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# **Achieving sustainable outcomes for disadvantaged job seekers:** challenges for specialist providers under the current Job Services Australia contract

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Erica Flentje, Emma Cull, and George Giuliani



## Acknowledgements

Thank you to all the specialist employment service providers who responded to the survey *Job Services Australia: where to for specialist providers?* These responses have been invaluable in developing this report and providing us with the privilege of representing your views on what could potentially be improved in the JSA contract to the benefit of job seekers.

## About the project partners

Established in 1964, **Hanover Welfare Services** (Hanover) is a leading agency that provides a wide range of services to people experiencing homelessness or housing crisis. Hanover believes that homelessness is not merely a lack of shelter, but is also the loss of the normal supports of home: personal security, familiarity and an environment in which self-confidence and personal skills can develop. Hanover helps people overcome their housing crisis and build a sustainable future so they can live independently in the community.

**Melbourne Citymission** (MCM), established in 1854, is a non-denominational organisation that assists Victorians who are marginalised, at risk, disadvantaged, frail or denied access to services. MCM aims to build an inclusive community through personal and social transformation. The organisation work towards this by providing a range of support services to people across all life stages. This work reflects the organisation's interest in life transitions and the ways in which people can best be supported to achieve sustainable transformation in their lives.

**Jobs Australia** (JA) is the national peak body for non-profit organisations that assist unemployed people to get and keep jobs. Jobs Australia provides an independent voice for members who range from large charitable organisations to small local community-based agencies. Jobs Australia is the largest network of employment and related service providers in Australia and is funded and owned by its members.

Their mission is to contribute to a more equitable Australia by:

- representing community-based employment and related services organisations;
- strengthening the capacity of our members, and of the communities and individuals they serve; and
- promoting better understanding of the needs and interests of disadvantaged unemployed people.

Both Hanover and Melbourne Citymission are specialist JSA providers. Hanover is a specialist provider for job seekers experiencing homelessness, and Melbourne Citymission for disadvantaged young people. The survey content and analysis and the report however have been conducted by the Research Teams in Hanover and Melbourne Citymission, in consultation with Jobs Australia and not by the staff in the JSA teams within these organisations.

Should you have any questions about this report please contact:

Erica Flentje, Hanover	e: <a href="mailto:eflentje@hanover.org.au">eflentje@hanover.org.au</a>	p: (03) 9288 9804
Emma Cull, MCM	e: <a href="mailto:ecull@mcm.org.au">ecull@mcm.org.au</a>	p: (03) 8625 4476
George Giuliani, JA	e: <a href="mailto:george@ja.com.au">george@ja.com.au</a>	p: (03) 9349 3699

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# Report summary

## Key Findings

- **Specialist providers play a key role in JSA service provision to disadvantaged job seekers** through:
  - their specialist knowledge of, and expertise in addressing non-vocational barriers to employment; and
  - providing an integrated service that addresses non-vocational and vocational barriers to employment.
- **Developing and introducing more comprehensive measures for social outcomes linked to star ratings and reducing the administrative burden** are key changes to the contract that would enable specialist providers to achieve more sustainable and relevant outcomes for disadvantaged job seekers, by:
  - enabling more time to be spent with job seekers and;
  - recognising the process and key milestones in the transition to work of job seekers with significant employment barriers.
- **Training outcomes need to be measured more flexibly** to take account of:
  - the benefit many shorter training courses can provide;
  - the benefit of online training for people in more remote areas, and;
  - the challenges for job seekers with significant barriers to undertake full time study.
- **Increasing transparency of the way in which performance is measured and linked to the star rating system** to enable providers to more effectively manage their services.
- **Many suspended job seekers need to access appropriate support** while they are suspended from job search activities. This assists them to address barriers to employment and prepare them to move into work once they are off suspension.
- **The Job Seeker Classification Instrument and the way it is applied needs to be refined** to ensure more appropriate streaming of disadvantaged job seekers.
- **Business allocation to specialist providers creates challenges in relation to cash flow and minimal economies of scale.**

## Recommendations

It is recommended that:

1. Appropriate measures and payments for Social Outcomes be developed in consultation with the sector and recognised within the star rating system.
2. Increased flexibility is built into the way in which training outcomes are measured to take into consideration 6 month and part-time outcomes, as well as recognising appropriate online courses.
3. Greater clarity be provided around how the star ratings are calculated and the connection between the ratings and performance measurement.
4. Flexibility and funding be introduced to enable providers to support job seekers while on suspension to assist them in addressing any employment barriers and move into work once they're off suspension.
5. A more in-depth analysis of a sample of JSCI assessments is conducted to inform a refinement of the assessment process.
6. Centrelink referral processes be revised to acknowledge the benefits of specialist providers and ensure that where job seekers are known to have particular barriers, they are informed if there is a specialist provider in their area that has a specific focus on their area of need.
7. Referrals of job seekers to specialist providers better reflect their areas of speciality so that job seekers are able to benefit from more consolidated service delivery and that the government is able to benefit from leveraging of funding through dual service delivery.
8. Further examination is made of the rules and market share for specialist providers including a forum between specialists and DEEWR to determine what improvements could be made for the benefit of disadvantaged job seekers.

# 1. Introduction

## 1.1. Purpose of the report

This report provides evidence about the impact of the structure of the Job Services Australia (JSA) contract on specialist providers' capacity to meet the needs of disadvantaged job seekers. It also considers potential areas for improvement in the contract structure.

This report is presented in four parts:

1. Introduction to the purpose and methodology of the report
2. An overview of the challenges disadvantaged job seekers face in gaining employment and how JSA has been designed to meet these needs
3. Key results of the survey including: the unique strengths of specialist providers in assisting disadvantaged cohorts; the challenges specialist providers face under the current contract in providing effective sustainable solutions for disadvantaged job seekers; and potential opportunities for improvement.
4. Conclusion and recommendations

The survey questions and full results are presented as appendices at the back of this report.

## 1.2. Methodology

The findings documented in this report are based on a survey sent to all specialist JSA providers across Australia in November 2010 (see [Attachment 1](#)).

The survey was developed by the research teams in Hanover, Melbourne Citymission and Jobs Australia to gather providers' views on the contract and what challenges, if any, they had been experiencing in providing support to job seekers. The survey was completed via an online survey collection tool. All responses were completely anonymous

Of the 60 specialist providers across Australia, 26 completed the survey providing a 43 percent response rate. All specialities were represented with the majority (41 percent) being youth specialists followed by Indigenous specific services (33 percent).

## 2. Disadvantaged job seekers and JSA

### 2.1. What do we mean by disadvantaged job seekers?

Job seekers face varying challenges in gaining employment. Some simply need to find the right role or to upgrade their skills in a particular area. However, others face significant and often multiple barriers to employment ranging from reduced confidence and lack of work experience to mental or physical illness, significant financial difficulty, language difficulties and homelessness.

The types of barriers to employment disadvantaged job seekers face can be categorised into structural and personal. Structural barriers include intergenerational poverty, lack of affordable housing, limited educational opportunities, lack of appropriate employment opportunities and employer attitudes. Personal barriers include: family breakdown; experiences of violence; neglect or trauma; low levels of formal education complex health needs related to mental illness; disability and substance abuse. Most experience a number of these barriers simultaneously.

A recent report by the Nous Group places job seekers into two broad categories: short-term (up to 12 months) and long term (greater than 12 months). Long term job seekers typically having the following characteristics:

- Limited skills, including limited or no work experience or education, and low literacy and language skills
- Low engagement: including low motivation, self esteem and confidence
- Significant barriers: including health problems (possibly undiagnosed), homelessness, substance and financial issues<sup>[1]</sup>.

While there is a broad agreement that job seekers face different levels of disadvantage and require different levels of support in order to get and keep a job, there is conflicting evidence about the types of support that is best placed to move people from welfare into work, particularly for those experiencing significant disadvantage. Some argue that those experiencing multiple and interacting barriers to employment require *support-first* approaches where intensive support that is not connected to employment preparation is provided before moving people into job search. This approach was offered under the previous Personal Support Program (PSP). Others propose *work-first* or employment-focused support, such as rapid work placement. As such timely connection to work is considered a pivotal part of recovery or reduction in disadvantage (Perkins 2007, Kemp and Neale 2005, Parkinson and Horn, 2002). There is also evidence that suggests that some disadvantaged job seekers need a “ladder” approach to help them into work. The “ladder” for some may be needed for several years as they move in and out of jobs, education and training in an effort to build a portfolio of skills<sup>[2]</sup>.

A system that allows a flexible and multifaceted approach in working with disadvantaged job seekers facilitates appropriate responses to the specific needs of the job seeker, rather than imposing a one size fits all approach. While some disadvantaged job seekers will benefit from a work first approach with

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<sup>[1]</sup> Nous Group, *The evolution of the Job Services Australia system*, December 2010, pg 7

<sup>[2]</sup> Prime Minister's Youth Pathways Action Plan Taskforce 2001, *Footprints to the Future: A report from the Prime Minister's Youth Pathways Action Plan Taskforce*, pg 93.

intensive post-placement support, others are not ready or able to participate in the labour market until they have addressed other barriers to employment.

## **2.2. How is JSA designed to assist disadvantaged job seekers?**

In 2008 the Australian Government announced a change to the way employment support programs were provided. The new Job Services Australia (JSA) commenced in July 2009 after an extensive tender process and has now been operating for 18 months. It represents an amalgamation of a number of former employment contracts into one, including JobNetwork, and the specialist support programs for disadvantaged job seekers, particularly Job Placement Employment and Training (JPET) and Personal Support Program (PSP).

In order to provide for the needs of all job seekers, JSA includes four different streams that cater for those who are job ready (Stream 1) through to those with significant barriers to work (Stream 4). The streamed approach provides recognition that job seekers experiencing disadvantage require additional services, support, time and flexibility in order to find and maintain employment.

In addition to this, the Government established a role for 'specialist providers' to provide for particularly disadvantaged groups of job seekers including:

- young people;
- people experiencing homelessness;
- people from diverse language backgrounds;
- people with mental illness;
- people from Indigenous backgrounds; and
- people with a disability<sup>[3]</sup>.

The integration of the PSP and JPET programs into the JSA contract signalled a move to streamlining the delivery of employment services for all job seekers. Rather than moving people between different programs, the contract allows for a balanced and appropriate service for job seekers, including those facing significant barriers to employment. This is preferable to confining individuals to either a welfare or work-first approach.

The diversity of service and service providers within the one system is a key strength of the current contract. The service streams aim to provide for varying levels of need while specialist providers are able to provide for particular cohorts of job seekers and have significant experience in working with and achieving outcomes for disadvantaged job seekers.

While the intention to provide proportionately more support for disadvantaged job seekers is clear within the current contract, the extent to which providers are able to achieve employment outcomes while still meeting compliance requirements and maintaining financial viability is less clear. As such it is appropriate, mid way through the first phase of the JSA contract, to examine the extent to which the contract has enabled specialist providers to operate in a way that benefits those job seekers that they were engaged to support and to ensure that the contract is realising the government's vision for integrated and personalised service delivery for diverse groups of job seekers.

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<sup>[3]</sup> DEEWR website: <http://www.deewr.gov.au/Employment/JSA/EmploymentServices/Pages/specialistServices.aspx>



## 3. Survey findings

### 3.1. Strengths of specialist providers

Specialist providers were established under JSA to support particular groups of job seekers who face significant disadvantage in the labour market and require specialised support to find and keep a job. They create a more diverse service offering in employment services enabling the market to meet the needs of a wide range of job seekers.

