strengths and goals. This could then be measured against an online assessment process.

Evaluation

The Tasmanian trial will evaluate the retention and job satisfaction experienced by employment services staff. It will also measure the outcomes from individualised, face-to-face service and compare it to the outcomes being generated in the Online Employment Services Trial that is currently underway.

Evaluation will focus less on volume based outcomes, such as job seeker mutual obligation activities, and more on measures that add value and improve employment outcomes. For example, reporting and final evaluation will focus on job seeker and employer satisfaction with the system.

Comparative tools will be used as part of the evaluation. The final evaluation will include a randomised survey of unemployed people with 50% participating in the trial and 50% receiving standard service.

The Local Employment Board will be responsible for establishing a clear monitoring and evaluation plan. The plan will be used to shape MOU agreements and provider contracts. The monitoring and evaluation plan will include:

- project objectives that are measurable
- partner organisation interests/views
- links to trial objectives, activities and measures and how/who and when these measurements will be taken during the trial
- how baseline data will be collected and incorporated
- what success would look like
- risk management strategies
- a communication strategy that takes account of local stakeholders

Summary

10. Reporting, monitoring and evaluation

- Monthly activity and performance reports to be prepared by the Local Employment Manager, approved by the Local Employment Board and submitted to the Department of Jobs and Small Business.
- Quantitative and qualitative data to be captured and reported
- The Local Employment Board will be responsible for establishing a clear monitoring and evaluation plan Financial incentives to be prioritised for employers that participate in pre-employment programs and the most disadvantaged job seekers
- Comparative tools will be used as part of the evaluation.

APPENDIX A – Regional employment snapshots for the two Employment Service Regions in Tasmania [ABS Employment Regions Data]

North and North Western Tasmania – employment region snapshot

The current unemployment rate in North and North Western Tasmania is 6 per cent, higher than the national rate of 5.4 per cent. The jobactive caseload in this region is 11,010, including 2,318 youth (15-24) and 3,264 mature age (50+) jobseekers.

Table 1: jobactive Caseload Cohorts for North and North Western Tasmania (Source: ABS Employment Regions Data 20180831)

Employment Region	Caseload Total	Female	Youth (Under 25)	Mature Age (50+)	Indigenous	People with Disability	Refugee
North and North Western Tasmania	11,010	5,267	2,318	3,264	1,082	2,709	436

Figure 1 shows the employment distribution by industry for North and North Western Tasmania compared to the distribution across the State. North and North Western Tasmania has a higher employment distribution in Retail Trade; Manufacturing; Agriculture, Forestry and Fishing; Mining; Transport, Postal and Warehousing; and Rental, Hiring and Real Estate Services.

