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Department of Employment  
and Workplace Relations

# **New Employment Services Trial Evaluation, Phase 1, July 2019 – June 2021**

November 2022

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The document must be attributed as the *New Employment Services Trial Evaluation Phase 1 report*.

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## List of acronyms

|        |  |
|--------|--|
| AAR    | Annual Activity Requirement                      |
| ABS    | Australian Bureau of Statistics                  |
| AMEP   | Adult Migrant English Program                    |
| APM    | Active Participation Model                       |
| CTA    | Career Transition Assistance                     |
| DES    | Disability Employment Services                   |
| DEWR   | Department of Employment and Workplace Relations |
| DLA/DA | Digital Literacy Assessment / Digital Assessment |
| DS     | Digital Services                                 |
| DSCC   | Digital Services Contact Centre                  |
| DSR    | Digital Services Review                          |
| EF     | Employment Fund                                  |
| EPA    | Employment Preparation Activity                  |
| ES     | Enhanced Services                                |
| ESAt   | Employment Services Assessment                   |
| ESS    | Employment Services System                       |
| EST    | Employability Skills Training                    |
| IT     | Information technology                           |
| JSA    | Job Services Australia                           |
| JSCI   | Job Seeker Classification Instrument             |
| JSS    | Job Seeker Snapshot                              |
| KEQ    | Key Evaluation Question                          |
| LTU    | Long-term unemployed                             |
| MOR    | Mutual obligation requirement                    |
| NCSL   | National Customer Service Line                   |
| NEIS   | New Enterprise Incentive Scheme                  |
| NESM   | New Employment Services Model                    |
| NEST   | New Employment Services Trial                    |
| NWEP   | National Work Experience Program                 |
| OES    | Online Employment Services                       |
| OEST   | Online Employment Services Trial                 |
| PaTH   | Prepare – Trial – Hire                           |
| PBAS   | Points Based Activation System                   |
| POA    | Period of assistance                             |
| PPM    | Post Program Monitoring survey                   |
| ppt    | Percentage point                                 |
| RTO    | Registered Training Organisation                 |
| SAP    | Structural Adjustment Program                    |
| SEE    | Skills for Education and Employment              |

|      |                                 |
|------|---------------------------------|
| STU  | Short-term unemployed           |
| TAFE | Technical and Further Education |
| TCF  | Targeted Compliance Framework   |
| ToC  | Theory of change                |
| TtW  | Transition to Work              |
| UCD  | User-centred design             |
| VLTU | Very long-term unemployed       |
| WfD  | Work for the Dole               |

## Glossary

|  |  |
|--|--|
| Annual Activity Requirement                  | The Annual Activity Requirement (AAR) forms part of a participant's overall mutual obligation requirements (MORs). It refers to a requirement for participants in jobactive to undertake additional activities for 6 months of each year after their first 12 months in service. AARs did not apply to participants in the New Employment Services Trial (NEST).   |
| Assessed level of labour market disadvantage | Assessed levels of labour market disadvantage are based on Job Seeker Classification Instrument (JSCI) / Job Seeker Snapshot (JSS) scores. A low JSCI/JSS score equals low assessed level of labour market disadvantage, a medium JSCI/JSS score equals medium assessed level of labour market disadvantage, and a high JSCI/JSS score equals high assessed level of labour market disadvantage.   |
| Digital Gateway                              | The Digital Gateway is used in this report to describe the online registration process for employment services and includes the application process and completion of the Job Seeker Snapshot (JSS) and Digital Assessment (DA).   |
| Fast Connections                             | Fast Connections were changes made to the way participants who applied for activity-tested income support were engaged and managed as an initial response to the onset of COVID-19.  |
| Inflow period                                | The time period over which new participants are included in analysis. The inflow period for most of the comparisons in this report is from 4 November 2019 to 31 December 2020. This enables 6-month outcome measures to be calculated for the population prior to the end of the study period (30 June 2021).   |
| Mutual obligation requirements               | Mutual obligation requirements (MORs) are tasks and activities participants on certain activity-tested income support agree to do to receive income support payments. Penalties apply to participants who fail to meet their MORs, as outlined in the Targeted Compliance Framework (TCF). MORs were fully or partially suspended for NEST participants because of COVID-19 and/or natural disasters over much of the reporting period in this report.   |
| Period of Assistance (POA)                   | A 'Period of Assistance' (POA) is the duration a participant has been in a specific employment service program, such as jobactive, Transition to Work (TtW) or ParentsNext. A participant will have a separate POA for each program (though NEST and jobactive are generally considered to be the same program when defining a POA). A POA begins from the participant's first contract referral and ends when the participant exits the program, including if they transfer to another program. If the participant returns to the program after 91 days (within the allowable break period) they will begin a new POA. If the participant returns to the program within 91 days, they will resume their former POA. |
| RapidConnect                                 | RapidConnect is a policy that encourages rapid connection with an employment services provider or Online Employment Services after a participant contacts Services Australia about claiming JobSeeker Payment (JSP) or Youth Allowance (YA). Unless exempt from RapidConnect, a person claiming JSP or YA (as a job seeker) who is referred to an employment services provider is required to attend an interview with their employment services provider before their payment becomes payable. Since  |

|   |   |
|---|---|
|   | 2021, people who have been referred to Online Employment Services must agree their Job Plan before their payment can commence.  |
| Targeted Compliance Framework           | The Targeted Compliance Framework (TCF) is a compliance framework that applies to participants in jobactive, ParentsNext, Disability Employment Services (DES) and the NEST. The TCF applies 3 different levels of penalty 'zones' – the Green Zone, the Warning Zone and the Penalty Zone – for participants subject to this policy. |
| Workforce Australia Employment Services | This refers to Workforce Australia Online and Workforce Australia Services, which provide employment services for mainstream people in non-remote areas of Australia.   |

## Executive summary

### Background

The Commonwealth Government of Australia has outsourced employment services largely to non-government providers since 1998. Following a public consultation process, a new employment services model, known as Workforce Australia Employment Services, was developed to modernise the delivery of employment services by:

- increasing digital servicing options for job ready participants, and
- providing more intensive and tailored servicing to participants who require additional support.

Several trials were undertaken to inform Workforce Australia Employment Services including the:

- Online Employment Services Trial (OEST) (July 2018 – April 2020)
- Online Job Seeker Classification Instrument (JSCI) Trial (July 2018 – April 2020)
- New Employment Services Trial (NEST) (July 2019 – June 2022).

All the trials have been evaluated by the Employment Evaluation Branch in the Department of Employment and Workplace Relations (DEWR) (the department).

To date, the NEST evaluation has been largely formative, aiming to capture the real-time experiences and requirements of participants, providers, and other stakeholders. It also aims to provide continuous feedback on policy settings in practice, and inform future employment services. This evaluation differs from most previous employment services program evaluations as it tests implementation and outcomes of policy and program design against an existing contemporaneous service (jobactive) in comparator regions. This is possible, to a large degree, despite the effects that external environmental events (bushfires and floods) and COVID-19 have had on the trial.

The COVID-19 pandemic has made it difficult to use measures of effectiveness and comparison groups traditionally used in this type of evaluation. Matched samples have been used where possible, and comparison regions (non-NEST regions selected based on their similarities to NEST regions) have been reviewed and refined throughout the evaluation period.

### This report

This report presents the observations and findings of the NEST evaluation to June 2021. It primarily addresses the transition of jobactive participants to NEST services, implementation of policy, programs and services available in the NEST, and outcomes for Enhanced Services (ES) (from 4 November 2019) and Digital Services (DS) (from 1 July 2019) participants until 30 June 2021. Due to the overlap between service experiences, especially in the digital onboarding process and use of the jobactive website and app, findings from the OEST evaluation and the Online JSCI Trial evaluation are incorporated where appropriate.

Findings included in this report are based on information gathered and synthesised from multiple sources including qualitative fieldwork, surveys, and administrative data.

## The NEST

The NEST is testing policy settings in an online (Digital Services) and provider-based (Enhanced Services) context, particularly around referral, assessment, assistance, flexible activation, provider payment structures and safeguards. Some aspects, such as Job Plans, the Targeted Compliance Framework (TCF), and the Employment Fund (EF) are operational in both contexts.

### Digital Services Platform

The OEST was discontinued, and Online Employment Services (OES) fast-tracked, in response to the COVID-19 pandemic (Section 1.4.1). OES has operated as the mainstream online service for participants with low levels of labour market disadvantage since April 2020. All participants in the NEST are able to access online tools, such as Résumé Builder and the Job Seeker Profile, along with information blogs and videos. These tools have evolved in line with departmental and user priorities.

### Digital Services

Digital Services (DS) in the NEST comprises 2 service levels: Digital First (DF), for the most job ready participants requiring no assistance; and Digital Plus (DP) for participants who are largely job ready but require some extra support, additional training and/or EF assistance. DS participants can also access telephone/email assistance, which since 21 September 2020 has been provided by the Digital Services Contact Centre (DSCC).