As part of the survey, respondents were asked to indicate what, if anything, they believed they could provide to job seekers that a generalist provider may not be able to. The most frequent responses included:

- a strong understanding of the barriers faced by the specialist group;
- the provision of specialist case workers, case managers, counsellors to address these barriers;
- an ability to provide an integrated service response through links to both internal organisational services and as well as relevant external networks that address non-vocational barriers in addition to employment and education support.

#### *Understanding Barriers*

While all providers work with job seekers experiencing disadvantage, many respondents noted that specialist providers are able to bring a specific understanding of the barriers faced by particular population groups and the different ways in which these can impact on people's capacity to engage with the labour market.

*Greater understanding of the specific issues, challenges and opportunities involved in being young and connections to a range of youth support services.*

*Local Indigenous staff that can talk with the clients knowing their family, situation and what in reality can be offered to fix the situation*

Length of unemployment is not necessarily the most important feature in identifying who may be facing significant barriers to employment. It is not only those who are long term unemployed who may be facing significant barriers to employment. An individual may be recently unemployed as a result of the onset of a mental illness or some form of housing crisis, either of which need to be addressed to enable the job seeker to get back into employment.

In most cases a disadvantaged job seeker will present with multiple and inter-related barriers to employment. As an example, a job seeker that is homeless may have a mental illness, significant financial difficulties and family breakdown. The experience of homelessness can also *cause* issues such as poor mental health and substance use.<sup>1</sup>

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<sup>1</sup> Taylor, M (2006) 'Homelessness, Mental Health and the Law', paper presented at the Lock 'Them' Up? Disability and Mental Health Aren't Crimes Conference, Brisbane, 17 – 19 May 2006

### *Specialist Staff*

A large number of respondents also identified the provision of specialist staff as a key strength of specialist providers. This includes specialist case workers, counsellors and psychologists, as well as reverse marketers and trainers, who are able to cater for the variety of barriers their job seekers may experience in getting into employment.

Respondents also reported that they employ case workers with experience in working with particular population groups. This means that caseworkers are able to employ specific techniques in working with particular population groups in order to get the best outcomes.

*We provide professionally trained staff delivering assessment and counselling skills as well as expertise in case managing disabled job seekers from a variety of backgrounds.*

Another example noted in a case study relates to the fact that many young people have a poor understanding of the way in which JSA and Centrelink work and as a result are reluctant to disclose information that could help direct the level and type of support that they receive. As such, staff experienced in handling youth issues are necessary in order to develop trust and rapport with young people to ensure that the support they do receive is relevant and effective.

### *Sectoral Knowledge and Integrated Service Delivery*

Survey respondents noted that having a wider understanding of the service system and of the needs of specific groups of job seekers provides specialist agencies with a greater capacity to work with the job seeker to design an appropriate Employment Pathway Plan.

*We are aware of the barriers and trying to get these addressed in the remote communities and trying to make government agencies aware they don't have a lot of services e.g. Health*

By combining program offerings, job seekers benefit not just from a more comprehensive service, but the knowledge transfer between programs results in better overall service delivery and a balance between economic and social imperatives.

*Knowledge of support / resources available to new arrivals. Employers gain education of the barriers new employees (new arrivals) face (supporting long term sustainable employment / no surprises)  
Relationship with LLN providers. Multi-Lingual staff, Community involvement, social inclusion.*

The government also benefits from an integrated service response through providers effectively leveraging funding from various program areas to get the best outcomes. For someone experiencing homelessness, for example, the barriers to housing and to employment are generally the same and it means that organisations can implement a coordinated response to address both issues.

### *Commitment to Sustainable Outcomes*

Many respondents also claimed that they spent more time with job seekers than generalist providers and that they worked more closely with individuals to provide long term and sustainable solutions to barriers.

Some respondents felt that that specialist providers work with the most difficult cases, which require long term support and assistance.

*As a specialist provider we not only focus on the employment, but also on non-vocational services. Something our competitors (generalists) cannot comprehend or achieve. Our in-house service of qualified allied health professionals – psychologists, career counsellors etc – are second to none. Having worked for a generalist provider who transfers the hard cases to the likes of our services, they will never match the service we provide to our high needs streams 3 and 4 clients.*

*Staff who are understanding of the job seeker's barriers and who are willing to work with the job seeker, rather than 'park' them on the caseload – if we did that we would have no-one to work with.*

Specialist providers are utilising specialist knowledge and expertise to achieve results for particular cohorts of disadvantaged job seekers. Achieving results for the most disadvantaged job seekers requires additional time, resources and expertise, which in turn requires greater flexibility in funding, compliance and outcomes measurements.

The next section of this report looks at the challenges that specialist providers face in achieving outcomes and suggests a number of changes to the contract which would improve specialist providers' capacity to achieve successful outcomes for these cohorts.

## 3.2. Challenges and opportunities for improvement

### 3.2.1. Performance Measurement

The JSA contract performance measurement and the star rating system drive the way in which services are delivered to job seekers, as well as the ways in which funding and job seekers are allocated to providers.

Key Performance Indicators (KPI) currently relate to the proportion of employment outcomes that a provider achieves and the speed at which they are achieved. These measures contribute to a provider's overall star rating. Without a good star rating, providers are at risk of losing business both from individual job seekers selecting higher rated providers and from the DEEWR business re-allocation processes.

A third KPI has been progressively introduced into the contract, which relates to engagement with job seekers. This is measured through the speed of contact with the job seeker and at which an Employment Pathway Plan is developed, the detail contained in the plan and the frequency of contact with the job seeker. This KPI does not contribute to star ratings however, is considered in future allocations of business<sup>2</sup>.

It is therefore critical that the performance measurement and star rating systems are accurate, transparent and target all areas that are important in achieving sustainable employment outcomes for job seekers.

Survey respondents were asked about what some of the challenges are with the current star rating and performance measurement system. Key responses included:

- Failure to adequately recognise social outcomes;
- Balancing the needs of the jobseekers with the needs of achieving good star ratings and maintaining financial viability;
- Difficulty in making sense of the rating system and interpreting the data to get a reliable measure of progress against the stars – can't manage it if you can't count it;
- Limited capacity to distinguish between what can be achieved in more remote areas compared with bigger regional areas;
- An overly complicated system that lacks transparency.

When asked what could be improved, respondents indicated:

- Greater recognition of social outcomes within the star rating system;
- Training outcomes measured at 6 monthly intervals;
- Provide recognition in the star ratings for engaging job seekers who were previously not participating;
- Increase transparency and provide training to services on how the system works;
- Less outcome types within streams.

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<sup>2</sup> Impacts of the New Job Seeker Compliance Framework, pg.28

### **3.2.2. Measuring social outcomes to achieve sustainable employment**

For job seekers facing significant barriers to employment, getting a job and more importantly, keeping it, involves identifying and addressing these barriers over time.

JSA providers work with the job seekers to develop their Employment Pathway Plan (EPP) which should identify their goals and steps towards achieving them. This might include completing language training, undertaking counselling, drug or alcohol rehabilitation, finding accommodation or ensuring a health condition is stabilised. For job seekers with multiple barriers, this process takes considerable time and can involve periods of regression.

#### **Survey findings**

Survey respondents overwhelmingly identified the key change to improve specialist providers' capacity to achieve successful employment outcomes as improving measures of social outcomes, in particular, greater recognition of outcomes addressing non-vocational barriers.

Primarily survey respondents were critical of the contract's failure to recognise social outcomes in the star ratings system and to provide payments for these outcomes.

*We need more transparency with KPI3 performance. Reports relating to much of the measurement are still not available. Those that are, are only at ESA level. How can organisations drill down on potential areas for improvement if the site and job seekers assessed are not known?*

*Social outcomes need to be measured properly. We have clients who we see initially who are ready to take their lives. We work intensively with these clients to assist them to overcome their barriers. Within weeks we are servicing them in-house and they have overcome massive barriers. This time and effort is not currently measured / rewarded / considered by DEEWR in any aspect.*

Failure of the star rating system to adequately recognise more graduated and non-vocational outcomes has implications both for job seekers and service providers.

For job seekers a lack of recognition of their barriers to employment can lead to a provider encouraging them to move onto suspension or placing them in a job without adequately addressing their barriers and therefore jeopardising the sustainability of their employment.

For providers, insufficient recognition of the effort required to achieve social outcomes diminishes the value of their achievement and limits providers' focus on this important area. The contract needs to ensure that the measures being used to drive performance are not compromising the appropriateness and quality of the services being delivered to disadvantaged job seekers. Failure to adequately recognise and fund the time and resources involved in achieving social outcomes can also jeopardise providers' financial viability.

Social outcomes are not an end in themselves. They are a critical step in the pathway to achieving sustainable employment and, if measured appropriately, could help promote innovative practice that addresses long term unemployment

There needs to be further consideration about how social outcomes are best measured and the appropriate performance and funding weightings given to

particular outcomes to ensure all job seekers receive support best suited to their needs, including consideration of a 'distance travelled' approach.

**Recommendation 1:** That appropriate measures and payments for Social Outcomes be developed in consultation with the sector and recognised within the star rating system.

### **3.2.3. Measuring training outcomes**

Participation in appropriate training is a critical aspect to gaining sustainable employment, particularly for those with limited work experience or low levels of education or literacy.

The JSA contract supports training by providing outcome payments to providers on the basis of job seeker placement in education and training. However, these payments are restricted to job seekers completing 12 months of full time training in an accredited, face to face training course.

#### **Survey findings**

Organisations were asked whether the measurement of a training outcome requiring 12 months of full time training presents a challenge to their job seekers. Ninety four percent of respondents (n=17) said yes. Eighty eight percent (n=15) said the restriction also presented a challenge to their organisation.

Four major barriers were identified:

#### *1. Insufficient emphasis within JSA on education and training*

There is not enough emphasis within the JSA contract on supporting job seekers through education and / or training courses, particularly those with significant barriers such as newly arrived migrants who may struggle with cultural and language barriers or young people who may have left school early and are lacking motivation, confidence or a directional focus. Providers need to be recognised for achieving graduated outcomes for those that are not ready to undertake long term education or training courses.

#### *2. Lack of recognition of training courses that are less than 12 months*

For job seekers, many relevant courses are only six months full time and as such don't fit within the JSA criteria. This includes both foundation training such as English language courses as well as industry specific courses. In NSW for example, 47 percent of Certificate III and 41 percent of Certificate IV courses are six months or less in duration.<sup>3</sup>

For new arrivals who need to develop their English language skills, one respondent noted that *'many new arrivals are very focussed on finding employment and this often interrupts study commitments / options. AMEP and LLN is offered in blocks [not full time 12 months].'*

#### *3. Restricted capacity of disadvantaged job seekers to engage in full-time study*

Furthermore, many job seekers are not in a position to study full time. For people who have been long term unemployed, carer responsibilities or are

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<sup>3</sup> <http://cricos.deewr.gov.au/Course/CourseSearch.aspx>

experiencing health issues or other difficulties, working full time at least initially is not feasible. The JSA contract recognises this by providing for employment outcomes of 8 and 15 hours for job seekers identified with multiple barriers. However, the same recognition is not extended to their capacity to study.

*Our job seekers generally cannot cope with fulltime study. They also need breaks in study when they are coping with their particular mental health issue. Their breaks preclude them from meeting the criteria for claiming the outcome*

*Year [long] courses are hard to find and are usually only diploma level. Stream 4 job seekers (especially NESB) would benefit from lower qualifications over a longer period of time to enable them to work at a less intensive pace and with more support...*

*12 months for someone to remain committed in a class room, who has just overcome a drug problem, and was / is homeless – is a big commitment to ask for.*

#### 4. Limited availability of training in remote areas

An additional challenge is presented for more remote areas where sourcing credible training for 12 months is very difficult. The lack of recognition of the benefits of online training means that people in more remote areas may miss out.