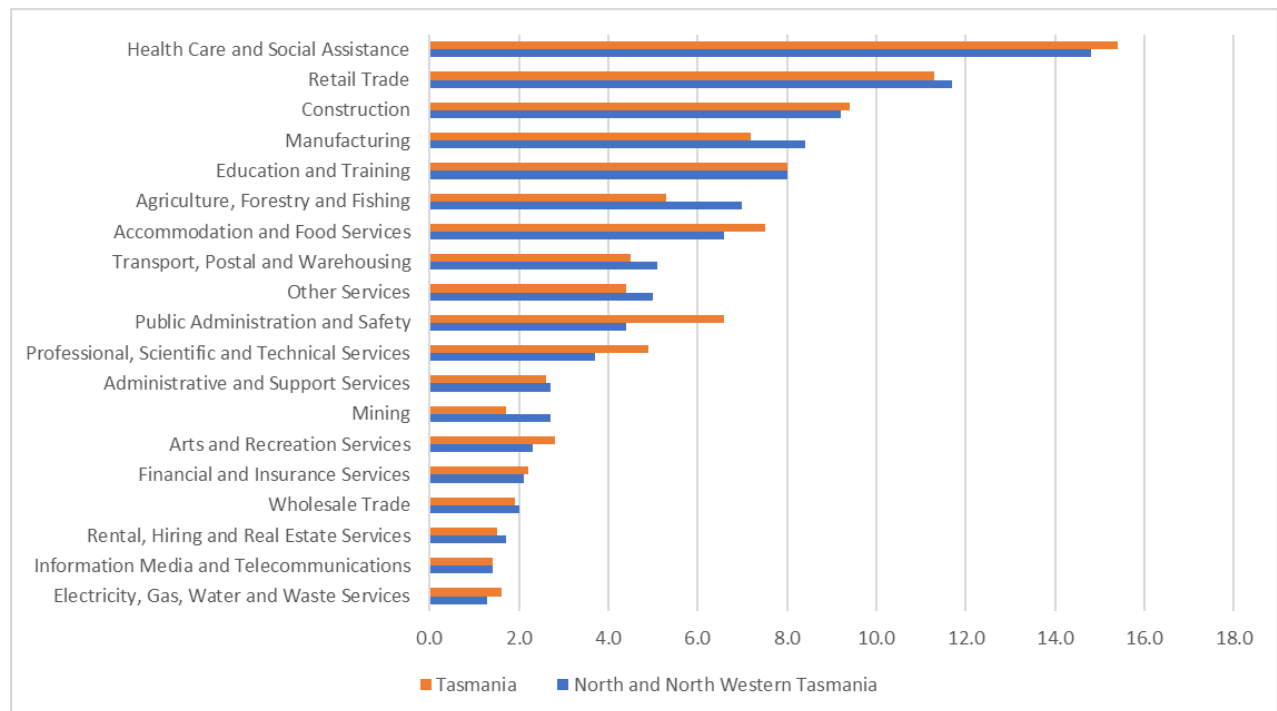


Figure 1: Employment distribution by industry (%) for North and North Western Tasmania compared to Tasmania, May 2018 (Source: ABS Labour Force Survey 2018)

Figure 2 shows the projected employment growth by industry in North and North Western Tasmania to May 2022. Strong growth is expected in Health Care and Social Assistance (17 per cent); Administrative and Support Services (10.2 per cent); and Accommodation and Food Services (6.6 per cent). Other large employing industries are also expecting growth, such as Construction (3.4 per cent) and Retail Trade (4.8 per cent).

Employment in the Agriculture, Forestry and Fishing and Electricity, Gas and Waste Services industries is projected to decline (-6.1 per cent and -6.9 percent respectively).