Participants in service for 4 months or more (from 16 November 2020) who are not declaring work or study must choose an eligible activity as part of their mutual obligation requirements (MORs).

The Digital Services Review (DSR) was originally designed for DS participants as a safety net at 6-monthly intervals (6, 12 and 18 months), to identify DS participants who may be struggling to manage their MORs and/or unsuitable or no longer suitable for online servicing.

### Enhanced Services

ES participants should receive personalised, tailored support and assistance from providers to improve their employability and address their vocational and non-vocational barriers to work. Providers, in consultation with participants, determine the most appropriate combination of requirements and activities for ES participants, according to their individual circumstances.

### Points Based Activation System

The Points Based Activation System (PBAS) was introduced on 7 December 2020 for new participants who commence in DS. It is used in ES at the provider's discretion. It is designed to offer participants more choice in how they meet their MORs. Participants accumulate points for job search, interview attendance, employment, education, training, work experience and voluntary work activities.

### Disruptive events

Since November 2019, the NEST, and the NEST evaluation, have adapted to unexpected environmental disasters such as the 2019 summer bushfires, and then a once in a century pandemic. As a result of these events, some policy, program and digital design elements were delayed, and others, such as the online assessment and referral process, and the formalisation of an online employment service were fast-tracked.

Further, COVID-19 has contributed to strong fluctuations in the Australian labour market, with the underemployment rate increasing and decreasing more than 5 percentage points (ppt) between December 2019 and June 2021. The unemployment rate peaked at 7.4% seasonally adjusted in June 2020, from 5.3% in March 2020 (Section 1.4.2). Underemployment, however, was affected more (rising from 8.8% in March 2020 to 13.6% in April 2020). This was mainly due to the JobKeeper program, which meant that some workers were not captured in the unemployment rate, as they were still considered 'employed', but were working either zero hours or fewer hours than usual.

## The NEST caseload

The total NEST caseload went from 21,960 in December 2019 to 33,784 in June 2021 (an overall increase of around 54%). This is generally in line with the pattern of overall employment services caseload movements over the period. As would be expected, people who had been employed when COVID-19 and the subsequent lockdowns occurred had generally low assessed levels of labour market disadvantage and, in line with the policy settings, most were referred to DS (Section 1.4.4). Assessed levels of labour market disadvantage are based on JSCI/JSS scores.

## Enhanced Services

The ES caseload increased (to around 21,000 in June 2020 from 17,500 in December 2019), then dropped back to around pre-COVID-19 levels (approximately 18,000 in June 2021). The overall NEST ES caseload is more disadvantaged than the jobactive caseload in comparison regions, as jobactive policy settings initially send participants with moderate assessed levels of disadvantage to provider services; but within NEST regions, they are sent (after assessment) to DS. This is because NEST DS was designed to support participants who were essentially job ready but may have needed some extra support, by directing them to Digital Plus. Subsequently, 70.4% of the ES caseload had a high level of disadvantage, compared with 47.7% of the jobactive caseload (Section 6.2.1).

## Digital Services

The DS caseload increased more than threefold (from 4,452 in December 2019 to 15,857 in June 2021). The DS caseload has fluctuated, primarily due to COVID-19 (Section 5.2).

## Suitability of service

Feedback from the NEST Longitudinal Study<sup>1</sup> (NEST LS) suggests that most participants feel that the service they are in suits their needs. This is supported by the fact that almost 9 in 10 participants who completed the DSR were found to be suitable for DS (noting that only about half of participants who were invited to complete the review did so) (Section 5.5.1).

Administrative data to June 2021 shows that fewer than 1 in 10 participants (8.3%) had changed service type since the inception of the NEST, and the vast majority of these transfers (89.2%) were from DS to ES. Analysis of administrative data indicates that preference for face-to-face service accounts for more than one-third of opt-outs from DS (36.9%), indicating that suitability and preference are not always aligned (Section 8.1).

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<sup>1</sup> The NEST Longitudinal Study is a qualitative research study of 10 DS participants and 20 ES participants (30 altogether) in the trial regions (15 in Mid North Coast and 15 in Adelaide South). Data from the first 5 waves were used in this report.



## Outcomes

These outcomes compare participants with similar levels of assessed disadvantage who are looking for work in similar labour markets. Differences reported, therefore, are not a result of differences in labour markets or participant characteristics.

### Digital Services

Outcome measures for DS include off income support and reduced reliance on income support.

Overall NEST DS is producing outcomes equivalent to OES. Given the similarity in the service offer, it should be no surprise that there was no significant difference found in either measure for those with low levels of assessed disadvantage in the comparison regions (Section 5.8.1).

### Enhanced Services

As well as the measures used for DS (off income support and reduced reliance on income support) provider-serviced outcome measures include paid outcomes (4, 12 and 26 week outcomes).

Significant differences in off income support and paid outcomes were found for provider-serviced participants with high levels of labour market disadvantage.

Off income support outcome rates after 6 months were significantly higher for people in NEST ES, compared with similar participants in jobactive. The difference in this measure was 10.3 ppt for provider-serviced participants with high levels of disadvantage. Given the low base from which this difference is measured, this is a substantial difference (Section 6.10).

There was also evidence that indicates NEST providers are achieving more sustainable employment outcomes than providers in jobactive comparison regions. While the difference in 4 week outcome rates is small, these outcomes in NEST ES are converted to longer-term outcomes more strongly than in jobactive (Section 6.10). In the NEST, 12 and 26 week outcome rates are higher than in comparison regions. This is likely due to the differing service strategies and supporting policy settings in NEST ES, which is more in line with human capital theory<sup>2</sup> of employment servicing. These types of servicing strategies often deliver better longer-term outcomes than the 'work first' model reflected in jobactive.<sup>3</sup>

### NEST transition

Unlike other transitions, where movement between services is automated, NEST providers (who were all jobactive providers prior to the trial implementation) assessed participant suitability for DS or ES using digital literacy and other assessment tools alongside the department's transition criteria. Overall, providers reported that the DS transition criteria were not suitable for some participants. For example, some participants had outdated JSCI scores which did not accurately reflect their current circumstances. Employed participants with long periods of assistance were often better suited to DS, despite the transition rules leaving them in ES. Providers also reported that some face-to-face participants were reticent to transfer to DS despite their apparent suitability. Contributors to this reluctance were:

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<sup>2</sup> Human capital theory assumes that an adequate investment in people will result in a growing economy.

<sup>3</sup> Colin Lindsay, Ute-Christine Klehe and Edwin A.J. van Hooft, eds (2014), *Work first versus human capital development in employability programs*, in *The Oxford Handbook of Job Loss and Job Search*. Oxford University Press, Oxford.

- a knowledge gap about the DS offering. Participants were not certain about the services being offered via the DS platform and did not want to exchange the known for the unknown.
- some existing service users did not want to give up the material resources that providers gave them access to (e.g., use of printers and EF<sup>4</sup>), as well as the value of personal interaction and engagement.
- some providers did not appear to encourage all eligible participants to move to DS and took a cautious approach to referral.

Therefore, when given a choice to opt into the DS, a sizeable portion of eligible participants chose to remain with their provider.

Participants who chose to move to the DS thought the greatest benefits of this service offering were convenience, flexibility, time saving, and autonomy. These participants did not feel the need to attend provider appointments and enjoyed the convenience of self-managing their MORs online.

## **Trial implementation**

### **Stakeholder engagement**

In stakeholder research,<sup>5</sup> training organisations and host agencies reported that they had little awareness of the NEST or its potential impact on their business. This may have been because changes in relationships and interactions were being ascribed to other disruptive factors. The removal of the Annual Activity Requirement (AAR), which affected referrals to Work for the Dole (WfD) and compulsory activities, including training, combined with the impact of bushfires and COVID-19, which saw reduced or suspended MORs, limited providers' ability to engage participants in activities. Providers, noting they were in a trial environment that was designed to operate differently to jobactive, also refocused their energy inwards, as they negotiated changes in the model. The redirection of part of their caseload to DS also impacted the pool of participants who may have been suited to volunteering.

### **The provider–department relationship**

NEST providers reported that they appreciated the department's willingness to collaborate throughout the trial and test policy and program initiatives, build an evidence base, and discuss different engagement and servicing options before the rollout of Workforce Australia.

The department's consultative approach and commitment to systemic change influenced provider change processes, and facilitated the implementation and uptake of policy, program and process changes at the organisational, site, and staff level.

Account and contract managers have been integral to change and building responsive relationships with providers (Sections 3.2.1 and 6.7).

The implications of the department managing the digital caseload, effectively bringing the department into the market, was an issue raised by providers.

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<sup>4</sup> While EF is available for DS participants very few are aware of the fact.

<sup>5</sup> Four tranches of research were conducted with NEST stakeholders, including NEST providers, training organisations, employers and host organisations.