*Many suitable on-line courses are not considered full time training or not eligible for Austudy and therefore do not qualify as an outcome course. This can severely limit access to training for job seekers in regional areas as there is no suitable face to face training available in their area.*

While organisations can and do encourage job seekers to undertake training that is not 12 months full time, this has a significant impact on their performance ratings.

*Getting outcomes for job seekers we have placed in suitable training which could then lead to employment but is unrecognised. Since most of our star ratings as well as our profits are based on gaining outcomes this has an impact on both organisational profitability and also ratings*

*Finding alternatives that both meet contracted obligations and address the needs of young people [is a challenge]*

*Because we are a youth specialist provider, a large proportion of our clients need to undertake training before they are in a position to get a job. Many also have learning difficulties as well as a number of other barriers to studying full time. These clients are not in a position to work and the outcomes they are achieving are not being recognised, seriously impeding our star rating.*

As with addressing non-vocational barriers, it could be argued that organisations ultimately get recognition for encouraging people into training because they go on to employment which receives an outcome payment. However, the extended time that this requires and the impact on cash flow is significant, such that there is a risk that providers may choose to focus on getting someone directly into a job that may not be sustainable in the long term, rather than focus on training and sustainable employment outcomes.

**Recommendation 2:** That increased flexibility is built into the way in which training outcomes are measured to take into consideration 6 month and part-time outcomes, as well as recognising appropriate online courses.

### **3.2.4. Increasing transparency**

Fifty percent of respondents (n=7) to the question on performance measurement emphasised the need for greater transparency and reduced complexity in how performance is measured and the star ratings calculated.

*The fundamental challenge is that we have various measures for assessing performance, including outcome rates and percentile scores etc as given in the ESS performance reports but the star ratings which we eventually receive following the application of the 'regression model' will often bear little resemblance to these scores! We regularly have a situation whereby performance appears to have improved or declined using the pre-regression model data, only to find that the star rating moves in the opposite direction!*

The key challenge highlighted was the disconnect between the performance data that providers are able to access through the Employment Service System (ESS) and the star ratings that they receive once the Department has applied the regression model. This disconnect between performance data and the stars makes it difficult for providers to work towards improving their star rating.

Linked to this is the challenge of imputed ratings for smaller sites. As highlighted by one respondent, for providers in regional areas in particular this can make it challenging for organisations with a smaller number of sites to compete with those who have an outpost in a particular area and a bigger office in a larger regional area.

*We can be working hard for our clients and other providers are achieving higher star ratings through the imputed ratings based on what they are achieving in their bigger regional centre as opposed to what they actually are achieving in that location.*

**Recommendation 3:** That greater clarity be provided around how the star ratings are calculated and the connection between the ratings and performance measurement.

### **3.2.5. Balancing number of outcomes with reduced complexity**

One of the challenges under the JSA system is balancing the need to ensure all appropriate outcomes are included in measuring performance with ensuring the system is easy to understand and use. One of the survey respondents stated that to improve the JSA system there is a need to reduce the number of outcome types within streams. A number of survey respondents also highlighted the need to improve social and training outcomes. This suggests the balance between flexibility and clarity is being lost in the current system.

While the suggestion to add social outcomes and amend training outcomes might appear to increase the level of complexity in the system, it may be possible to counter this by reducing the number of current outcomes. An example might be to remove the difference between brokered and assisted outcomes.



### 3.4 Working with suspended job seekers

During a job seeker's period of service, or a referral from Centrelink to a provider, there may be times when the job seeker is temporarily suspended from participating in JSA because of their individual circumstances. This can include:

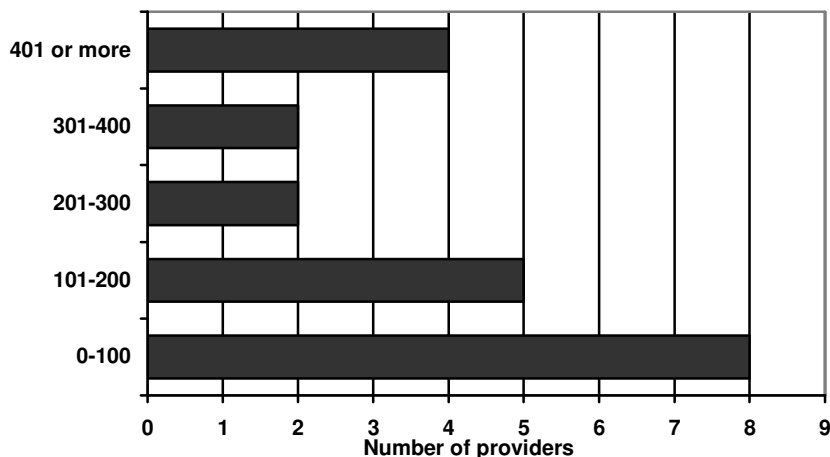
- temporary incapacity to work due to illness or injury;
- principal caring responsibilities;
- recently-arrived refugees;
- people who are ill, injured, in a crisis or recently subject to domestic violence; or
- people participating in an approved activity such as approved study or part-time work

According to the recent report, *Impacts of the new Job Seeker Compliance Framework*, this applies to approximately 26 percent of job seekers.<sup>4</sup>

#### Survey findings

This evidence is supported by the survey results: 38 percent of providers had less than 100 suspended job seekers as part of their caseload and 29 percent had more than 300 suspended job seekers. When compared with the total caseload of the organisation, this generally amounted to around 15-25 percent of the organisation's total caseload.

**Figure 1: Number of suspended job seekers by organisation at the time the survey was completed**



While providers are encouraged to engage suspended job seekers on a voluntary basis, there is no onus on job seekers to participate.

Generally, the reason a job seeker is suspended is the same reason that they are finding it difficult to gain employment. While suspended job seekers are

<sup>4</sup> Disney, J et al. Independent Review of the Job Seeker Compliance Framework: a report to the Parliament of Australia. September 2010. p.26

exempt from meeting the various requirements of JSA, it also means that they are unlikely to be receiving any kind of service to assist them in overcoming their employment barriers. Organisations are not funded to provide support to suspended job seekers and while it might be expected that organisations would be providing some form of support in order to achieve an employment outcome once they move off suspension, the funding available is not sufficient to ensure any barriers are addressed<sup>5</sup>.

It is laudable that the JSA contract provides recognition of the fact that there are times when job seekers are unable to look for work due to personal barriers. However, JSA needs to be amended to ensure this cohort receives some form of support to continue moving towards the goal of employment. This might involve providing an opportunity for suspended job seekers to participate in particular aspects of the JSA program, depending on their capabilities, as well as providing service fees for supporting suspended job seekers.

**Recommendation 4:** That flexibility and funding be introduced to enable providers to support job seekers while on suspension to assist them in addressing any employment barriers and move into work once they're off suspension.

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<sup>5</sup> The concerns expressed here are not relevant to job seekers who are suspended pending outcomes.

### 3.5. Job seeker classification

On entering the JSA system, job seekers are interviewed by Centrelink officers, sometimes face to face but often over the phone, and classified based on the Job Seeker Classification Instrument (JSCI) into one of the four streams of service depending on their readiness for work. If a job seeker is likely to be allocated to a stream 4, they must also undergo a Jobs Capacity Assessment by Centrelink or another designated assessor.

This assessment is conducted before a job seeker is referred to a JSA provider for service and is not expected to be conducted a second time unless the job seeker is within the system for longer than 2 years or there is a significant change in the job seekers circumstances.

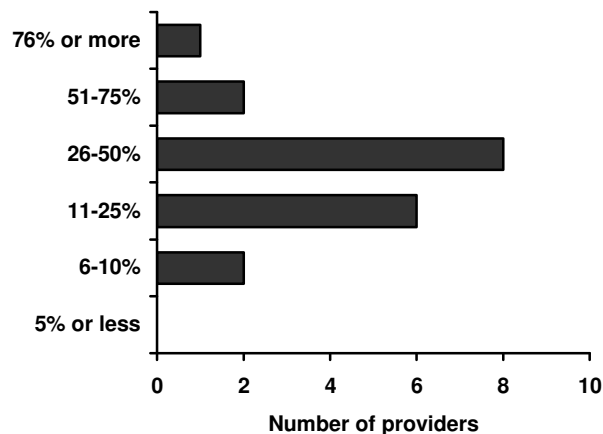
Getting a job seeker's classification right is critical as it determines the level of service they will receive from a provider.

#### Survey findings

As part of the survey, 95 percent of respondents (17) indicated that they had significant or some difficulties with the way in which Centrelink assigns job seekers to streams. In most cases the job seekers' barriers were not recognised or disclosed in Centrelink assessments and they were placed in the incorrect stream.

Forty two percent of respondents (n=8) indicated they had to get between 26-50 percent of their job seekers reclassified. Only one respondent indicated they had to get less than 10 percent of their job seekers reclassified.

**Figure 2: Number of providers and the proportion of job seekers they needed to have re-classified to a different stream**



Some of the challenges highlighted with the classification process are:

*1. Timing and location of stream assessment*

Stream assessments are often done over the phone, very early in the process and in a brief amount of time. This limits the capacity of the assessor to gain a complete picture of the needs of the job seeker.

*2. Length of time required to establish needs and accurately classify job seekers*

One respondent indicated that it can take up to eight appointments for a JSA provider to get a complete picture of the challenges a job seeker may be facing, supporting the substantial evidence that the relationship between a job seeker and their worker is critical to achieving any type of outcome.

*3. Job seeker concern about impact of disclosure*

Some providers reported that job seekers are concerned their benefits may be at risk if they do not appear to be work ready and they therefore don't disclose information that would materially affect their classification.

**Case study**

Ben arrived in Australia three months ago. He has no English language skills, no work history, no transport and is living in government funded accommodation 20 minutes from the city. Despite these significant barriers to employment, Ben was classified as a Stream 2 job seeker.

*4. Inadequacy/ insensitivity of JSCI tool for new arrivals and other groups*

One respondent indicated that while Centrelink do their best, the JSCI is not a useful tool for assessment of new arrivals. The tool assesses whether someone arrived in Australia in the last five years or more than 5 years ago. However, there is a significant difference between someone who has arrived 5 years ago compared with two months ago or even two years ago in terms of their language skills, understanding of the Australian culture and the Australian work environment.

In a recent letter to JSA providers, the Department of Education, Employment and Workplace Relations indicated that the high demand for Job Capacity Assessments from JSA providers was unwarranted given that a large number of job seekers remained in the same stream following the assessment, suggesting inappropriate referrals are being made.<sup>6</sup>

This is however, contradictory to the view held by many of the providers and the evidence of a number of case studies. Jobseekers who remain in the same stream following re-assessment are not necessarily being inappropriately referred, but for a number of reasons are not being appropriately assessed. A more in-depth analysis of the assessment process is needed to determine where the issues lie and what can be done to address them. Some suggestions include adjusting the JSCI to improve the tool (e.g. for new arrivals and for people experiencing homelessness) and when and how the assessment is conducted.

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<sup>6</sup> Internal letter to JSA providers from Deputy Secretary, Department of Education, Employment and Workplace Relations, 8 December 2010.

*5. Inadequate Centrelink processes leading to inappropriate referrals*

A further issue highlighted by survey respondents was concern that Centrelink is unable to refer job seekers to specific providers, despite a specialist provider being best placed to meet specific needs.

Currently Centrelink operates on the basis of job seeker choice which does not allow them to make any kind of recommendation to job seekers as to which provider might best suit their needs. Unless a job seeker has read the relevant material from each of the potential providers, they will be unaware that a particular provider might be a specialist that targets their specific needs. This has led to specialist providers having a significant proportion of their caseloads outside their area of speciality, leading to a waste of specialist resources.