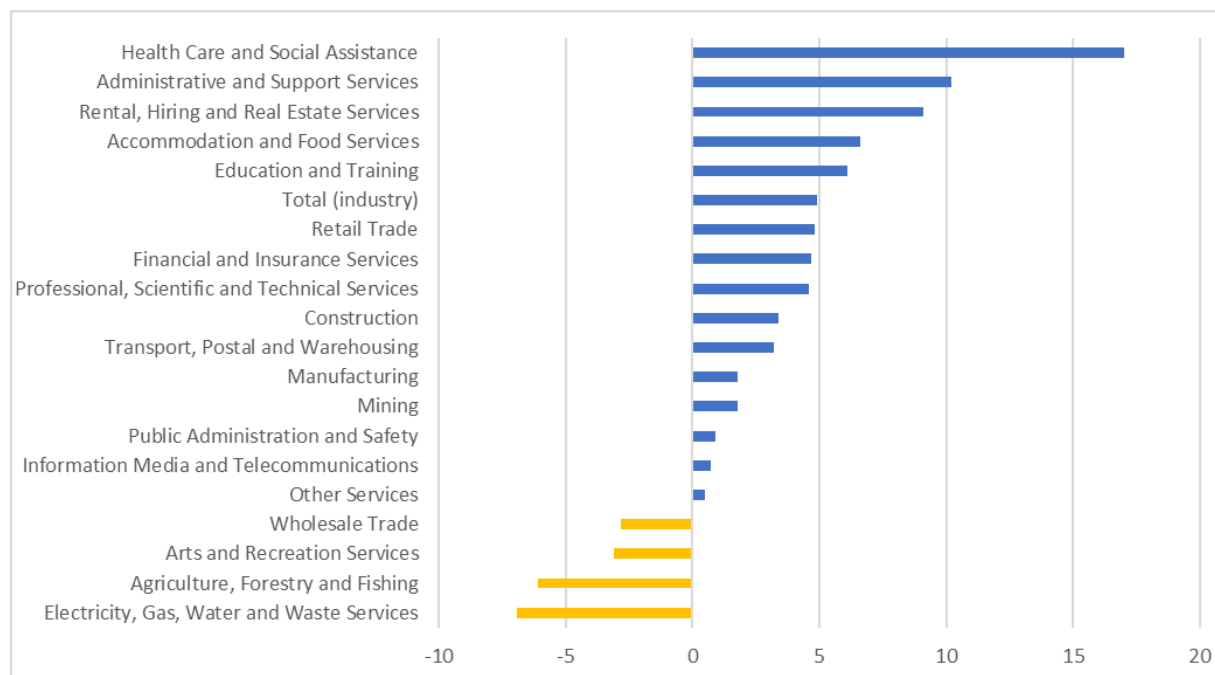


Figure 2: Projected employment growth (%) North and North Western Tasmania - five years to May 2022 (Source: ABS Labour Force Survey 2018)

Hobart and Southern Tasmania – employment region snapshot

The current unemployment rate in Hobart and Southern Tasmania is 6 per cent, higher than the national rate of 5.4 per cent. The jobactive caseload in this region is 9,196, including 2,108 youth (15-24) and 2,202 mature age (50+) jobseekers.

Table 2: jobactive Caseload Cohorts for North and North Western Tasmania (Source: ABS Labour Market 20180831)

Employment Region	Caseload Total	Female	Youth (Under 25)	Mature Age (50+)	Indigenous	People with Disability	Refugee
Hobart and Southern Tasmania	9,196	4,378	2,108	2,202	953	2,554	449

Figure 3 shows the employment distribution by industry for Hobart and Southern Tasmania compared to the distribution across the State. Hobart and Southern Tasmania has a higher employment distribution in Health Care and Social Assistance; Public Administration and Safety; Accommodation and Food Services; Education and Training; and Professional, Scientific and Technical Services.