## ESSWeb

Due to its trial nature, ESSWeb<sup>6</sup> was not fully developed for the NEST, though development has been ongoing throughout the trial period. Initially, ESSWeb limitations in the NEST environment, particularly with regard to data and reporting, meant providers had difficulty tracking caseloads and accessing reports, however, this was remedied with subsequent releases. Providers reported increased administrative burden as a result (Section 3.2.1).

## Guidelines

As the department took a less prescriptive approach to guidelines early in the trial, providers lacked confidence in their understanding of the department's expectations. Some providers struggled to adapt to this environment when trialling new engagement approaches and activities and making business decisions. Others, however, embraced the less prescriptive environment, and encouraged staff and participants to be involved in, and provide feedback about, elements of service design and delivery (Section 3.2.1).

## Caseload management

NEST providers reported different approaches to caseload management. While most used caseload ratios as a performance metric, and were looking to reduce the caseload size per consultant, they generally reported using caseload ratios in combination with other measures. NEST providers reported caseload size per consultant did not drop as much as planned due to a range of factors, including site closures and lower than expected transfers to DS initially and subsequent COVID-19 impacts. Some providers noted difficulties recruiting employment consultants with the skills and attributes they were seeking (Sections 3.2.1 and 6.55).

In terms of broader case management approaches, some providers focused on quality servicing rather than time-based servicing. Others used a blended case management model combining individual face-to-face sessions, group sessions and online services.

## Groups who may not be most suited to ES

Both NEST and jobactive providers reported that some participant groups would be better placed in DS or serviced by Centrelink, regardless of their assessed level of disadvantage. These include:

- participants who are meeting their MORs through activities other than job search
- older participants, and those who are long-term employed in seasonal/casual/contractual roles
- some groups with exemptions due to illness, disability or caring responsibilities.<sup>7</sup>

## Enhanced Services

### Performance framework

The NEST has largely operated outside the influence of a performance framework. Some providers found this frustrating, as it did not give them confidence that they were performing well. It also, however, contributed to a willingness to trial new ideas and strategies, as well as improved relationships and communications between providers and the department. Combined with a lack of

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<sup>6</sup> ESSWeb is the department's administrative IT system for providers to use to manage the administration of the contract.

<sup>7</sup> While many of these would be suspended from service due to exemptions from Centrelink, they remain on provider caseloads.

comparative data early in the trial, providers were unable to determine if the actions they were taking translated to competitive results. This situation improved as new reports became available.

In general, NEST providers thought the Star Ratings system used for jobactive was overly complex. When considering the design of the performance framework in Workforce Australia Employment Services, NEST providers stated a preference for a simplified framework that captured both full and partial employment outcomes and quality indicators such as onsite and digital engagement and attendance; appropriateness of referrals as measured by engagement, attendance and completion rates; participant progress; and participant, employer and staff satisfaction.

Providers cautioned against using 'time to' key performance indicators (KPIs) to measure performance and service quality. There was strong consensus that these KPIs encouraged inappropriate referrals as providers felt they needed to sacrifice appropriateness for speed (Section 6.8).

## Flexibility

Overall, providers and participants have embraced the flexibility available in the NEST model, and there is evidence that:

- ES providers were well placed to pivot to online servicing in response to COVID-19
- ES providers are engaging with their participants more regularly than jobactive providers
- ES providers are having more targeted conversations with participants
- overall participants' net satisfaction with their provider service is higher in the NEST compared with jobactive.

## Streams and tiers

Removal of streams (Stream A, B and C as they operate in jobactive) was welcomed by providers, who indicated that stream allocation in jobactive did not always see participants allocated to the most appropriate stream. Further, providers noted that the removal of streams encouraged them to make servicing decisions based on the goals of the participant in front of them, their employment pathway, and the likelihood of a positive outcome.

In the NEST ES providers were able to allocate participants to tiers. Tier 1 was intended for participants who were able to undertake intensive work readiness activities, whereas Tier 2 was for participants facing more substantial non-vocational barriers. Providers were rewarded for moving participants from Tier 2 to Tier 1 with a Progress in Service Bonus (PiSB). Feedback from the majority of NEST providers showed there was little enthusiasm for tiers as:

- providers were initially confused about how to assess participants for tiers and their purpose, given other formal assessments such as ESAts and their own assessments of participant needs
- most providers considered the tiers added unnecessary complexity and administration
- some providers were also concerned the department would question their tier allocation, given a PiSB is paid when participants move from Tier 2 to Tier 1 and Tier 1 to DS.

Consequently, most providers became increasingly ambivalent about the usefulness of tiers, as they were not linked to outcomes, had little impact on tailored servicing, and did not necessarily reflect participant progress, which is often non-linear. Some providers thought tiers were just streams by

another name. As such there was little movement between tiers and correspondingly few PiSB payments, although the prevalence of PiSBs did increase as providers became more confident working in the NEST (Section 6.3).

## Engagement and activation in Enhanced Services

NEST providers generally agreed that the flexibility of the NEST has broadened the range of activities to which they offer and/or refer participants. Drivers of engagement in activities include choice, flexibility, value and appropriateness. As such, NEST are more likely than jobactive providers to:

- consider participant preference when selecting and referring to activities
- have less difficulty finding a suitable activity for participants
- encounter less resistance to activity attendance.

## Work experience or Work for the Dole

WfD activities are less prevalent in the NEST. In general, NEST providers reported that they view paid activities (such as paid work trial and paid work experience) as more useful in moving participants into employment than unpaid activities. NEST providers reported that participants are more likely to engage in voluntary and paid work activities organised outside the restrictive WfD framework, encouraging greater participation by employers, as it requires less administration and relies on established workplace risk strategies (workplace health and safety) and behaviours.

Notwithstanding this, NEST providers and other stakeholders did see the value in maintaining community-orientated activities for those who need to build foundational skills, community networks, and self-confidence. They generally felt that flexibility is required to arrange activities and build relationships that meet both participant and host agency needs (Section 6.4.4).

## Training

Training priorities have shifted in NEST regions, from employability skills to industry-based and vocational training. While this may be in part due to local labour market changes, according to the Participant Experiences of Employment Services (PEES) Survey,<sup>8</sup> training for a specific job and pre-employment training is more prevalent among NEST participants than jobactive participants (Section 6.4.4).

## Employer engagement

Stakeholder research findings indicate that NEST providers were looking for innovative ways to connect with employers, and increasing job brokering and reverse marketing activities, in acknowledgement that a more disadvantaged caseload will require more assistance to secure employment.

Similarly, administrative data shows there is higher use of wage subsidies in the NEST, for all relevant wage subsidy types. For example, the average spend per participant in the NEST is \$574, compared

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<sup>8</sup> The PEES Survey was a telephone or online survey of over 5,000 NEST DS and ES, jobactive and OES participants, conducted in the first half of 2021. There was also associated qualitative PEES research (PEES Qualitative) where focus groups and interviews were conducted with similar respondents.

with \$426 in jobactive. The Provider Survey<sup>9</sup> indicates there is greater focus on pre, as opposed to post-employment, wage subsidies in the NEST (Section 6.4.6).

### **Pre- and post-employment support**

The Provider Survey found little discernible difference between NEST and jobactive sites in terms of the types of pre- and post-employment assistance provided. However, there is evidence that NEST providers are spending more on EF pre-employment, and offering pre-employment activities such as industry tasters more than jobactive providers (Sections 6.4.3 and 6.4.4).

### **Staffing**

Data from the Provider Survey suggests that the number of full-time equivalent employment services staff is similar for both NEST and jobactive, although there appears to be some evidence of better staff retention at NEST sites. NEST providers have indicated they have redefined some staff roles and moved staff around within the sites/regions. The same survey also found that, for most categories examined, the proportion of specialist staff was higher at NEST sites than jobactive sites.

Providers in both NEST and jobactive reported about 10% staff attrition due to COVID-19, however jobactive providers found it easier to recruit staff. Some NEST providers reported difficulties attracting staff as they are looking for more qualified staff and people with case management skills, who are resilient and can display empathy. These staff skills have changed from the sales and/or administrative skills that many NEST providers thought were important in the jobactive model.

Although NEST providers indicated higher staff satisfaction at NEST sites in the qualitative fieldwork, the Provider Survey shows little difference between NEST and jobactive sites. This may indicate that staff satisfaction is declining as the NEST moves from a trial to a more business as usual (BAU) model, or may be due to the impact of COVID-19, which affected all sites (Section 6.5.2).

## **Digital Services**

### **Internet access**

Findings from the PEES Survey suggests that employment services participants, like most Australians, generally have high rates of internet access, however it is not always reliable. In addition, the devices they use to access the internet are not always the most suitable. For example, over 90% of PEES Survey respondents reported using smartphones as the most common way to access the internet; however, a smartphone is less suitable than a laptop or PC for completing job applications and/or engaging in training.

### **Understanding employment and Digital Services**

Findings from the PEES Qualitative research indicate that participants have little understanding about employment services in general, and DS more specifically, including:

- the differences between Services Australia/Centrelink and the department
- what government employment services are and what they offer
- the DSCC or the National Customer Service Line (NCSL), resulting in low usage of these services

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<sup>9</sup> The 2021 Provider Survey was a census survey of NEST and jobactive providers (full-time sites).