This issue is further exacerbated by the fact that referrals are made via call centres that can be located anywhere in Australia. This means that Centrelink staff often lack knowledge about local providers and are therefore unable to provide information about providers that most suit a job seekers needs.

**Recommendation 5:** That a more in-depth analysis of a sample of JSCI assessments be conducted to inform a refinement of the assessment process

**Recommendation 6:** That Centrelink referral processes be revised to acknowledge the benefits of specialist providers and ensure that where job seekers are known to have particular barriers, they are informed if there is a specialist provider in their area that has a specific focus on their area of need.

### 3.6. Caseloads

Caseloads impact on the ability of an organisation to deliver positive employment outcomes for job seekers is impacted by in two respects:

- the overall market share of the organisation which impacts on its financial viability; and
- the individual caseloads of employment consultants which impact on their ability to assist job seekers

#### 3.6.1. Organisational caseloads and business allocation

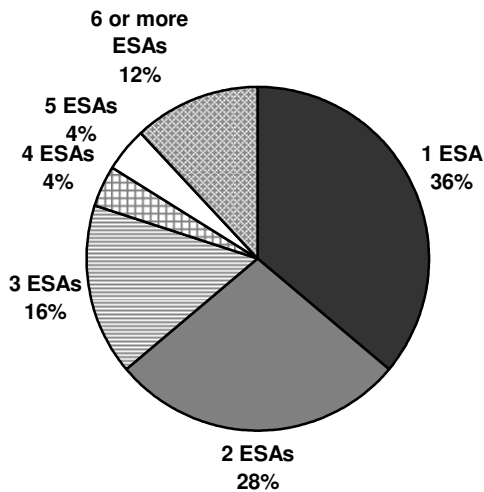
As part of the JSA tender process, organisations put forward the proportion of each Employment Service Area that they would like to provide for. In the case of specialists, this involved estimating how many job seekers might be within their specialist stream.

This process has led to many specialists having reasonably small market share. Despite this, many providers report having only a small proportion of job seekers in their caseload that are within their area of speciality.

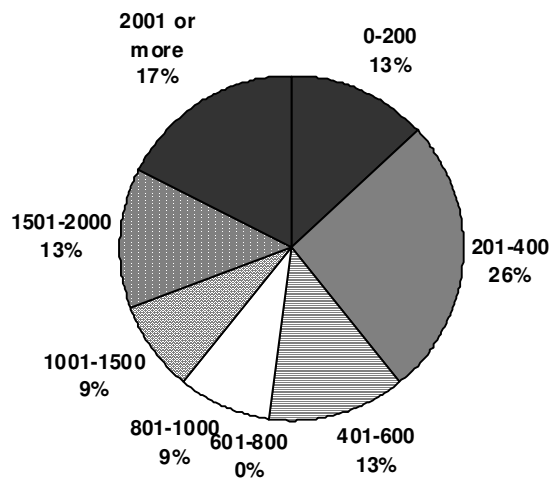
#### Survey findings

Of the specialist providers who responded to the survey, 64 percent (n=16) operating across one or two Employment Service Areas (ESAs) and 52 percent (n=12) with caseloads of 600 or less.

**Figure 3: Proportion of providers who operate across one or more ESAs**



**Figure 4: Proportion of providers by number of job seekers (active and suspended)**



Forty percent (n=10) of responding organisations operate as part of a wider consortium to provide employment services however, only 16 percent (n=4) sub-contract their specialist service from or to another agency.

As discussed later in this report, most organisations have been challenged by the level of funding and cash flow model in JSA. The small size of specialist

providers makes this even more challenging as, in most cases, they cannot benefit from economies of scale.

Identified challenges that the initial allocation of job seekers presented to the survey respondents' organisation include:

1. *Insufficient allocation of job seekers in the contract resulting in staffing issues.*

In one case, a site was expecting to have a caseload of 600 job seekers and was established to manage this volume, but was then allocated only 200 resulting in some staff having to be let go, only to have to re-build later as the case load increased. These implementation issues have a significant financial impact on small providers, particularly those offering employment services for the first time. Such providers often just need additional time to establish or adjust their operational platform before improving their performance outcomes.

2. *Lag time in loading site information*

In another example, site information took a long time to be appropriately loaded on the Centrelink system, impacting on the level of referrals and therefore the viability of the organisation.

3. *Insufficient level of business*

The tender process has provided for some challenging allocations in terms of level of business. As an example, the Yarra ESA has 7,792 job seekers<sup>7</sup>. Currently there are 10 providers across 22 sites working in the ESA.<sup>8</sup> Averaging out this allocates 779 job seekers per provider and 354 per site. Assuming 25 percent of job seekers are on suspension, this reduces to 584 and 265 job seekers respectively.

Many specialist providers bid for a proportion of business they believed reflected the number of potential job seekers in their area of speciality and therefore tendered for small percentages of business. While the request for tender documentation did state that providers could expect to receive job seekers outside of their specialty area, what was not expected is the extent to which this has become the case with some specialist providers having caseloads that are almost entirely outside their area of specialisation.

4. *Poor distribution of specialists*

In addition, although there are only five homelessness specialist providers across the country, there are two in the Yarra ESA alone

**Recommendation 7:** That referrals of job seekers to specialist providers better reflect their areas of speciality so that job seekers are able to benefit from more consolidated service delivery and that the government is able to benefit from leveraging of funding through dual service delivery.

<sup>7</sup> DEEWR Employment Service Area Data September 2010  
<http://www.deewr.gov.au/lmip/default.aspx?LMIP/EmploymentData/Melbourne/Yarra>

<sup>8</sup> Australian JobSearch <http://jobsearch.gov.au/provider/providersearch.aspx>

**Recommendation 8:** That further examination is made of the rules and market share for specialist providers including a forum between specialists and DEEWR to determine what improvements could be made for the benefit of disadvantaged job seekers.

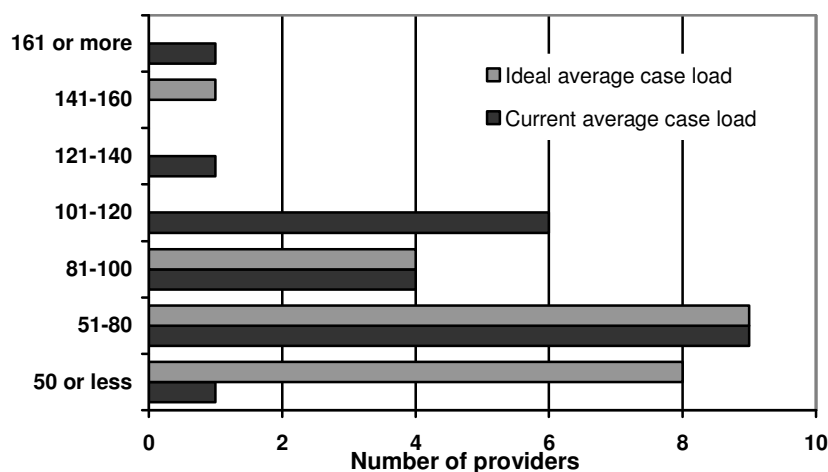
### 3.6.2. Caseload ratio

The number of job seekers that an employment consultant is working with any one time is influenced both by what the organisation knows about the amount of support required to achieve employment outcomes and by the amount of funding available.

#### Survey findings

While 37 percent of respondents to the survey had average caseloads over 100, only 5 percent of respondents stated that this is ideal.

**Figure 5: Current and ideal case ratio of employment consultant to job seekers**



Seventy seven percent of respondents indicated an ideal caseload would be 80 or less to achieve sustainable employment outcomes for job seekers.

Smaller case loads was identified by nearly all respondents as necessary to allow the additional time required to provide targeted and individualised support for job seekers with high needs or complex barriers.

While there is some capacity to reallocate caseloads according to streams and needs, greater flexibility is necessary for specialist providers who are dealing with particularly disadvantaged cohorts, who often require additional assistance in liaising with external supports, maintaining momentum of activity, placements and post placement support. Building in this flexibility is particularly difficult for small providers and those working across multiple sites.

High administrative requirements were also seen to be taking time away from working with job seekers. The Nous report<sup>9</sup> found that employment consultants were spending approximately 50 percent of their time on administration.

<sup>9</sup> The Nous Group, *The evolution of the Job Services Australia system*, November 2010



### 3.7. Cash flow

As highlighted in figure 6 below, JSA providers receive funding through four main sources: service fees, placement fees, outcome payments and brokerage (Employment Pathway Fund). Service fees are minimal with the emphasis placed on placement and outcome payments to encourage providers to achieve employment outcomes for job seekers.

In total there are 144 different types of outcome fee combinations that can be claimed as part of the JSA contract.<sup>10</sup>

**Figure 6: Fee types and amounts under JSA<sup>11</sup>**

	Service fee (max)	Employment Pathway Fund (brokerage)*	Placement fee	Outcome payment <sup>#</sup>
Stream 1	\$781	\$11	\$385 - \$440	Up to \$854
Stream 2	\$885	\$550	\$385 - \$550	Up to \$1400
Stream 3	\$1120	\$1100	\$385 - \$550	Up to \$3300
Stream 4	\$2736	Yr1: \$1100 Yr2: \$550	\$385 - \$550	Up to \$3300

\* For stream 4 an additional \$1000 per job seeker is available if interpreter services are required

# Maximum possible outcome fee excluding 'full outcome bonus'

### Survey Findings

Respondents were asked whether they had experienced any issues with cash flow in the current contract. Ninety five percent (n=17) said yes. Some of the challenges identified include:

- challenges with the complexity and level of funding for outcome fees
- finding it difficult to understand and get used to the multi-faceted payment schedule
- lack of adequate models to predict income with any certainty
- low level of service fees paid for ongoing service of job seekers

The complexity of the payment system seems to have created significant issues for providers. Survey respondents point to the challenge of not having an adequate model to predict income with any certainty and particularly that what was predicted by the NESA / KPMG model prior to the start of the contract. The multitude of payment types means that it is very difficult for providers to work out how to claim payments for particular activities. More concerning is the fact that outcome payments are an integral component to covering fixed costs and technical issues with claims can mean they are not processed for 14 to 18 weeks, creating significant cash flow issues for agencies.

<sup>10</sup> Nous Group, *The evolution of the Job Services Australia system*, December 2010. p.1

<sup>11</sup> Department of Education, Employment and Workplace Relations, *Request for tender for employment services 2009-12*. 2008 p.331-335

One survey respondent described the situation as a catch 22: without enough money to pay staff, as a result staff are overworked, reducing their capacity to achieve outcomes which leads to a shortage of money.

It does however appear that organisations could make better use of their Employment Pathway Fund (EPF). Fifty nine percent (n=11) of respondents had spent 50 percent or less of their EPF. Only 12 percent (n=2) said they had used between 76 – 100 percent of the funds.

Six respondents (33 percent) indicated there were things they weren't able to purchase with the EPF that they would like to - specifically:

- housing
- reverse marketing job seekers into community assistance programs
- partnerships with support organisations
- a higher degree of post placement support

### 3.8. Staffing

JSA providers recruit staff based on their expected case allocation and job seeker need. An organisation's staffing profile can include employment consultants, trainers, reverse marketers, contract compliance managers, counsellors etc.

Many of the JSA specialist providers were previously delivering services through PSP, JPET, CDEP and JobNetwork and had staff within these programs that transitioned across to the new service.