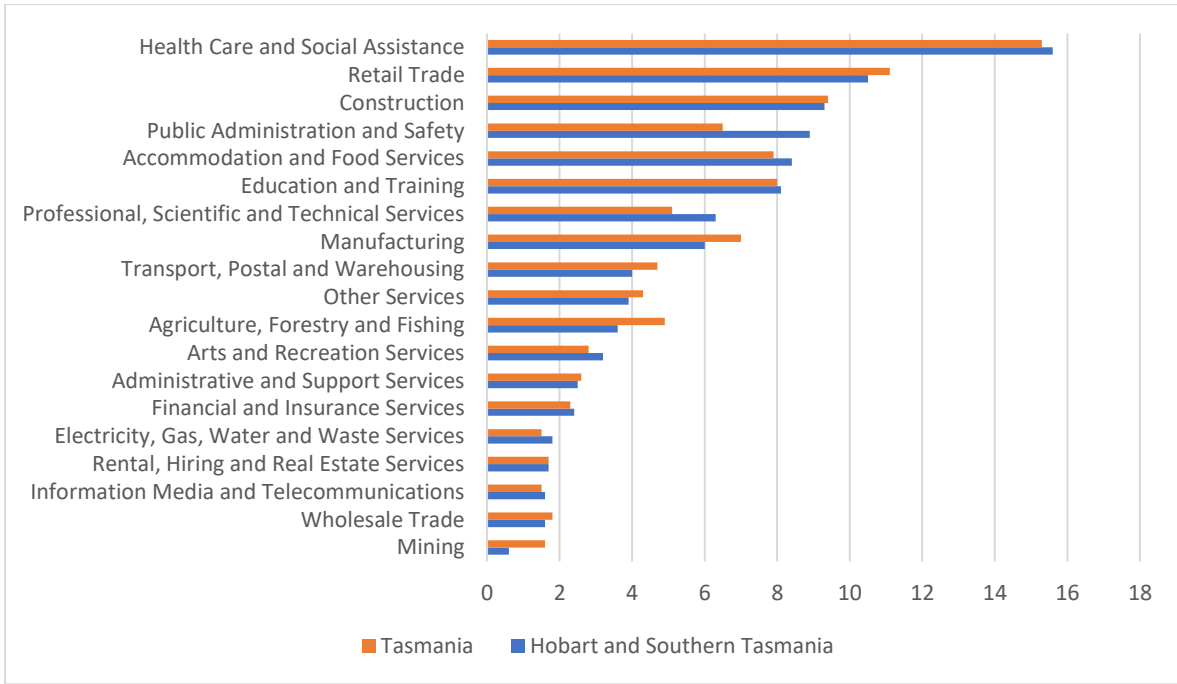


Figure 3: Employment distribution by industry (%) for Hobart and Southern Tasmania compared to Tasmania, May 2018 (Source: ABS Labour Force Survey 2018)

Figure 4 shows the projected employment growth by industry in Hobart and Southern Tasmania to May 2022. Strong growth is expected in Health Care and Social Assistance (15.2 per cent); Agriculture (9.4 per cent); Accommodation and Food Services (9.1 per cent); Administrative and Support Services (8.3 per cent); and Professional, Scientific and Technical Services (8.3). Employment in Manufacturing is expected to decline by 5.3 per cent.

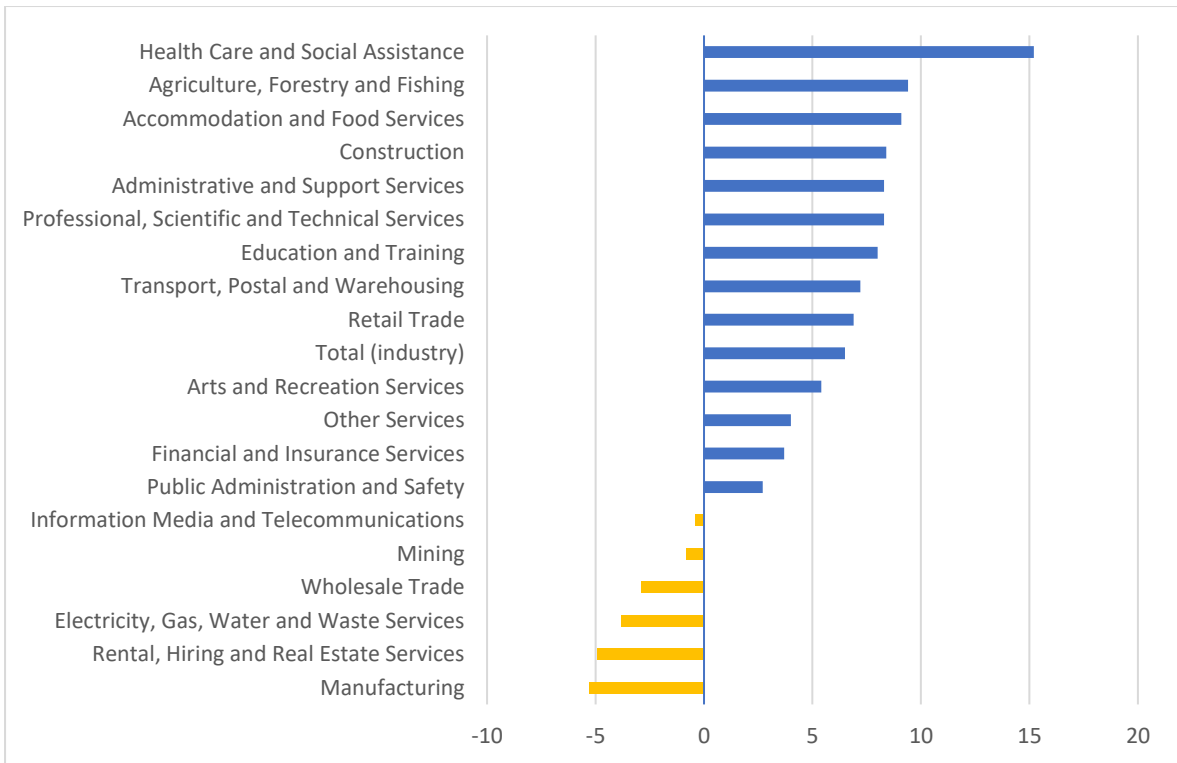


Figure 4: Projected employment growth (%) Hobart and Southern Tasmania - five years to May 2022 (Source: ABS Labour Force Survey 2018)