- the DS offer, including the digital EF, with overall expenditure remaining very low.

The fact that the process of onboarding participants has mostly shifted to a digital sphere, largely as a consequence of COVID-19, has contributed to this knowledge gap. Previously, face-to-face Centrelink interactions would have provided this information to many participants.

## JSCI/JSS and online referral processes

The JSCI moved to a digital environment in March 2020 with the onset of COVID-19, following the success of the Online JSCI Trial. Renamed the Job Seeker Snapshot (JSS), most participants reported the online registration process for income support/employment services was easy, and they were referred to the appropriate service on completion of the JSCI.

## Use of the digital platform

Although most participants use the digital platform to some degree, previous evaluations, including the OEST evaluation, the Online JSCI Trial evaluation, and research for the NEST evaluation, indicate that some participants in the following groups may be more disadvantaged in a digital environment, including:

- older participants
- those with lower levels of education or English proficiency
- Aboriginal and Torres Strait Islander participants
- people with disability
- people who live in outer regional areas
- those who have difficulty navigating the labour market
- those who are homeless or socially isolated (Section 4.3).

Most participants in the NEST use the digital platform for MOR-related activity and there is little awareness and uptake of other tools and resources available on the jobactive website or app. Participants continue to favour established job websites for job-seeking and engaging with industry. They report that these websites:

- are more accessible and easier to log into
- are better targeted towards their employment backgrounds
- have better functionality
- have profiles already listed
- have a more comprehensive range of jobs advertised.

## Digital communications

Participants in employment services receive messages from the department via numerous channels, including text messaging, email or their jobactive dashboard inbox. There is some evidence that the digital communications strategies employed by the department in the NEST are not resonating with participants nor translating into action. Although participants generally report that messages they receive from the department are easy to understand, relevant and timely, they also identified several problems. Notably, they are not always certain of the sender; they sometimes receive multiple and/or inconsistent messages from Services Australia, the department, and/or their provider; and they are sent too many irrelevant messages on occasion, causing them to 'switch off' to the messaging (Section 8.4).

Providers note the difficulty associated with communicating complex information to participants, especially when communications are typically delivered in written (digital) form.

## Digital Services Contact Centre

Awareness of the DSCC is low, with around 2 in 5 (39.5%) DS participants in the PEES Survey aware of it (or the NCSL). Feedback from the NEST LS, however, suggests awareness is increasing. Among DS participants who contacted the DSCC, there was a high rate of satisfaction (over 70%). There are early indicators from the NEST LS that satisfaction may have decreased as MORs resumed and as queries shifted from general advice and support to issues with compulsory activities and the TCF.

The NEST LS shows, however, some confusion among DS participants about what the DSCC is or what it offers, although DS participants indicated they were confident of being able to find the help they need. Participants looking for help tended to default to the Services Australia helpline as that is what they know, with more than a quarter of PEES Survey respondents indicating they would contact Services Australia if they needed help with employment services. One in 5 would look to an employment services provider or the jobactive website. Participant awareness of avenues to make complaints about and/or have DSCC decisions reviewed requires further examination (Section 5.4.1).

## Digital Services activation

### 4 month activity

DS participants not involved in work or study are required to complete an activity once they reach 4 months in service. Participants can select from a list of eligible activities. The Employment Preparation Activity (EPA), a short training course designed to improve employability skills, is the default activity where a selection is not made.

The 4 month activity was implemented in November 2020. Of those notified that they had a requirement, around 3 in 10 were referred to a valid activity, and a further 4 in 10 either were under a Centrelink exemption, left services or declared work or study. The remainder did not do any of these things within 120 days of being notified. Some of these people will not have started an activity, because mutual obligations were lifted periodically, and some would have been unable to be referred due to their being no local courses in the study period (120 days). The EPA was the default and most prevalent activity undertaken.

Initial survey data indicates that there was some value for participants in completing the 4-month activity, in terms of increasing confidence in some groups, along with increasing employability skills and understanding workplace and employer needs. Around three-quarters of participants who responded to the 4 Month Activity Survey were satisfied with the training and more than 8 in 10 participants found the training useful (Section 5.6.1).

## Digital safeguards

The NEST has trialled a range of digital safeguards including a Digital Literacy Assessment (DLA) and a 4-monthly DSR. The DLA was redeveloped during the trial and became the Digital Assessment (DA) in 2020. In this report the assessment is referred to as the DA. The DSR is a short voluntary questionnaire that OES and DS participants are prompted to complete periodically to ascertain whether the online offering still meets their needs. The department trialled the first review (the 4-month DSR) in October 2020.



In general, participants in the NEST LS had low recall about completing the DSR, and administrative data shows that just over half of those who received the invitation completed the voluntary questionnaire. Most did so in response to the DSR appearing as a task in their to-do list, rather than a pop-up overlay, indicating the pop-up overlay did not resonate with participants. In general, participants have low recall about completing the DA. Nine in 10 participants who completed the DSR were found to be suitable to self-manage their job search online. However, only 17.3% of those who received a 'hard opt-out message' and 7.7% of those who received a 'soft opt-out message' opted out to a provider. The overall opt-out rate for these messages was around 13.5%. Based on these results some changes were made for the 8-month review (Section 5.6.1).

## **The digital platform**

### **Service transfers**

Administrative data and feedback from the NEST LS indicated that most NEST participants are referred to the appropriate service during the onboarding process. Fewer than one in 10 participants (8.3%) have changed service type since the inception of NEST, with the vast majority of movements (89.2%) being from DS to ES.

Notably, some DS participants in the PEES Qualitative research and NEST LS were unaware they could opt out of DS. Further, NEST providers reported that some DS to ES referrals had been in DS for a significant period before they were transferred. Although the use of the JSCI/JSS resulted in appropriate referrals in most cases, the importance of a continual refinement of the digital safeguards, and monitoring vulnerable groups, in the digital network was noted (Chapter 8).

### **Mutual obligation requirements and compliance**

Previous research, including in the NEST, found that income support participants are generally supportive of the concept of mutual obligations. They believe that most people are trying their best to gain employment, and agree penalties should be applied to participants who do not actively look for work. MORs are primarily viewed as a compliance requirement in exchange for income support and are not necessarily indicative of participants' job search behaviour or employment pathways. Some participants find MORs motivating, especially after a prolonged period of unsuccessful job search (noting that these prolonged periods and MORs can also prove demotivating) (Section 7.1.1).

Due to long periods where MORs were paused, associated with the COVID-19 lockdown and natural disasters throughout the trial, participant behaviour and provider engagement strategies were examined in an environment of voluntary compliance. Despite NEST participants experiencing ongoing instability in their employment status, and anxiety about gaining secure employment due to COVID-19, many participants maintained their job search efforts. Paused MORs reduced the stress associated with applying for a specific number of jobs and allowed participants to better target their applications. A minority of participants did stop actively looking for jobs, often due to a fear of COVID-19 in the community or despair at the competition in job-seeking (Section 3.2.2).

### **Job Plans**

Participants across the research in both ES and DS report having little input into their Job Plan (noting that in DS they are auto-generated), and most participants did not discuss or ask questions about their Job Plan with their provider or the DSCC.

While some DS participants in the NEST LS and PEES Qualitative research thought Job Plans helped to motivate and hold them accountable, in general they were not viewed as a useful servicing tool or helpful to participants in mapping their pathway to employment.

Although Job Plans are primarily a compliance tool, there is evidence that NEST providers are tailoring them more than jobactive providers. For example, jobactive participants are more likely to have a single Job Plan throughout their period of assistance than those in NEST regions, and NEST providers are more likely to vary job search requirements from the default job search requirement (Section 7.2).

## Targeted Compliance Framework

Administrative data shows that the rate of non-compliance events per participant is lower in NEST regions than comparative jobactive regions. While the fewer job search requirements in NEST regions may have contributed to some extent, analysis of periods where the default requirements were the same across regions indicates it is not the main driver. It is likely that provider and participant behaviour, and the operation of the PBAS, are the main drivers of less compliance activity. There is a general feeling among providers that greater flexibility, more agency and more tailored servicing have reduced the need for compliance (Section 7.4.6).

## Points Based Activation System

The PBAS was designed to give participants more control over how they meet their MORs, and the range of tasks that can count towards meeting their requirements. All DS participants who commenced in service from 7 December 2020 were allocated to the PBAS. ES providers have the discretion to place participants into the PBAS. Providers adopted different implementation strategies to inform their decisions, such as conducting assessments, discussing options, and delivering training. Most providers felt that the PBAS is best suited to participants who are capable of taking personal responsibility for their reporting requirements, and those able to use the online platform.

There is broad support for the PBAS among participants and providers. Both groups felt the PBAS gave participants a sense of agency and control and believed it was fairer and more flexible in comparison to the previous MORs.