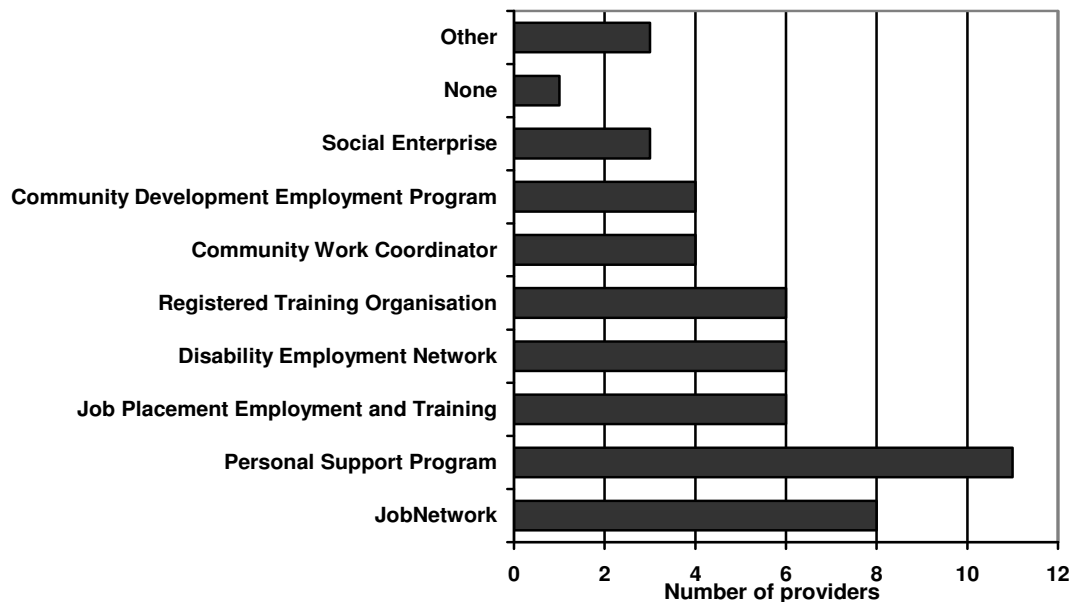
Part of the challenge for providers was determining what staffing changes they needed to make as part of the new contract. PSP, JPET and CDEP staff held the critical understanding of working with particularly disadvantaged job seekers while JobNetwork staff had a greater understanding of working with other job seekers and working within a system that has a high level of administrative and compliance requirements.

#### Survey findings

Prior to JSA the majority of respondents provided some form of employment program, the most common being the Personal Support Program (44 percent, n=11).

This experience in PSP, JPET, DEN and JobNetwork demonstrate that most organisations have had experience working both with job seekers who have significant barriers to employment as well as those with lower levels of need.

**Figure 7: Programs provided by respondents prior to establishment of JSA**



Those respondents who had previously operated an employment contract were asked as part of the survey what proportion of their existing staff have continued to work in the current JSA contract. The results were mixed with 24 percent (n=4) indicating that 25 percent or less of their staff continue to work in the

current contract with a further 24 percent (n=4) stating that 76-100 percent of their staff remain. Note that the largest proportion (29 percent) stated that they did not have a previous contract.

Respondents were also asked where the majority (i.e. more than 50 percent) of their staff previously worked. Forty four percent (n=8) said the majority of their staff were in JobNetwork previously. Only 22 percent (n=4) said that most of their staff had a background in PSP and a further 11 percent in JPET. Seventeen percent (n=3) said the majority of their staff had no employment service background at all.

This suggests that specialist providers within their staffing profile have a wide variety of backgrounds but that in the main, it is staff from JobNetwork backgrounds that are most likely to be working under JSA. This raises the question of whether the service system is losing a valuable skill set in the staff that used to work under PSP and JPET to support disadvantaged job seekers.

## **4. Conclusion**

Job Services Australia was designed to provide a more integrated response to employment services. Built into the design of the service model is a recognition that job seekers experience different types and levels of barriers to employment with funding allocated accordingly.

Now operating for 18 months, the contract has a number of positives in the way it provides for different streams of job seekers and brokerage funding that can support job seekers to address any barriers they may have.

JSA also includes specialist providers intended to provide a more integrated response to particular groups of job seekers who will benefit from the knowledge, expertise and networks of these providers.

However, JSA and job seekers are gradually losing the benefits that specialist providers can offer. The lack of recognition of the importance of measuring a broader range of social outcomes as part of the performance measurement system; the lack of appropriate referrals from Centrelink resulting in specialist providers both being referred job seekers in inappropriate streams and a high proportion of job seekers outside their specialty area; and the small size of specialist providers all work to reduce the flexibility specialist providers need to get the best possible outcomes for their job seekers.

## 5. Attachment 1: Survey form

### Job Services Australia: where to for specialist providers?

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The following survey has been developed to gather the views of all specialist providers in JSA on the current contract and what challenges, if any, you have been facing since the start of the contract. All responses will be completely confidential. The survey is completed electronically and is completely anonymous; the computer program collates responses automatically so individual responses will not be available to anyone.

The final report of all responses will be made available to all specialist providers as well as Jobs Australia, NESAs and DEEWR and be used to advocate for any changes that are identified as necessary.

We would very much appreciate you taking 20-25 minutes of your time to complete the survey via the link below. Survey responses will close on 30 November 2010.

#### General demographics

The following questions are designed to provide a general picture of your organisation and the challenges faced by different organisations (e.g. smaller providers may face different challenges from larger providers).

1. What specialist job seeker group does your agency provide for?

- |   |  |
|---|--|
| <input type="checkbox"/> Youth  | <input type="checkbox"/> Mental health |
| <input type="checkbox"/> Homeless   | <input type="checkbox"/> Disability    |
| <input type="checkbox"/> Indigenous                                       | <input type="checkbox"/> Ex-offender   |
| <input type="checkbox"/> Culturally and linguistically diverse background |  |

2. How many employment service areas (ESA) do you operate across?

- |                         |                                 |
|-------------------------|---------------------------------|
| <input type="radio"/> 1 | <input type="radio"/> 4         |
| <input type="radio"/> 2 | <input type="radio"/> 5         |
| <input type="radio"/> 3 | <input type="radio"/> 6 or more |

3. Are you part of a consortium providing employment services to a range of different job seekers?

- Yes     No

4. Do you sub-contract your specialist service from or to another agency?

- Yes     No

5. Which of the following services was your organisation operating prior to taking up the JSA contract?

- |   |  |
|---|--|
| <input type="checkbox"/> JobNetwork                       | <input type="checkbox"/> CWC                                   |
| <input type="checkbox"/> PSP                              | <input type="checkbox"/> Social enterprise                     |
| <input type="checkbox"/> JPET                             | <input type="checkbox"/> None – new to employment and training |
| <input type="checkbox"/> DEN                              | <input type="checkbox"/> Other (please specify)                |
| <input type="checkbox"/> Registered Training Organisation |  |

Numbers of job seekers

Through the following questions we would like to get a sense of the size of your organisation (looking at the number of job seekers across your whole contract) and the extent to which you are getting referrals relevant to your area of speciality.

6. Approximately how many active and suspended job seekers do you have at this point in time?

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| <input type="radio"/> 0 – 200   | <input type="radio"/> 801 – 1000  |
| <input type="radio"/> 201 – 400 | <input type="radio"/> 1001 – 1500 |
| <input type="radio"/> 401 – 600 | <input type="radio"/> 1501 – 2000 |
| <input type="radio"/> 601 – 800 | <input type="radio"/> 2001 +      |

7. Approximately how many suspended job seekers do you have at this point in time?

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| <input type="radio"/> 0 – 50    | <input type="radio"/> 251 – 300   |
| <input type="radio"/> 51 – 100  | <input type="radio"/> 301 – 350   |
| <input type="radio"/> 101 – 150 | <input type="radio"/> 351 – 400   |
| <input type="radio"/> 151 – 200 | <input type="radio"/> 401 – 450   |
| <input type="radio"/> 201 – 250 | <input type="radio"/> 451 or more |

8. If you also have a generalist contract, approximately what proportion of your current business is within the specialist area(s)?

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| <input type="radio"/> 5% or less | <input type="radio"/> 26-50%      |
| <input type="radio"/> 6-10%      | <input type="radio"/> 51-75%      |
| <input type="radio"/> 11-25%     | <input type="radio"/> 76% or more |

### Caseload

The following questions ask about caseload. The information in these questions will help us gauge what the current case loads are and whether they are meeting the needs of job seekers.

9. What is the average case load ratio your employment consultants / case managers are currently working with?

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| <input type="radio"/> 50 or less | <input type="radio"/> 121 - 140   |
| <input type="radio"/> 51 – 80    | <input type="radio"/> 141 – 160   |
| <input type="radio"/> 81 – 100   | <input type="radio"/> 161 or more |
| <input type="radio"/> 101 – 120  |                                   |

10. What do you believe to be the ideal caseload to provide outcomes for job seekers?

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| <input type="radio"/> 50 or less | <input type="radio"/> 121 - 140   |
| <input type="radio"/> 51 – 80    | <input type="radio"/> 141 – 160   |
| <input type="radio"/> 81 – 100   | <input type="radio"/> 161 or more |
| <input type="radio"/> 101 – 120  |                                   |

11. Why is this case load appropriate?

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### Challenges with the current contract

12. Thinking over the last 18 months, what are the three most significant challenges that you've faced in delivering the current contract?

- |   |  |
|---|--|
| <input type="checkbox"/> Cash flow                    | <input type="checkbox"/> Relationships with employers        |
| <input type="checkbox"/> How performance is measured  | <input type="checkbox"/> Amount of administrative work       |
| <input type="checkbox"/> Staff retention              | <input type="checkbox"/> Meeting the compliance requirements |
| <input type="checkbox"/> Relationship with Centrelink | <input type="checkbox"/> Monitoring work experience          |
| <input type="checkbox"/> Relationship with DEEWR      | <input type="checkbox"/> Other (please specify)              |

Outcomes for job seekers

The following questions will provide a picture of some of the challenges you've experienced within the contract in achieving employment and training outcomes for job seekers.

If you provide both a specialist and a generalist contract, please respond to the following questions in relation to your specialist contract only.

13. For what proportion of your stream 1 and 2 job seekers have you achieved the following outcomes:

	0-24%	25-49%	50-74%	75-100%
Employment outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education and training outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. For what proportion of your stream 3 and 4 job seekers have you achieved the following outcomes:

	0-24%	25-49%	50-74%	75-100%
Employment outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education and training outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. What changes, if any, do you believe are needed to the contract to improve outcomes for job seekers?

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16. As a specialist provider what (if anything) do you think you can provide to your job seekers that generalist providers may not be able to?

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17. At the moment the measurement of a training outcome requires 12 months of full time training.

Does this present challenges to your job seekers?

Yes     No

If yes what are they?

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Does this present challenges to your organisation?

Yes     No

If yes, what are they?

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18. Thinking about the future, what key changes to the contract would improve your capacity to achieve successful outcomes for job seekers? (e.g. improved measures of social outcomes and inclusion of these in the star rating system)

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Performance measurement

The following questions ask about performance measurement under the contract and what, if anything, could be improved.

19. What are some of the challenges, if any, of the current star rating and performance measurement system?

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20. What could be improved?

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Referrals

The next few questions will give us a picture of some of the challenges and opportunities in making and receiving referrals both through Centrelink and other JSA providers.

21. Thinking about your caseload as a whole, have you had any difficulties with the way in which Centrelink assigns job seekers to streams?

- Yes, significant difficulties       Yes, some difficulties       No

If yes, please comment:

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22. What proportion of your job seekers have you had to get re-classified into a different stream?