APPENDIX B - Payment and Outcome Performance Target Guideline for the Transition to Work Program

Providers are paid Upfront Payments for each funded Place

A Provider is paid \$5480 per year for each funded Place specified in the Deed. These Upfront Payments are paid in quarterly instalments of \$1370 per Place at the start of each Financial Quarter. The first payment was calculated pro-rata for each day of the first Financial Quarter. (Deed References: Clause 106, Annexure B1)

If a Provider is allocated additional Places

If a Provider is allocated additional Places during the term of the Deed, the Upfront Payments will be made to the Provider from the start date of the additional Places. The Upfront Payments for additional Places will be paid with Upfront Payments for the original Places. If the additional Places start part-way through a Financial Quarter, the first Upfront Payment will be calculated pro-rata for the balance of that Financial Quarter and paid when the additional Places start. (Deed References: Clauses 96, 106, Annexure B1)

If a Provider's number of funded Places is reduced

If a Provider is notified that their number of funded Places will be reduced, the Provider will be paid Upfront Payments for the revised Places from the start of the next Financial Quarter. (Deed References: Clauses 20, 52, 92, 96, 105, 106)

Payment of Bonus Outcomes is based on Outcome Performance Targets

Annual Outcome Performance Targets are the outcome benchmark for each Provider

Providers are required to achieve an agreed number of Outcomes (excluding PaTH Internship Outcomes and Sustainability Outcomes) each year, which is known as a Provider's annual Outcome Performance Target.

The annual Outcome Performance Target is calculated separately for each of the 51 Employment Regions to account for variations in labour market conditions.

The annual Outcome Performance Target for each Provider will be regularly reviewed in line with labour market changes and other local issues that impact the demand for Transition to Work services.

In exceptional cases, such as major structural adjustment in the local labour market, the Department will consider adjustments to the annual Outcome Performance Target as close to real-time as possible.

The Department may look to change the number of funded Places in an Employment Region and, hence, the Outcome Performance Targets for the affected Provider(s) where there is a different-from-expected demand for services. (Deed Reference: Clause 105)

Annual Outcome Performance Targets are split over Financial Quarters

To operationalise the annual Outcome Performance Target, the Department has set an Outcome Performance Target for each Financial Quarter to allow Providers to receive Bonus Outcome Payments throughout the year. The first quarterly Outcome Performance Target was set for the period 1 April 2016 – 30 June 2016.

Providers that achieve Employment, Education or Hybrid Outcomes (excluding PaTH Internship Outcomes and Sustainability Outcomes) in a Financial Quarter above their quarterly Outcome Performance Target will receive a Bonus Outcome Payment for every Outcome achieved in the quarter above their quarterly Target.

Bonus Outcome Payments for Outcomes above the quarterly Outcome Performance Target

A Provider is paid a Bonus Outcome Payment of \$3619 for each Employment, Education or Hybrid Outcome achieved in the quarter above their quarterly Outcome Performance Target. Employment, Education and Hybrid Outcomes are defined in the Vacancies and Outcome Guideline.

Providers will be paid as each Bonus Outcome is achieved and claimed but must claim each Outcome in accordance with the Vacancies and Outcome Guideline.

Bonus payments will continue to be paid for Outcomes achieved in the quarter, but claimed after that quarter. (Deed References: Clauses 104, 105, 107, Annexure B1)

Providers are paid Sustainability Outcome Payments for each Sustainability Outcome achieved

A Provider is paid a Sustainability Outcome Payment of \$3619 for each Sustainability Outcome they achieve regardless of their performance against the Outcome Performance Target.

Sustainability outcomes are defined in the Vacancies and Outcome Guideline.