Most participants broadly understood the PBAS, though some found it confusing at first – particularly DS participants. Greater confusion among DS participants related to lack of communication about changes to the system and lack of awareness of available information on the website. As such, the DSCC adopted a light-touch re-engagement strategy to address non-compliance events caused by participant misunderstanding, rather than deliberate non-compliance.

Some participants have also found the changing nature of the PBAS challenging and prefer the consistency of a set minimum target. Providers have also reported that the changing nature of the points target lacks transparency (e.g., points targets can vary with changes in local labour market conditions or changes to individual circumstances), and they have difficulty explaining to participants why their points may have increased or decreased in successive periods (Section 7.4).

Analysis of administrative data shows that the PBAS has contributed to a reduction in non-compliance events in NEST regions in comparison to jobactive regions. This is likely due to a combination of factors including lower job search requirements in NEST regions and/or less reliance

on job applications and more recognition of other employment-related activities to meet MORs (Section 7.4.6). Providers in NEST regions, however, also report being unable to enforce compliance for refusals to attend job referrals and believe PBAS participants were not being reminded to conduct quality job searches (Section 7.4.4).

## **Payment model and claims**

A new provider payment model was introduced and tested in the NEST which contains payments that do not exist in jobactive. The new payment model recognises NEST providers are servicing disadvantaged participants for whom more time and sustained effort may be needed to support them into employment. The NEST provider payment model, therefore, has significant upfront payments to support early investment in participants (Section 6.6).

The NEST provider payment model also has progress fees to recognise the investments made to address vocational and non-vocational barriers. NEST providers were broadly supportive of the concept of a progress fee, despite some payment triggers being automated, providers indicated they were hesitant to make claims and sought more prescription about the types of activities and interventions that would be acceptable to claim. They also reported, particularly in early research rounds, administrative burdens associated with claiming and being able to track activities and interventions to determine eligibility (Section 6.6.3).

The NEST provider payment model includes a PiSB that is paid when a participant moves from Tier 2 to Tier 1 or from Tier 1 to DS. The payment is automatically triggered when the participant commences in the new tier or service. Most NEST providers did not support the concept of tiers, on the basis that it adds unnecessary complexity, and therefore considered that the funding associated with the bonus payment could be better used elsewhere (Section 6.6.4).

Employment outcome payments have been streamlined in the NEST and are linked to the participant's JSCI on the job placement date. A very long-term unemployment bonus was also introduced and tested. This is triggered automatically (where eligible) alongside 12 and 26 week outcomes (Sections 6.6.5 and 6.6.6).

While the policy settings for wage subsidies and the EF were largely the same between the NEST and jobactive, NEST providers were reimbursed more, both overall and on a per participant basis, for EF and wage subsidy related claims. This is likely driven by the generally more disadvantaged nature of the participants on their caseload (resulting in more EF availability), as well as different policy settings (Sections 6.6.7).

## **Summary**

The NEST has been important in testing aspects of Workforce Australia and the learnings have informed policy settings for Workforce Australia Employment Services. Notwithstanding the impact of COVID-19 and other emergency events on the implementation and evaluation of the NEST, there is evidence that many aspects of the NEST are working well and as intended. These include assessment and referral to service, the operation of the PBAS and many aspects of participant servicing, which is more flexible, more tailored and achieving better long-term outcomes for more disadvantaged participants than provider-serviced participants in comparable jobactive regions.

Notably, the impact of COVID-19 has restricted the ability of this evaluation to assess, to the extent required, the effectiveness of some aspects of the new model, including the operation of the NEST in a BAU environment, caseload size per consultant, progress fees, provider administrative burden and, to some extent, the operation of the TCF and impact of compliance.

When looking forward to the new model, things to remain aware of include further refining the referral process, including participants who under current policy settings are eligible for ES but may be more suited to a digital service, or are serviced through Services Australia. Similarly, enhancing safeguards for DS, to better identify participants who may be eligible for DS but may possibly struggle online, will be important. Finally, broader and more effective ways of communicating with DS participants, including ways to provide information to them about their choices and options available, are also important.

# Departmental response to the evaluation findings

## New Employment Services Trial Evaluation Phase 1 report

Australian Government employment services have undergone a significant change with the commencement of Workforce Australia in July 2022, replacing jobactive. Workforce Australia delivers a more flexible employment service that helps people move into, or towards, secure employment.

The New Employment Services Trial (NEST) has been an important contributor to the design and implementation of Workforce Australia, with key aspects of the new approach to employment services tested with users in real time.

Notwithstanding the impact of COVID-19 and other emergency events on the implementation and evaluation of the NEST, there is evidence that many aspects of the NEST worked well and as intended.

- Participants found it easy to report their job searches online, with only a small percentage choosing to transfer to a provider.
- The trial of the Points Based Activation System (PBAS) in the NEST contributed to fewer non-conformance events in the NEST compared to jobactive. Participants and providers both thought the PBAS gave participants a sense of agency and control and believed it was fairer and more flexible.
- Employment outcome rates were significantly higher for participants in NEST Enhanced Services (ES) compared to similar participants in jobactive. NEST providers were also achieving more sustainable employment outcomes than in jobactive comparison regions, with higher 12 and 26 week employment outcome rates achieved.
- NEST Enhanced Services participants reported significantly higher satisfaction with their service provider than jobactive participants; they reported receiving a tailored service with more choice in the activities they undertake, and longer appointments with opportunity for tailored discussions.
- NEST providers reported they have greater opportunity to work closely with participants, tailor Job Plans to participants' goals, and develop flexible work experience opportunities which met both employer and participant needs.

The NEST evaluation process has provided valuable insights to inform the development of Workforce Australia. Refinements have been made to the employment services model based on learnings from the NEST, user research, independent analyses and stakeholder consultation.

## Removal of Digital First and Digital Plus

The NEST trialled 2 levels of digital service: Digital First (DF) and Digital Plus (DP). Findings indicated limited justification or benefit in having 2 separate levels of digital service, with the Employment Fund (EF) being the main difference between the services. Participants were not aware of the different digital service offerings and the 2 levels created unnecessary administration and IT system

build complexities. The 2 levels of digital service offer were merged to provide a singular digital service offer in Workforce Australia Online for individuals.

## **Modifications to the Points Based Activation System**

The PBAS was one of the significant features trialled under the NEST. The evaluation found that initially there was some hesitation in using the PBAS, however, once NEST providers and participants had a better understanding of how it operated, the feedback was positive. It was noted by the evaluation that both participants and NEST providers found the changing nature of the PBAS during the NEST challenging. Communication about changes to the system and lack of awareness of available information on the website was noted as a concern.

The design of the PBAS framework for Workforce Australia was informed by the learnings from the NEST and feedback received from NEST providers, peak bodies and other external stakeholders during extensive consultations. The department made some key changes from the NEST to balance participant choice and flexibility and tailoring of service, with the requirement to ensure the PBAS framework is simple and allows users to easily understand it. Changes include:

- the introduction of minimum job search requirements as part of meeting the points target. This is a change from the NEST, where there was no minimum job search requirement. Feedback from NEST providers identified value in a minimum job search requirement for participants
- an increase in the points values for a range of tasks and activities. The values recognise the level of engagement and commitment required to complete the task or activity and the strength of the link to employment
- the allocation of points for undertaking an activity rather than applying an upfront credit that reduced the points target. This credit was applied in the NEST whether or not the participant attended the activity. Under Workforce Australia, participants will be awarded points following attendance at the activity as they progress through their reporting period.

## **Removal of tiers in provider servicing**

The NEST trialled allocation of participants to tiers for servicing: Tier 1 was for participants assessed as ready to participate in intensive work readiness activities, and Tier 2 for participants assessed as facing more substantial non-vocational barriers to employment. Provider feedback indicated confusion around the tiers and their purpose. Most NEST providers found tiers detracted from tailored servicing and added unnecessary complexity and administrative burden. As a result, there was minimal use of tiers in the NEST, including movement of participants between tiers, as barriers were reduced, to receive a Progress in Service Bonus (PiSB). Under Workforce Australia Services, tiers have been removed and the policy intent of the PiSB has informed changes to progress payments.

## **Adjustments to the provider payment structure**

While the payment structure tested in the NEST was largely successful, and much of it was carried over to Workforce Australia Services, there were some changes based on NEST learnings, stakeholder consultation and independent financial viability analyses. Changes to the provider payment structure include:

- removal of the PiSB

- increasing the Engagement Payment amount from \$1,000 to \$1,200 and introducing a \$600 Transfer Payment when a participant commences with a new provider
- introducing 26 week partial employment outcomes in recognition of the more disadvantaged caseload under Workforce Australia Services.

As there are new payment types in Workforce Australia Services that were not tested in the NEST, further financial viability analysis will be undertaken to confirm the payment structure is operating as intended.