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| <input type="radio"/> 5% or less | <input type="radio"/> 26-50%      |
| <input type="radio"/> 6-10%      | <input type="radio"/> 51-75%      |
| <input type="radio"/> 11-25%     | <input type="radio"/> 76% or more |

23. What, if any, challenges have you experienced in getting referrals for job seekers between different JSA providers?

- |   |   |
|---|---|
| <input type="checkbox"/> Amount of paperwork and advocacy to get transfer to occur                    | <input type="checkbox"/> Other JSAs reluctant to transfer job seekers to specialist providers |
| <input type="checkbox"/> Delays in other service providers approving the transfer                     | <input type="checkbox"/> Other (please specify)   |
| <input type="checkbox"/> Difficulties in getting agencies to transfer the EPF with the job seeker     | <input type="checkbox"/> None   |
| <input type="checkbox"/> Difficulties in getting other agencies to accept referrals from your service |   |

Employers

24. What challenges, if any, have you had in working with employers under the current contract?

- |   |  |
|---|--|
| <input type="checkbox"/> Not enough volume of job seekers to keep large employers engaged     | <input type="checkbox"/> Lack of suitable employment options   |
| <input type="checkbox"/> Lack of capacity to employ a reverse marketer to work with employers | <input type="checkbox"/> Negative attitudes of employers to give higher needs job seekers an opportunity     |
| <input type="checkbox"/> Negative attitudes of employers working with specialist providers    | <input type="checkbox"/> Amount of paper work / administration required to get fully paid for wage subsidies |
|   | <input type="checkbox"/> Other (please specify)  |
|   | <input type="checkbox"/> None  |

Staffing

The following questions will provide a sense of some of the challenges in getting staff on board for the new contract and the extent to which staff under the previous contract were comfortable moving into the new contract.

25. If your organisation had an employment contract previously (e.g. JobNetwork, PSP, JPET), what proportion of the staff under the previous contract have continued to work in the current JSA contract?

- 10% or less
- 11-25%
- 26-50%
- 51-75%
- 76 -100%
- None, did not have a previous contract

26. Of your current staff, which area did the majority (i.e. more than 50%) previously work in?

- JobNetwork
- JPET
- PSP
- DEN
- No employment service background
- Other (please specify)

Financial

The following questions will provide a picture of some of the financial challenges that are presented by the contract and what, if anything, could be improved.

27. Has your organisation faced challenges in relation to cash flow?

- Yes
- No

If yes, what are some of the challenges you've faced in this contract with respect to cash flow?

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28. Approximately what proportion of your employment pathway fund have you been able to expend?

- 10% or less
- 11-25%
- 26-50%
- 51-75%
- 76 -100%
- Other (please specify)

29. Have there been things that you have not been able to purchase with the EPF that you would like to?

- Yes     No

If yes what are they? (e.g. access to community services that they need)

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Other

30. \_Is there anything else you would like to add which the questions have not enabled you to comment on?

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Thank you for taking the time to complete this survey.

## 6. Attachment 2: Survey results

### General demographics

**What specialist job seeker group does your agency provide for? (tick all that apply)**

Answer	Response	%
Youth	11	41%
Homeless	6	22%
Indigenous	9	33%
Mental health	5	19%
Disability	7	26%
Ex-offender	4	15%
Culturally and linguistically diverse background	5	19%

**How many employment service areas (ESAs) do you operate across?**

Answer	Response	%
1	9	36%
2	7	28%
3	4	16%
4	1	4%
5	1	4%
6 or more	3	12%
Total	25	100%

**Are you part of a consortium providing employment services to a range of different job seekers?**

Answer	Response	%
Yes	10	40%
No	15	60%
Total	25	100%

**Do you sub-contract your specialist service from or to another agency?**

Answer	Response	%
Yes	4	16%
No	21	84%
Total	25	100%

**Which of the following services was your organisation operating prior to taking up the JSA contract?**

Answer	Response	%
JobNetwork	8	32%
PSP	11	44%
JPET	6	24%
DEN	6	24%
Registered Training Organisation	6	24%
CWC	4	16%
Social enterprise	3	12%
None - new to employment services	1	4%
Other (please specify)	7	28%

Other (please specify)
pre employment programs
CDEP
CDEP
STEP-ERS provider
CDEP
CDEP
Various state government programs

**Number of job seekers**

**Approximately how many job seekers (both active and suspended) do you have at this point in time?**

Answer	Response	%
0-200	3	13%
201-400	6	26%
401-600	3	13%
601-800	0	0%
801-1000	2	9%
1001-1500	2	9%
1501-2000	3	13%
2001 or more	4	17%
Total	23	100%

**Approximately how many suspended job seekers do you have at this point in time?**

Answer	Response	%
0-50	5	25%
51-100	3	15%
101-150	1	5%
151-200	4	20%
201-250	2	10%
251-300	0	0%
301-350	1	5%
351-400	0	0%
401-450	1	5%
451 or more	3	15%
Total	20	100%

**If you also have a generalist contract, approximately what proportion of your current business is within the specialist area(s)?**

Answer	Response	%
5% or less	0	0%
6-10%	1	7%
11-25%	5	33%
26-50%	4	27%
51-75%	3	20%
76% or more	2	13%
Total	15	100%

**Case load**

**What is the average case load ratio your employment consultants / case managers are currently working with?**

Answer	Response	%
50 or less	1	5%
51-80	9	41%
81-100	4	18%
101-120	6	27%
121-140	1	5%
141-160	0	0%
161 or more	1	5%
Total	22	100%

### What do you believe to be the ideal caseload to provide outcomes for job seekers?

Answer	Response	%
50 or less	8	36%
51-80	9	41%
81-100	4	18%
101-120	0	0%
121-140	0	0%
141-160	1	5%
161 or more	0	0%
Total	22	100%

### Why is this case load appropriate?

#### Text Response

nature of the target group

Creates greater flexibility to allow re-allocation of case workers to allow more time to spend with clients with multiple problems

a caseload of 50 - 60 job seekers would allow more time to deal with job seekers multiple barriers to employment.

This is an average, we have slightly higher for lower stream levels, and slightly lower for higher stream levels. The key point is that for lower stream level job seekers we feel that lower caseload sizes result in our staff being too involved in 'addressing' non priority areas at the expense of seeking employment options

more intensive work required with job seeker as well as medical/community supports

It depends how 'caseload' is counted. My view is that a case load of 51-80 streams 2-4 clients provides sufficient time to work with individuals

High needs clients (streams 3&4) require more one on one time. With the requirements DEEWR have set on JSAs - work experience, post placement support, completing thorough job seeker classification instruments, referring to training courses (just to name a few), then to also manage a case load is quite impossible. The new contract was meant to be between 40-60% less red tape and paperwork. The JSA contract has put 7 programs into one meaning that your previous Job Network consultant now has the job of a CWC and PSP consultant which amounts to a lot more admin work. Not less. There are also over 135 different claim fees! This is unheard of.

Job seekers presenting with greater barriers

People with disabilities need more time to find work and more support to keep work.

NESB clients require more face to face time and are generally unaware of what JSA is/does, more explaining is required, interpreters are required for many clients & they often have far more complex barriers.

it allows for the same quality of service to be offered to all clients as opposed to a more job ready caseload

operational/administrative requirements, time required with higher needs clients, ability to spend quality time with job seekers.

allows time & energy to be spent on individuals

Need to have a 'reasonable' size caseload so as to maintain 'momentum' of activity, placements & outcomes.



63.6% of our job seekers are stream 3 and 4 with severe mental health issues. Each requires substantial case management

time taken at interviews to language issues and complexity of barriers. smaller caseload allows for more one on one attention and targeted activity

Allows time to spend with clients and also to complete extensive administrative requirements for any actions necessary.

No wasted time, more areas to work with, more variety and research for consultants

Answer is for stream 4 only, they require intensive work and support to achieve and especially to retain employment

Intensive case management is needed plus post placement support

delivery of quality service -

**Challenges with the current contract**

**Thinking over the last 18 months, what are the three most significant challenges that you've faced in delivering the current contract?**

Answer	Response	%
Cash flow	18	78%
How performance is measured	9	39%
Staff retention	8	35%
Relationship with Centrelink	0	0%
Relationship with DEEWR	1	4%
Relationships with employers	0	0%
Amount of administrative work	16	70%
Meeting the compliance requirements	8	35%
Monitoring work experience	5	22%
Other (please specify	3	13%

Other (please specify

lack of PPP training places in regional areas.

Lack of EPF

staff training

## Outcomes for job seekers

**For what proportion of your stream 1 and 2 job seekers have you achieved the following outcomes?**

Question	0-24%	25-49%	50-74%	75-100%	Responses
Employment outcome	9	4	3	0	16
Social outcome	8	6	0	0	14
Education and training outcome	6	8	1	0	15

**For what proportion of your stream 3 and 4 job seekers have you achieved the following outcomes?**

Question	0-24%	25-49%	50-74%	75-100%	Responses
Employment outcome	9	4	4	0	17
Social outcome	5	4	7	1	17
Education and training outcome	7	5	3	1	16

**What changes, if any, to the contract do you believe are needed to improve outcomes for job seekers?**

### Text Response

Less prescription more flexibility

More emphasis placed on social outcomes in the star ratings

Ability of JCA providers to take into consideration undiagnosed mental health and other issues which impact on job seekers ability to work but job seekers are reluctant to admit to or seek help for. This may therefore place job seekers in a higher stream which will allow them more assistance. Broader range of social outcomes and lifting of some of the restrictions for what constitutes an education placement which will get an outcome. So much training is available online and this is the preferred option for many job seekers especially in rural areas where access to face to face training in certain areas is limited.

We feel that for remote Indigenous contracts that the current service model is not viable and efforts to ensure financial viability distract from the service provision. Perhaps a fixed fee based service model would reduce efforts to sustain viability - couple with retention of outcome fees would provide incentive to perform.

Provide more flexible options to measure an outcome for a specialist job seeker. Lift the consecutive nature of counting weeks for a mental health job seeker placed in employment. ie provide more flexibility counting 13/26 week periods

Work experience is a very grey area. Previous CWC providers have stopped operating due to financial constraints. Social outcomes for clients need to be taken into consideration and specialist providers need to be financially compensated for their work. We are helping clients (even saving lives) yet we are only assessed on paper for employment outcomes. Star ratings does not take this into consideration. The administration also needs to be cut back. A high proportion of our clients also come through our doors not appropriately assessed (ie. clients should be stream 4 are referred as stream 2). How can this be?

address where Js are up to we have a caeload of 3rd generation welfare and are no where near jobready

Less red tape, less admin, specialist services should be specialist services and not be available for stream referrals.

Outcome claims should be available to reflect individuals circumstances. Many AMEP clients float through the system & become & no payable outcomes are generated.

remove the competitive star rating process

less administrative requirements, driven by the IT system. more time is required spent with clients jobsearching, improving their skills etc rather than inputting data, information in to a system that does not directly impact outcomes.

Less 'red tape' & bureaucratic interference. Higher payments allowing for more intensive case management. A more 'logical & strategic' approach by DEEWR to the allocation of specialist providers - to ensure appropriate flow of job seekers.

Greater weighting in star ratings for the severity of disadvantage of our caseload. JSCI does not accurately depict the barriers of each JS. This should be recognised in higher EPF payments for these job seekers. Each requires a substantial wage subsidy to gain and maintain employment

Remove EPF admin requirements. Shouldn't have to claim separately for PPS, Reverse Marketing, Mentoring. Should be part of the contract. Service fees should be just paid without having to enter claims. This will allow staff to do their job - which is getting Job Seekers into employment.