Providers will be paid as the Sustainability Outcome is achieved and claimed but the Provider must claim each Outcome in accordance with the Vacancies and Outcome Guideline. (Deed References: Clauses 104, 105, 107, Annexure B1)

APPENDIX C: Local employment snapshot West Tamar

Table 1: Unemployment in West Tamar 2018 (Source: ABS Labour Force September 2018)

Quarter	Unemployed people	Local resident workers	Unemployment rate %
June 2018	457	12,122	+3.77
March 2018	481	12,106	+3.97

Figure 1 shows that Education and Training (13.6%), Health Care and Social Assistance (12%), Retail Trade (11.7%) and Construction (9.2%) were significant employing industries in West Tamar in 2016. West Tamar has a higher employment distribution than the State average across a range of industries, including Retail Trade; Education and Training; Accommodation and Food Services; Construction; and Agriculture, Forestry and Fishing.

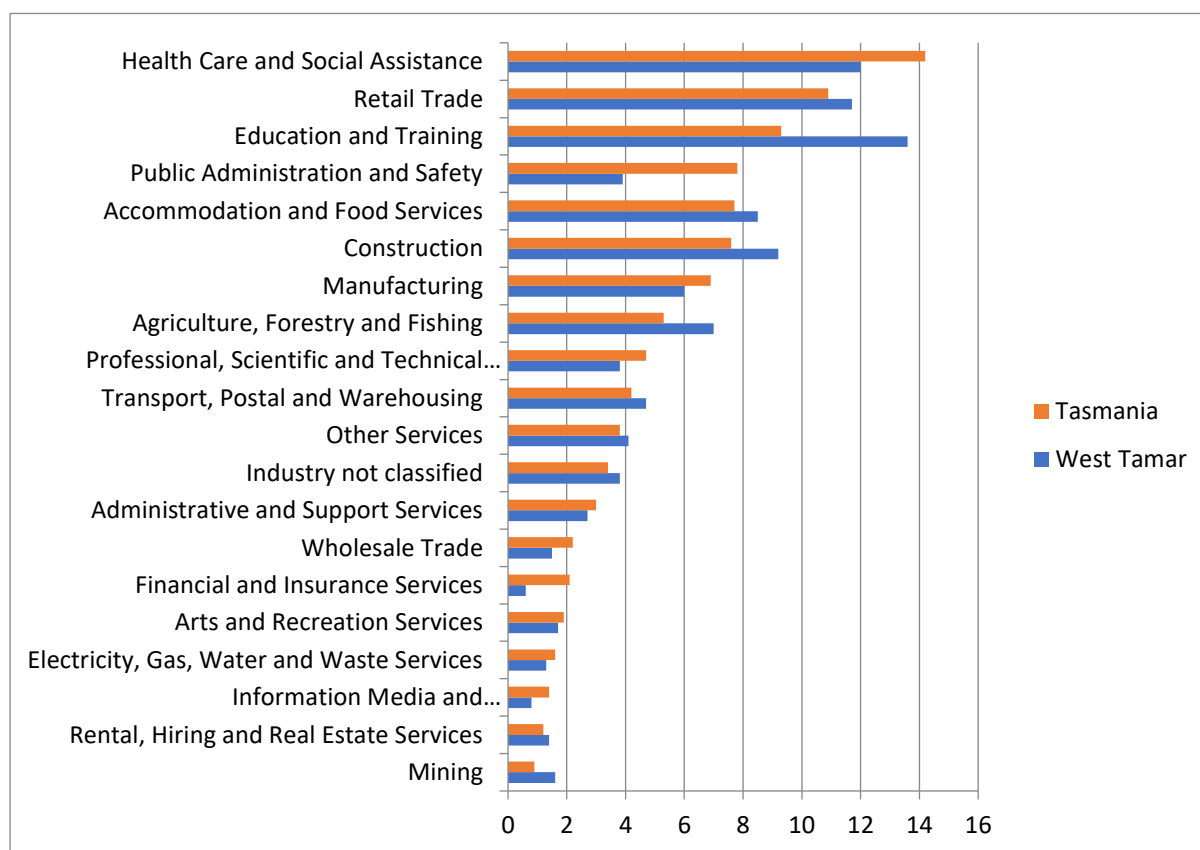


Figure 1: Employment by industry (%) in West Tamar 2016 (Source: ABS Census data 2016)