## **Removal of the Employment Preparation Activity**

The Employment Preparation Activity (EPA), a short training course designed to improve employability skills, was the default activity for digital participants in the NEST who were not involved in work or study at 4 months in service. The EPA has not been applied to Workforce Australia, with pre-employment skills programs available through Employability Skills Training (EST) and Career Transition Assistance. The eligibility criteria for EST have been expanded under Workforce Australia to be available for participants of all ages, effectively replacing the EPA, which was targeted towards participants who were ineligible for EST in the NEST.

## **Impacts of pausing mutual obligation requirements on the 4 Month Activation Requirement**

While the evaluation found only 25% of participants commenced in the 4-month activity, this was significantly impacted by the effects of COVID-19. The pause of mutual obligation requirements (MORs) put in place for participants during certain periods of time resulted in participants meeting their 4-month activation requirement without the need to participate in EPA or any other suitable activity.

## **Awareness of the Digital Services Contact Centre**

The evaluation findings showed awareness of the Digital Services Contact Centre (DSCC) was low but increasing. It also noted if a digital participant needed help with employment services, they would look at the jobactive website.

The DSCC was established to ensure that individuals self-managing online could be assisted via telephone, email, and soon web chat. Contact details are available on the department and program websites, as well as on each participant's agreed Job Plan. Contact details for the DSCC are also now included in some of the notifications that are sent to individuals using Workforce Australia Online, should they require assistance. As part of its service delivery model the DSCC routinely sends emails and makes outbound calls to digital participants to check in on their engagement and ensure their continued suitability for online services.

Evaluation findings included 8 reasons participants were not aware of, or chose not to contact, the DSCC, including lack of after-hours availability, and expectations of poor service and long wait times. It also noted that many participants were confident in self-managing and did not need assistance from the DSCC.

In 2021, the DSCC increased its opening hours to 9 am to 7 pm AEDST/AEST; however, there has not been a large demand for services during these extended hours. Monitoring has been undertaken to

see how many times people contact the number outside of opening hours, which has been minimal. Average wait times vary but are generally no more than 5 minutes.

In 2021 to early 2022, the DSCC reached out to most digital participants to discuss their Job Plans and MORs. These outbound calls further increased awareness of the DSCC. Centrelink also provided the contact number for the DSCC at Participation Interviews.

## **Online servicing: suitability and safety nets**

While concerns have been raised that some participants may not have access to the support they need in online services, the evaluation report identified that most participants were in the service that suited their needs. The department recognises the importance of ensuring participants are in the most appropriate service. A range of safeguards are in place to ensure no-one gets left behind, including:

- a more comprehensive assessment framework, referring participants to the service best suited to them. An expanded suite of assessment tools will support the Job Seeker Snapshot, providing additional insights into participant servicing needs and strengthening the evidence for different service interventions. The framework will evolve over time to leverage the benefits of new data and analytical capability, in combination with human judgement, to continuously improve tailored servicing for individuals.
- participants not working, studying or training after 12 months in online services will move to provider services.
- participants can at any time opt out of online services and receive support through provider services.
- the DSCC will continue to provide support to participants in online services.

The evaluation found that the numerous ways in which individuals are sent notifications, including text messaging, email or their personal page dashboard inbox, are not resonating with participants nor translating into action. In developing Workforce Australia Online, the department reviewed and improved the messaging process to ensure participants understand and act on messages and directions. This includes clear communication about the purpose and role of the Digital Services Contact Centre. The department also notifies providers and key stakeholders about important messages being delivered to participants.

The evaluation found Employment Fund expenditure for Digital Plus was low due to lack of awareness of its availability and a perception that the purpose of the digital service is to manage MORs. Low expenditure does not always mean lack of awareness; many job-ready participants do not need extra support. However, the release of the new online platform will help mitigate this, as participants will be able to submit requests for support via the platform, starting with police checks, with additional items added over time.

The release of the new online platform also largely addresses concerns raised in the NEST about limited functionality.

## **Next steps**

The NEST did not test all elements introduced under Workforce Australia, including:



- the new licensing system, which is designed to drive quality outcomes, simplify the approach for providers to enter and exit the market, and cut red tape from the procurement process
- cohort specialist providers to support participants such as Indigenous Australians, refugees, ex-offenders and culturally and linguistically diverse people
- a new Provider Performance Framework to improve the transparency of provider performance and ensure participants and employers receive a quality service that meets their needs.

The department will continue to monitor, evaluate and make adjustments to Workforce Australia to ensure it is delivering as intended and is helping Australians to find a job, change jobs or create their own job. This will include a review of Workforce Australia to be completed within 2 years and a longitudinal study to analyse longer-term outcomes.

The Australian Government has also established a select committee of the House of Representatives to examine the implementation of Workforce Australia. The select committee will examine the first 12 months of the new system and will report back to parliament in September 2023.

# 1 Introduction

This is the Phase 1 report for the evaluation of the New Employment Services Trial (NEST). The evaluation is being undertaken by the Employment Evaluation Branch in the Department of Employment and Workplace Relations (DEWR). In this report, DEWR (and previous iterations) is referred to as 'the department'. This evaluation incorporates and synthesises stakeholder and participant feedback and data analysis from various trial stages between June 2019 and June 2021 (unless otherwise stated), including:

- transition to a new contract
- implementation of new service delivery models, engagement and activation strategies, and payment frameworks, including the contexts in which they operated
- adaptations to the NEST to the end of June 2021.

## 1.1 Report structure

This report is divided into 9 chapters.

**Chapter 1** outlines the background to the development of the NEST and provides the context in which it is being implemented and evaluated. It also includes detail on the labour market in NEST regions and NEST participant characteristics.

**Chapter 2** outlines the evaluation strategy, approach, methodology and data sources.

**Chapter 3** provides detail on the operation of the trial; eligibility and assessment; and transition to the NEST model, including the impact of COVID-19 and other factors that have affected implementation.

**Chapter 4** covers access to the digital environment and internet use; awareness and understanding of government employment services; and the employment services environment, including assessment, onboarding and service referral.

**Chapter 5** explores the Digital Services (DS) offering, including the DS caseload, knowledge and use of the website's digital tools and Digital Services Contact Centre (DSCC) support, activation and safeguards in DS, and outcomes.

**Chapter 6** assesses the Enhanced Services (ES) offering, including changes from jobactive, servicing of participants and employers, participant satisfaction with services, and participant outcomes. It also explores the operation of provider businesses, including staffing, the payment model and quality assurance.

**Chapter 7** is about activation, including participant attitudes to mutual obligation requirements (MORs), activities in the Job Plan, the Points Based Activation System (PBAS), and the operation of the Targeted Compliance Framework (TCF) in the NEST.

**Chapter 8** explores interaction between the DS and ES platforms, and provider understanding of DS.

**Chapter 9** synthesises the findings of the evaluation and summarises the effectiveness and efficiency of the trial overall, what has worked well, and what could be improved; and signposts and challenges going forward.

There are several appendices to this report.

**Appendix A** contains policy detail for information and context.

**Appendix B** contains further information on selection of NEST regions.

**Appendix C** contains further detail on the evaluation including theories of change, key evaluation questions, methodologies used, and data sources.

**Appendix D** contains detailed statistical tables referenced in the body of the report.

**Appendix E** contains individual case studies. Case studies in this report are used to highlight individual experiences and opinions, potential issues or gaps in services, and are valuable in understanding policy in the context of personal experience. These case studies are not designed to be representative of broader user experiences and cannot be extrapolated to the broader population level.