- An employment outcome prior to 13 weeks for stream 4 job seekers only as their barriers make sustained employment a much harder achievement - Some performance measures in addition to employment to recognise the achievements of Stream 4 job seekers prior to employment

More social outcomes need to be recognised as valid. Education outcomes are too difficult in the way they are framed now, need to be more flexible and shorter for clients with many barriers.

### **As a specialist provider, what (if anything) do you believe you can provide to your job seekers that a generalist provider may not be able to?**

#### Text Response

##### Housing access

Greater understanding of the specific issues, challenges and opportunities involved in being young and connections to a range of youth support services

Access to in-house assistance to address non-vocational barriers.

We are both, interesting is that our specialisation often gets better results as we are able to leverage program funding to achieve results. This leveraged funding is not always able to be accessed for non Indigenous job seekers.

Yes - we provide professionally trained staff delivering assessment and counselling skills as well as expertise in case managing disabled job seekers from a variety of backgrounds.

An informed understanding of the difficulties faced by the job seekers and a capacity (greater) to work with the job seekers to design an appropriate pathway.

Dual service clients. Provide the appropriate service. Assist clients overcome their barriers. Homelessness is not one dimensional. As a specialist provider we not only focus on employment but also on non vocational services. Something our competitors (generalists) cannot comprehend or achieve. Our in house services of qualified allied health professionals - psychologists, career counsellors etc, are second to none. Having worked for a generalist provider who transfers the hard cases to the likes of our service they will never match the service we provide to our high needs stream 3 and 4 clients.

We are aware of the barriers and trying to get these addressed in the remote communities and trying to make government agencies aware they don't have a lot of services EG: health

Understanding and expertise in disability issues. Experience. We focus on engagement not compliance. We spend more time and have specialist assessments available. Programs for

disabled apprentices, links with JCAs and Centrelink disability staff, community networks for disability. Empathy, understanding.

Knowledge of support/resources available to new arrivals, Employers gain education of the barriers new employees (new arrivals) face (supporting long term sustainable employment/no surprises) Relationships with LLN providers, Multi-Lingual staff, Community involvement/social inclusion.

Local Indigenous staff that can talk with the clients knowing their family, situation and what in reality can be offered to fix the situation

history of working with and an understanding of the challenges clients with a disability face.

Specialist caseworkers/ case managers, counsellors & psychologists

Staff who are understanding of the JS's barriers and who are willing to work with the JS rather than "Park" them on the caseload - if we did that we would have no one to work with!

targeted training and employment programs. More youth friendly environment. Staff experienced in handling youth issues.

More targeted knowledge and assistance and therefore a higher rate of success but these can take longer to achieve than a generalist caseload, some acknowledgement of this in the performance measures would be helpful.

Context of other relevant services on site. Trained workers to assist with a range of non vocational issues such as housing, financial counselling etc

### **At the moment the measurement of a training outcome requires 12 months of full time training. Does this present a challenge to your job seekers?**

Answer	Response	%
Yes	17	94%
No	1	6%
Total	18	100%

### **If yes, what are they?**

#### Text Response

Many courses are only 6 months. In addition, for a variety of reasons, many clients are only in a position to be able to study part-time

Many suitable on-line courses are not considered full time training or not eligible for austudy and therefore do not qualify as an outcome course. This can severely limit access to training for job seekers in regional areas as there is not suitable face to face training available in their area. Many job seekers with part time requirements due to their barriers would benefit from training which is not considered full time and would not be able to cope with full time training.

Sourcing credible training in some locations that lasts for 12 months is a problem. This coupled with structurally limited labour markets and the need for development based training (rather than skills based) is a priority

Being able to retain participation given the episodic nature of their health conditions.

For young people training / education are priority issues for the government. Many disengaged young people don't want training as an option and are at risk of breaching their Centrelink obligations by refusing training.

Our job seekers are high needs, why is employment only measured at 13 weeks and training requires 12 months?

There are not a lot of courses that are 12 months and a lot of our JS are not capable of attending for that amount of time

Training courses leading to employment can be for less than 12 months

Our job seekers want to work and have trouble committing to 12 months full time.

Many new arrivals are very focussed on finding employment & this often interrupts study commitments/options. AMEP & LLN is offered in blocks (not FT 12 months as such)

too much time to commit

This length of time can be a challenge for many job seekers given the long term commitment required.

Our job seekers generally cannot cope with fulltime study. They also need breaks in study when they are coping with their particular mental health issues. Their breaks preclude them from meeting the criteria for claiming the outcome.

Many jobseekers have poor literacy/numeracy and find it very difficult to last in a classroom environment. We should be offering more skills based (work experience) programs that incorporate training qualifications as well as addressing poor literacy/numeracy, social issues. Many clients require high support not just into employment, but also into education. Not enough emphasis on supporting clients through education/training courses.

For stream 4 job seekers literacy and language difficulties is a major barrier to a longer and more advanced course. Year length courses are hard to find and are usually only diploma level. Stream 4 job seekers (especially NESB) would benefit from a lower qualification over a longer period of time to enable them to work at a less intensive pace and with more support, but these courses are very hard to find.

Qualifying education course is too hard to achieve for stream 4

### Does this present challenges to your organisation?

Answer	Response	%
Yes	15	88%
No	2	12%
Total	17	100%

### If yes, what are they?

#### Text Response

Because we are a youth specialist provider, a large proportion of our clients need to undertake training before they are in a position to get a job. Many also have learning difficulties as well as a number of other barriers to studying full time. These clients are not in a position to work and the outcomes they are achieving are not being recognised, seriously impeding our star rating system

Getting outcomes for job seekers we have placed in suitable training which could then lead to employment but is unrecognised. Since most of our star ratings as well as our profits are based on gaining outcomes this has an impact on both organisational profitability and also ratings.

see above

Being able to accurately assess those job seekers who are able to meet the demands and criteria of outcome placement criteria

Finding alternatives that both meet contracted obligations and address the needs of young people.

As above - 12 months for someone to remain committed in a classroom, who has just overcome a

drug problem, and was / is homeless - is a big commitment to ask for.

We cannot get education outcomes

Outcomes are limited with AMEP / LLN students. After hours English classes should be available & should be funded for new arrivals working FT & require additional support.

people are mobile and need to travel for funerals and will miss too much of the course to eventually complete

We can work with a Js and mentor them through a course but it may take them 18 months to complete. Hence no recognition/stat/outcome claim/revenue

No outcome - no money - no job

See previous answer, suitable courses are very difficult to find. They are usually too short to be an outcome and are too difficult for the clients to manage at the pace and intensity that they are delivered. Longer courses don't seem to be financially viable for RTOs.

Cant help people in a way that will assist them

**Thinking about the future, what key changes to the contract would improve your capacity to achieve successful outcomes for job seekers? (e.g. improved measures of social outcomes and inclusion of these in the star rating system)**

**Text Response**

An additional stream for disadvantaged job seekers, the ability to assist those clients who are suspended without forcing them to meet compliance requirements, co-ordinated case management with Youth Connections

Improved measures of social outcomes and inclusion in star ratings; more flexible definitions of education and training which could lead to an outcome; specific allocation of funds for wage subsidies for stream 3 and 4 clients to enable us to encourage employers to place these clients into work.

A reduction in the administration would result in greater resources being focused on job seekers.

There are so many - improved JCA services correctly identifying mental health job seekers, more flexible orientation outcome criteria, correct streaming of job seekers,

Allowing ESG the option of finding employment; re-weighting of education outcomes to increase their system value.

Social outcomes to be measured and financially rewarded in order to sustain viability. High outcome and service fees for specialist providers. We should not be compared with generalist providers. The word specialist should have some further meaning and heavier weighing in star ratings. Each specialist provider have a dedicated JCA assigned on site or as part of their contract, have a JCA working for them. Centrelink JCAs are inconsistent in their processes.

Social outcomes needs to be a big part and the work experience needs to change and maybe be address as a outcome on Skills Js learn why being in this phase

Include social outcomes, reward through the star ratings improvements in job seeker engagement

AMEP/ LLN (No certificate based education) should be an acceptable study option for Outcome payments. JSCI questions should be altered "When did you arrive in Australia 0-5years ago, 5+years ago...?? I feel it should be 0-24mths, 24-48months, 48+months.. New arrivals have limited knowledge of Australia n Workplaces/ Labour Market / Requirements for employment & 0-5yrs is not reflecting JSKR situation..

less administrative requirements. more faith placed in orgs to deliver outcomes without constant checkpoints and compliance requirements.

More flexibility across the board.

We have a significant number participating in counselling. While they are in counselling, they are generally not work ready. The contract needs to recognise the value of addressing these non-vocational barriers and not negatively impact on performance while this is occurring.

Remove unnecessary administrative burdens, to allow staff to do their job. Trust that JSA providers know what they are doing and work off results, not inputs. Allow for a system that encourages networking and cooperation, not putting up walls created by a highly competitive market. We are all in this industry to get people into work - do not distract us by forcing us to jump through a million hoops and weigh up if doing what we do best is financially viable.

- Some concrete measures of social outcomes for the many job seekers who are classed as not yet suitable for employment by JCAs - an employment outcome at earlier than 13 weeks for stream 4 job seekers - ability to charge from the EPF for intensive assistance in the workplace to assist employment retention for stream 4 job seekers

Improved measures of social outcomes and inclusion of these in the star rating system. People who are not eligible for service and who don't volunteer for services don't get services therefore their barriers don't get addressed

## Performance measurement

### What are some of the challenges, if any, of the current star rating and performance measurement system?

#### Text Response

##### Failure to recognise social outcomes

The greatest challenge appears the change in the way DEEWR are treating the job seeker characteristics in developing the Beta score for each labour market. From our current experience it feels that they are refining the Beta score, this has resulted in some sites improving when not expected and others declining when not expected. At this point we have limited confidence that the stars are predictable and therefore it is difficult to manage performance when sites have no faith their efforts are truly reflected in the star data. I have been in the industry since inception in 1998 and have been able to establish KPI to reach high star ratings - I am not at this point.

##### Balancing the expectation of the star rating system with financial viability

It was a mess to begin with. All providers - whether established or not were assessed against each other. How can a new provider be assessed against providers that were operating in Job Network and held placements back only to 'anchor' them in ESS in the new system. There was no monitoring of this. Performance data only became available 12 months into the contract. Specialist providers are not given any extra income or weighting when it comes to star ratings. Homelessness providers need to be assessed differently to generalist providers, or provided extra weighting and financial benefits in order to remain viable. Social outcomes need to be measured properly. We have clients who we see initially who are ready to take their lives. We work intensively with these clients to assist them overcome their barriers. Within weeks we are servicing them in-house and they have overcome massive barriers. This time and effort is not currently measured / rewarded / considered by DEEWR in any aspect. This needs to change.

none

A main problem is we can't make sense of the ratings in that we can't interpret our own data to get a reliable measure of how we are progressing against the Stars. How can you manage it if you can't count it.

Information gained from EA Reporting doesn't reflect that of the Star rating results.

that we can be working hard for our clients and other providers are achieving higher star ratings through the imputed ratings based on what they are achieving in their bigger regional center as opposed to what they actually in reality are achieving in that location

over complicated, too many outcome types, no accurate picture of performance given the requirement for 20 commencements in each category eg Stream 1 and overall percentile rating unlikely to appear until Feb 2011. Some contracts with low numbers never likely to have anything but inputted ratings. is it fair to potentially reallocate on unputed ratings ? more trans[parency with KPI3 performance. Reports relating to much of the measurement still not available. those that are are only at ESA level, how can orgs drill down on potential areas for improvement if the site and job seekers assessed are not known ?