Alternative to jobactive Employment Model: Tasmania Trial
Joint proposal from the Tasmanian Chamber of Commerce and Industry (TCCI) and
Tasmanian Council of Social Service (TasCOSS)
Cost estimates based on 500 job seekers

	Description of Activity	Timeframe	Anticipated Costs
Place-based decision making			
Local Employment Board establishment	<ul style="list-style-type: none"> TCCI and TasCOSS set up committee and voting process for the Board including professional advice, Capacity building activities for Board members. Rent and outgoings. 	Board to be established by 1 March 2019	\$60,000.00
Local Employment Board fees*	<ul style="list-style-type: none"> Participation fees to be paid to each Board member 	50% of fee to be paid on commencement and 50% on completion	\$30,000.00
Appointment of Local Employment Manager**	<ul style="list-style-type: none"> Recruitment of a suitably qualified individual to manage the trial and support the Board. Salary, vehicle and oncosts 	Appointed as soon as possible and active for duration of the trial – to December 2019	\$150,000.00
Environmental scan-labour market analysis and mapping of services	<ul style="list-style-type: none"> The Board will commission an environmental scan to create an evidence base for decision making. 	March 2019	\$50,000.00
Mutual accountability			
Mutual accountability framework	<ul style="list-style-type: none"> Local Employment Board and Manager to develop framework 	April 2019	\$0.00 (Manager resource to deliver)
Mutual accountability workshop for employment consultants	<ul style="list-style-type: none"> Workshop planning and delivery 	June 2019	\$7,000.00
Licenses for local providers			
Local licensing feasibility research and evaluation	<ul style="list-style-type: none"> Local Employment Board and Manager to investigate process for establishment of licenses 	Report back in December 2019	\$0.00 (manager resource to deliver)
Skilled consultants, face –to-face services and robust assessments			
More intensive face-to-face support	<ul style="list-style-type: none"> Extend Transition to Work allocations for Stream C 	To be negotiated early	Cost implications to be explored with Dep Jobs and Small Bus
Employment consultants	<ul style="list-style-type: none"> Existing jobactive employment consultants to be selected to participate in the trial 	To be negotiated early	Any cost implications to be explored with Dep Jobs and Small Bus
Caseloads	<ul style="list-style-type: none"> Caseloads for each employment consultant to be limited to maximum of 70 	To be negotiated early	Cost implications to be explored with Dep Jobs and Small Bus
Professional development fund	<ul style="list-style-type: none"> Fund to be established to support participating consultants. Suitable training to be negotiated with RTO 	July 2019	\$20,000.00
Work readiness and work experience			
TCCI Validated work readiness program	<ul style="list-style-type: none"> Local Employment Manager to coordinate program in partnership with employers 	August 2019	It is anticipated that funding for participation of job seekers will be drawn from existing programs (Transition to Work funding)

Tailored services for employers – industry specialisation			
Two specialist consultants	<ul style="list-style-type: none"> Recruitment of two industry specialist consultants 	Appointed by end of March 2019	\$240,000.00
Networking events	<ul style="list-style-type: none"> Up to eight local networking events for employers and jobseekers – including feedback from participants and tracking 	Spread across the trial period	\$16,000.00
Financial incentives	<ul style="list-style-type: none"> Incentives to be targeted to those employers engaged in programs 	Spread across the trial period	Cost implications to be explored with Dep Jobs and Small Bus
Reporting, monitoring and evaluation			
Reporting and monitoring	<ul style="list-style-type: none"> Board and manager responsible for monthly reporting and monitoring 	Monthly report to Commonwealth	\$0.00 (Board and Manager resourcing)
	Total Grant		\$ 577,000.00
Enhanced servicing for Stream C jobseekers			
More intensive support for disadvantaged jobseekers	<ul style="list-style-type: none"> Transition to Work allocations to be extended to approximately 85 Stream C jobseekers 	To be negotiated early	\$ 465,000.00

*Based on \$3,000.00 participation fees for approximately 6-10 Board members.

**Including salary, vehicle and on-costs. The Manager will be located with an existing jobactive provider.