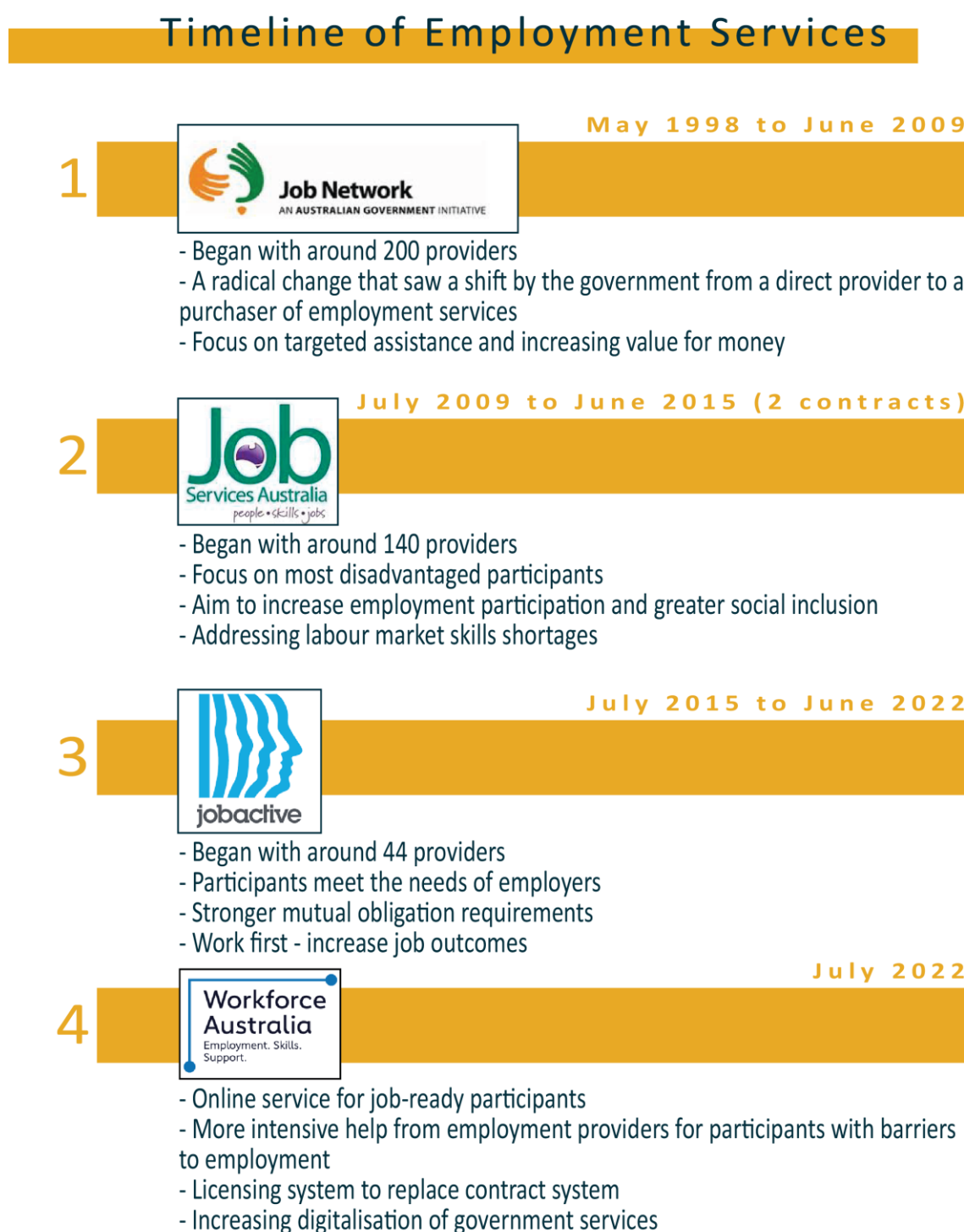
## **1.2 Background**

This section explores the background for the NEST.

### **1.2.1 Government-funded employment services in Australia**

The Commonwealth Employment Service has administered employment services programs primarily to people on income support from 1946. This government servicing arrangement changed in May 1998 with the introduction of Job Network, which outsourced employment services largely to non-government organisations and private businesses. This outsourcing arrangement has continued through Job Services Australia (2009–2015) and jobactive (2015–2022) (Figure 1.1). Further detail on the iterations of mainstream employment services in Australia is at Appendix A.1.

Figure 1.1 Timeline of outsourced employment services in Australia



In January 2018, the then Minister for Jobs and Innovation, Senator the Hon Michaelia Cash announced the establishment of an Employment Services Expert Advisory Panel to advise on the development of a future employment services model. The panel included employer, provider and welfare group representatives, as well as a labour market economist. Minister Cash also announced a trial to test online delivery of employment services and how this could be best provided to support unemployed people to find work.

*The next generation of employment services: discussion paper* was released for public consultation on 29 June 2018. More than 450 submissions were received in response to the discussion paper, and 23 face-to-face public consultation sessions were held around Australia with approximately 560 people attending. Prototypes and policy options were also tested with approximately 550 employment services users including participants, employers and providers.

### **I want to work report**

The panel subsequently published the *I want to work* report in December 2018. This report recommended that the future employment services system be built on 11 principles:

1. Build trust
2. Be user-friendly
3. Be personalised
4. More help for those who need it
5. Empower through personal responsibility, choice, and independence
6. Reflect how employers work. Get them the right job seeker, fast
7. Be grounded in digital
8. Enable employment services providers to maximise results
9. Support local solutions
10. Smarter and more targeted investment
11. Keep listening. Keep evolving.

### **Online Employment Services Trial**

The Online Employment Services Trial (OEST) was the first time the department had attempted to provide a digital employment service. The OEST was a randomised controlled trial that commenced on 1 July 2018. It aimed to:

- assess the feasibility and effectiveness of delivering employment services online
- test whether employment services participants with moderate to low assessed levels of labour market disadvantage<sup>10</sup> could use the digital platform to self-manage their job search and MORs effectively and efficiently.

The OEST evaluation found:

*Given the efficiency, effectiveness and quality of online servicing, this evaluation provides evidence that supports the government's broad move towards digital services for the most job ready job seekers. In particular, it provides firm evidence for rolling out the Online Employment Service in the 2020–21 Budget.<sup>11</sup>*

While the OEST was expected to run until July 2022, it was suspended with the onset of the COVID-19 pandemic. This was due to the rapid demand for income support, and the subsequent pressures

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<sup>10</sup> Assessed levels of labour market disadvantage are based on Job Seeker Classification Instrument (JSCI) scores.

<sup>11</sup> See the [Online Employment Services Trial Evaluation Report – Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au).

placed on employment services (Section 1.4). Consequently, Online Employment Services (OES) commenced in April 2020 as the mainstream online service for job ready participants with low assessed levels of labour market disadvantage.

#### Online Job Seeker Classification Instrument Trial

Concurrent with the OEST, the Online Job Seeker Classification Instrument (JSCI) Trial<sup>12</sup> was a randomised controlled trial designed to test the efficiency and effectiveness of having participants complete an online self-administered version of the JSCI.<sup>13</sup> Renamed the Job Seeker Snapshot (JSS), the self-administered version was incorporated into the OES registration/onboarding process in April 2020 due to the implementation of the Fast Connections process<sup>14</sup> (Section 1.4). The JSS collects the same information as the JSCI; however, changes to question phrasing and sequencing occurred following cognitive and online testing. The timetable for the trial is at Table 1.1.

**Table 1.1 New Employment Services Trial development timeline January 2018 to April 2020**

| Timeline      | Development milestone  |
|---------------|--|
| January 2018  | Employment Services Advisory Panel established<br>Pilot program announced  |
| June 2018     | <i>The next generation of employment services: discussion paper</i> released for consultation  |
| July 2018     | Online Employment Services Trial (OEST) commenced<br>Online Job Seeker Classification Instrument (JSCI) Trial commenced  |
| December 2018 | <i>I want to work</i> report released  |
| July 2019     | NEST Digital Services (DS) commenced   |
| November 2019 | NEST Enhanced Services (ES) commenced  |
| April 2020    | Online Employment Services (OES) commenced<br>Job Seeker Snapshot (JSS) (the Online Job Seeker Classification Instrument (JSCI)) incorporated into the Digital Gateway |

#### Workforce Australia Employment Services

Workforce Australia Employment Services was implemented in non-remote areas nationally from July 2022. In Workforce Australia Employment Services, participants with low and moderate assessed levels of labour market disadvantage who are digitally literate can self-manage their employment pathway, job search and MORs using Workforce Australia Online for individuals.

Participants with more complex barriers to employment are referred to Workforce Australia Services. These services provide individually tailored case management to build participants' employability skills and job readiness through:

- training, education and work experience
- support to use the online platform and online tools to increase digital literacy and capability

<sup>12</sup> [Online Job Seeker Classification Instrument Trial Evaluation Report – Department of Education, Skills and Employment, Australian Government \(dewr.gov.au\)](#).

<sup>13</sup> From 1998, the JSCI has been the tool used to measure participants' relative labour market disadvantage and classify or stream participants for employment services. It has typically been administered as an interview-based questionnaire by Services Australia staff when people apply for income support.

<sup>14</sup> Fast Connections was introduced to accommodate the increased need for economic support and demands on the employment services caseload through changes to JobSeeker Payment eligibility criteria, application process and rules.

- building relationships with complementary health, social and community support services and employers.

Workforce Australia Services also incorporates a new licensing system to replace the previous procurement cycle; a new performance management framework; and a new payment structure for employment services providers. The proposed licensing model was subject to a public consultation process between September 2020 and October 2020. The licensing system was not in force for the NEST and is therefore not in scope for this evaluation. The new payment model was subject to a public consultation process in November 2020 and independent financial viability analysis.

### 1.3 The New Employment Services Trial

This section covers the trial design. On 20 March 2019 the then Minister for Jobs and Industrial Relations, the Hon Kelly O'Dwyer MP, announced that key elements of the new model would be trialled through the NEST in 2 Employment Regions – the Mid North Coast of New South Wales and Adelaide South in South Australia (Figure 1.2) – from 1 July 2019 to 30 June 2022.