The Fundamental Challenge is that we have various measures for assessing performance, including 'outcome rates' and Percentile scores etc. , as given in the ESS Performance Rpts, BUT the Star Ratings which we eventually receive following the application of the "regression model" will often bear little resemblance to these scores! We regularly have a situation whereby performance appears to have improved or declined using the pre-regression model data, only to find that the Star Rating moves in the opposite direction!~ Secondly, the number of factors upon which we are judged is ludicrous

not recognising severity of barriers of mental health job seekers I have worked for generalist providers whose Stream 4 job seekers have far lesser barriers than ours

Lack of Transparency - Exactly how does it work????

The focus on solely employment outcomes requires providers to decrease provision of personal or non vocational support and to push employment compliance or risk losing their contract in business reallocation.

Contract is about the job seekers complying and assumes that they can but wont work. Measuring performance as primarily about jobs and so for many of our clients this aim is still a very long way away.

## What could be improved?

### Text Response

Greater weighting for social outcomes recognised, training outcomes measured at 6 monthly intervals

We feel that with any new model there will be changes and improvements, but this needs to be refined as a priority to ensure there is at least some confidence in the data / results. Staff management and retention in the industry requires faith that they can achieve targets set.

Remove Stream one job seekers from the JSA contract. There is a ton of administrative work servicing stream one job seeker for small financial return

As above

"star rating" for engaging job seekers previously not participating

Transparency and understanding then training for services. I should know that x outcomes will give 4 Stars etc.

Reporting could be more transparent, Social Outcomes should be easily measured - We are unable to identify who are Social Outcomes are for & how we have aged many of them. Reporting should have criteria options as per last contract reporting options.

remove the star rating

less outcome types and measurements within streams. more transparency and accurate data in relation to KPI 3

I believe the regression model needs to be dumped in favour of a transparent system of performance assessment based on actual results assessed against ESA and National averages. 'Weightings' need to be known & transparent if Providers are going to be able to properly manage their performance at the 'ground floor' level.



### Greater weighting to mental health barriers

Providing a more transparent system and helping provider to understand the performance indicators and how they work. The benchmarking system is far better than the bell curve system. Help us to improve - Don't put barriers up so we don't understand how to move forward and strive for continuous improvement. Allow us the time to prove we can do the job - 5yr contract, with options of rollover if performance meets benchmarks. This would save the taxpayers a fortune.

Relaxing performance measures around stream 4 or clients who are suspended due to barriers. Non vocational outcomes should be acknowledged or these job seekers removed from the program.

Social and inclusion outcomes could and should be measured and rewarded within the contract

## Referrals

### Thinking about your case load as a whole, have you had any difficulties with the way in which Centrelink assigns job seekers to streams?

Answer	Response	%
Yes, significant difficulties	12	67%
Yes, some difficulties	5	28%
No	1	6%
Total	18	100%

### If yes, please comment

#### Text Response

Many client's barriers are not recognised / disclosed in centrelink assessments and therefore are placed in a higher level stream than they should be

Job seekers with significant barriers are often placed into low streams because the condition or barrier is "not fully treated or stabilised" for this very reason the job seeker needs extra help to make this happen and is often not job ready at all.

We experienced significant problems with the initial mapped job seekers and had established sites to cater for 600 plus job seekers and had a starting allocation of less than 200. This was identified as a system issue, but not able to be fixed in time - subsequently we terminated some employment, only to have to rebuild now given we have grown the caseload. It is fair to state that financial assumptions for the sites with job seeker flow issues have resulted in the likelihood the site will make a loss for the 3 year contract term.

Poor JCA assessment and identification of streams for job seekers with mental health conditions.

Our caseload is in wrong stream we have just bought on a qualified Psychologist to address this problem

Centrelink JCAs work from the offices of rival JSA providers so our referrals are tainted

Centrelink do their best however the JSCI is not a useful tool when assessing new arrivals. JSKR with NO english (Reading/writing/speaking), no work history, arrived in Australia 3months ago, No transport, living in government funded accommodation 20 minutes from the city, No medical conditions is deemed a Stream 2.

some of our site information was not available up to 15 months into the contract for some of our sites on the centrelink screen

poorly assessed Job seekers referred to inappropriate streams. Stream reviews being conducted over the phone and completed within minutes.

Because we are on an "opt in" instead of the "opt out" list. If we got some generalist referrals we would have a more balanced caseload. ie we were offered as one of the generalists and well as a specialist

Huge variance in information provided by Centrelink staff. Centrelink staff should be familiar with the local providers, so that referrals to organisations that best suit their requirements, or requests are made.

There are instances where significant barriers such as torture and trauma have not been captured and clients have been placed into stream 1 due to a qualification, although the client is not able to function due to other severe barriers.

Young people being assigned to adult sites and vice versa. Inappropriate referrals to a youth site (a man with child abuse history sent to youth site) Also 0 - 7 assessed being sent to us who are not volunteering to work but sit on our caseload and we cant assist them.

**What proportions of your job seekers have you had to get re-classified into a different stream?**

Answer	Response	%
5% or less	0	0%
6-10%	2	11%
11-25%	6	33%
26-50%	7	39%
51-75%	2	11%
76% or more	1	6%
Total	18	100%

**What, if any, challenges have you experienced in getting referrals for job seekers between different JSA providers?**

Answer	Response	%
Amount of paperwork and advocacy to get transfers to occur	5	28%
Delays in other service providers approving the transfer	8	44%
Difficulties in getting agencies to transfer the EPF with the job seeker	6	33%
Difficulties in getting other agencies to accept referrals from your service	3	17%
Other JSAs reluctant to transfer job seekers to specialist providers	4	22%
Other (please specify)	2	11%
None	4	22%

Other (please specify)
other JSA's have no EPF left
Providers willing to transfer only the most difficult clients

## Employers

### What challenges, if any, have you had in working with employers under the current contract?

Answer	Response	%
Not enough volume of job seekers to keep large employers engaged	6	33%
Lack of capacity to employ a reverse marketer to work with employers	7	39%
Negative attitudes of employers working with specialist providers	7	39%
Lack of suitable employment options	8	44%
Negative attitudes of employers to give higher needs job seekers an opportunity	12	67%
Amount of paper work/administration required to get fully paid for wage subsidies	5	28%
Other (please specify)	4	22%
None	1	6%

Other (please specify)
the amount of information required to support placement fee claims. Although a free service, the administration causes frustration
Administration involved to substantiate reverse marketing
Lack of EPF to support employers with workplace modifications (signage/subsidies etc)
Some reluctance to employ migrant clients for racial reasons and low tolerance for english as a second language

## Staffing

**If your organisation had an employment contract previously (e.g. JobNetwork, PSP, JPET), what proportion of the staff under the previous contract have continued to work in the current JSA contract?**

Answer	Response	%
10% or less	1	6%
11-25%	3	18%
26-50%	2	12%
51-75%	2	12%
76-100%	4	24%
None, did not have a previous contract	5	29%
Total	17	100%

**Of your current staff, which area did the majority of staff previously work in?**

Answer	Response	%
JobNetwork	8	44%
PSP	4	22%
JPET	2	11%
DEN	1	6%
No employment service background	3	17%
Other (please specify)	0	0%
Total	18	100%

## Financials

**Has your organisation faced challenges in relation to cash flow?**

#	Answer	Response	%
1	Yes	17	94%
2	No	1	6%
	Total	18	100%

**If yes, what are some of the challenges you've faced in this contract with respect to cash flow?**

### Text Response

low service fees paid for ongoing service of clients does not allow for sufficient staffing to service clients properly.

There are always issues in the implimentation of a new contract, but this model has been tougher than most and has required a large amount of effort to manage cashflows. One example is the fact that outcome payments have become an integral componant to covering fixed costs of offices, but the technical issues with claims has resulted in claims not being able to be processed for 14 to 18 weeks, thus delaying cashflows. Changes to the placement claim eligibility has also impacted on flow

As a new provider it has been challenging to come to terms with the multi-faceted payment schedule provided by JSA.

Outcome fees are not enough. The work you put into a stream 3 and 4 client who is of high needs is not rewarded financially. Any above and beyond service - counselling and mentoring needs to be documented, and the administration involved is a job in itself. Service fees are not relevant / appropriately paid for in accordance with working with clients of high needs.

set up costs as a new organisation, Service fees low for remote job seekers,

Outcome payments not achieve expected level due to job seeker difficulties

not enough money

Less \$ for servicing. Many clients suspend due to study however still require servicing & support (no payments are generated for suspended clients)

not enough money to start up and the cash advance created more problems than it fixed

service fees not what was expected using DEEWR/KPMG model of predicted JS flows

The initial cash flows early in the contract were insufficient, but the main problem was that there were no adequate models to enable Providers to predict income with any certainty.

Original community organisation has relinquished the contract due to inability to finance cash flow

Income not covering costs of delivering contract requirements. Especially for first 12 months of contract. Catch 22 - not enough money to pay staff - staff overworked - don't achieve outcomes.

For stream 4 services, program income does not cover staff wages and staff are extremely overloaded due to increased caseload size, resulting in poorer service delivery and compliance.

Predicting income based on previous PSP and JPET streams (big mistake!) Anticipating ebb and flow with such difficult job seekers.

### Approximately what proportion of your employment pathway fund have you been able to spend?

Answer	Response	%
10% or less	1	6%
11-25%	3	19%
26-50%	6	38%
51-75%	4	25%
76-100%	2	13%
Other (please specify)	0	0%
Total	16	100%

### Have there been things you have not been able to purchase with the EPF that you would like to?

Answer	Response	%
Yes	6	35%
No	11	65%
Total	17	100%

**If yes, what are they? (e.g. access to community services)**

Text Response

housing

Reverse marketing clients into community assistance programs.

service areas too remote, often no service available. also knowledge of how to do so

Partnerships with supporting organisations.

Post placement support to a much higher degree

**Other**

**Is there anything else you would like to add which the questions have not enabled you to comment on?**

Text Response

need to let organizations do what they do well and less interference from contract managers

High amount of administrative work with this contract means our staff spend more time doing required paperwork and chasing up evidence for claims than actually providing the best service to job seekers.

no

There is a need to bring the specialist providers together to advocate with DEEWR changes to the rules and market share arrangements for specialist providers.

The contract needs serious altering in order for small (all) specialist providers to remain operating. Social outcomes, special consideration (both financially and star ratings measures) need to be considered. It was no wonder all homelessness specialist providers did not score highly in the last star ratings. New providers were assessed against previous Job Network providers. As mentioned it was common with industry that providers held placements back, only to anchor them in the new JSA contract, taking their performance into JSA start ratings milestone. DEEWR did not take this into consideration. Establishing a new service provider takes time. Yet we now face business sanctions. Generalist providers will not be able to work with our clients. It is also quite common that generalist providers, when unable to cope with their high needs clients, tell them to organise a transfer to a specialist.

Why is there a specialist disability service under JSA when : DES does a great job and the specialist service must take generalist referrals. Whats the point????

The way in which Market Share is allocated is not clear - DEEWR & Cenrelink talk in very general terms, but the actual processes & formulas for referral seem to be 'clouded in mystery'??!

Bring back the CES. With current technology, appropriate staffing levels, effective management and flexibility, this would provide a less confusing, more targeted and much cheaper employment service for both Job Seekers, Employers and taxpayers.

Clients on suspension overwhelmingly do not volunteer for services to address their severe barriers. A significant number of clients remain on the caseload but cannot be serviced or have their barriers addressed. Taking these clients off suspension would not work because they will require long term assistance and the lack of service fees during the work experience phase mean very long term servicing is not financially viable.

We would be pleased to provide case studies, examples and join in any consultation, lobbying, advocacy etc on behalf of our clients.