**Figure 1.2 NEST Employment Regions**



The criteria used to identify the 2 trial locations were:

- the number of jobactive participants in the region. The regions selected had more than 5,000 and fewer than 25,000 jobactive participants on the caseload
- participant characteristics that broadly reflected the national caseload (particularly for Indigenous, culturally and linguistically diverse (CALD) and refugee cohorts, and jobactive streams)
- provider characteristics such as performance, number of providers, type of providers, financial viability, and provider support for the trial
- labour market conditions that broadly reflected national averages but also presented local opportunities and challenges
- availability of other government programs and supports to test integration of the NEST with broader services
- the geographic size and location of the region.

The trial began with 2 stages:

- starting on 1 July 2019 for participants eligible for DS
- starting on 4 November 2019 for participants eligible for ES.

The trial ran until the end of June 2022, when Workforce Australia Employment Services commenced. Consequently, jobactive contracts in other regions were extended to 30 June 2022.

### 1.3.1 The trial design

The NEST was designed to test and adjust policy settings in response to ongoing feedback from participants, providers and other relevant stakeholders. Therefore, various policy changes have occurred in both the DS and ES environments throughout the trial period. Policy settings implemented in the first 2 years of the trial (to June 2021) are outlined in the relevant sections.

Accordingly, an iterative approach was also adopted for the evaluation scope and design, to provide continuous feedback about policy settings in practice, and inform evidence-based decisions for Workforce Australia Employment Services (Chapter 2).

The NEST implementation timetable and evaluation process also changed due to COVID-19 and other disruptions. Noting the many adjustments that have been made to both policy design and the implementation schedule, the following sections highlight key features of the NEST model as it was originally designed.<sup>15</sup>

### 1.3.2 The Digital Platform and Digital Services

#### Digital Services Platform

The Digital Services Platform was initially designed to run as a follow-up to the OEST, testing different policy settings as part of the NEST, and in an environment where there was no online service running concurrently. However, this changed due to the fast-tracking of OES in response to the COVID-19 pandemic.

Users of the Digital Services Platform can:

- view and sign their Job Plan on the jobactive dashboard
- report their MORs on the jobactive dashboard
- access online tools, such as:
  - jobsearch/jobsboard
  - Career Profile
  - Résumé Builder
  - blogs and videos
  - JobSwitch.

Online tools have evolved in line with departmental and user priorities.

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<sup>15</sup> The original trial design included elements that were not implemented as planned, due to COVID-19 disruptions. For example, the 6 month diversification activity and the 12 month intensification activity were not implemented and are not in scope for the evaluation. Implementation and policy changes that occurred post June 2021 are in scope for the final evaluation.



## Digital Services

The original design of the NEST DS offered 2 service levels:

- Digital First (DF), for participants with low assessed levels of labour market disadvantage who require no assistance
- Digital Plus (DP) for participants with moderate assessed levels of labour market disadvantage who are largely job ready but require extra support, additional training and/or Employment Fund (EF) assistance. DP participants can, in certain circumstances, be referred to a NEST provider for specific purposes (e.g. for a PaTH internship or Work for the Dole (WfD) placement).

Allocation to DF or DP is contingent on the assessed level of labour market disadvantage as determined by the JSS. However, participants can choose to opt out of DS and access a provider regardless of their assessed level of labour market disadvantage.

DS participants can also access telephone/email assistance. This service was initially provided by the National Customer Service Line (NCSL). The Digital Services Contact Centre (DSCC) was established on 1 October 2019, with a dedicated DSCC helpline operationalised from 21 September 2020.

## Job Plans

Participants sign a Job Plan to commence in DS. A default Job Plan is generated and participants have 2 days of 'think time' before agreeing to their Job Plan. Participants can contact the DSCC to discuss their Job Plan if required.

## Compliance

Participants in DS are subject to the Targeted Compliance Framework (TCF). A detailed explanation of the TCF is at Appendix 0.

## Points Based Activation System

The PBAS was introduced on 7 December 2020 for new participants in DS. It is designed to offer participants more choice in how they meet their MORs. Participants accumulate points for job search, interview attendance, employment, education, training, work experience and voluntary work activities. Although DS participants who commenced in services before 7 December 2020 could opt into PBAS, this option was not promoted. A detailed explanation of PBAS is at Appendix A6 (p269).

## 4 month activation requirement

Participants in DS for 4 months or more (from 16 November 2020) who are not declaring work or study must choose an eligible activity as part of their MORs. Eligible activities include:

- employability training (Employment Preparation Activity (EPA), Employability Skills Training (EST), Career Transition Assistance (CTA))
- New Enterprise Incentive Scheme (NEIS) or Exploring Being Your Own Boss workshops
- Skills for Education and Employment (SEE), or
- Adult Migrant English Program (AMEP).

## Digital Services Review

The Digital Services Review (DSR), which commenced in October 2020, was originally designed for DS participants as a safety net at 6-monthly intervals (6, 12 and 18 months) to identify DS participants who may be:

- struggling to manage their MORs, and/or
- unsuitable/no longer suitable for online servicing.

DS participants who are struggling with and/or may be unsuitable for digital servicing receive a text notification that suggests they move to ES for more tailored support. The DSR forms part of a suite of DS engagement tools including activation (i.e. 4 month and 8 month activation requirements) and other targeted information. Its planned implementation date of 1 January 2020 was delayed due to COVID-19. The review was also broadened to cover OES participants.

## Employment Fund

Once a participant is in DS for 2 months, a \$500 credit is placed into a pool of credits for the DSCC to draw on. The purpose of the EF is to assist participants with expenses related to looking for, gaining, or maintaining employment. Further detail on EF credits is in (Table A.5 Employment Fund proposed credit structure: General Account credits and Table A.6).

### 1.3.3 Enhanced Services

Participants are referred to ES if they:

- are assessed as having significant vocational and/or non-vocational barriers to work
- are assessed as being unsuitable for DS
- opt out of DS and into provider servicing.

ES is designed so that participants receive personalised, tailored support and assistance from providers to improve their employability skills and address their vocational and non-vocational barriers to work. Providers, in consultation with participants, determine the most appropriate combination of requirements and activities for ES participants, according to their individual circumstances.

ES participants also have access to the tools and resources available on the digital platform.

The NEST is testing several features designed to encourage flexibility, agency, choice and innovation in employment services. Several elements of the jobactive model have been removed for part or all of the trial period to accommodate this. Further detail on the differences between these components of the model are at Appendix A.1, Table A.1.

## 1.4 Trial and evaluation context

This section covers the context in which the trial was implemented, including the impact of disruptive events on the trial and evaluation, and detail on the overall labour market trends and specific conditions in the trial regions from the start of the trial to June 2021. It also describes the characteristics of NEST participants in both ES and DS, and how the caseloads changed between December 2019 and 30 June 2021.

### 1.4.1 Impact of disruptive events on the NEST and evaluation

#### Pause in mutual obligation requirements

The 2019–20 Australian bushfires saw MORs suspended, initially nationwide and then throughout the Mid North Coast trial region and parts of the Adelaide South trial region. Coupled with this, the government response to COVID-19 saw MORs suspended nationwide from 23 March 2020 and progressively reintroduced from June 2020.<sup>16</sup> The 2021 floods, which severely impacted parts of the Mid North Coast, led to a further pause of MORs during March and April 2021 (Table 1.2).

**Table 1.2 Pause in mutual obligation requirements affecting NEST regions, November 2019 to June 2021**

| Date                   | What   | Why                          |
|------------------------|--|------------------------------|
| November–December 2019 | Bushfire – selected areas  | Bushfire                     |
| 24/12/19 to 02/01/20   | Nationwide pause in MORs   | Christmas shutdown           |
| 02/01/20 to 20/01/20   | Nationwide pause in MORs   | Bushfire                     |
| 20/01/20               | Nationwide pause in MORs ends  | Bushfire                     |
| 20/01/20               | Pause in MORs continues in bushfire-affected local government areas, including Mid North Coast and parts of Adelaide South trial regions | Bushfire                     |
| 06/03/20               | Bushfire pause in MORs ends for all local government areas except Kangaroo Island  | Bushfire                     |
| 13/03/20 to 20/03/20   | Nationwide pause in MORs   | JobSeeker transition payment |
| 24/03/20               | Nationwide pause in MORs   | COVID-19                     |
| June–September 2020    | Gradual reintroduction of MORs   | COVID-19                     |
| 10/03/21 to 11/04/21   | Lifting of MORs for Mid North Coast region   | Floods                       |

#### Social distancing and lockdown restrictions

COVID-19 social distancing and lockdown restrictions precluded providers from conducting face-to-face meetings and/or referring participants to face-to-face training, work and voluntary activities for various reasons including lack of availability. As a result, providers were unable to fully implement new service plans that were in development early in the trial.

#### Australian Public Service COVID-19 surge redeployments

As part of the government response to COVID-19, the NEST evaluation was paused. All evaluation staff (including contractors) who were working on the NEST evaluation were redeployed to areas of high demand, such as helplines and customer-facing roles, for between 2 and 6 months from April 2020. The full complement of NEST evaluation staff did not return until the end of October 2020.

#### Delayed policy implementation

Implementation of key NEST policies, such as the 4 month activation requirement and PBAS, were also delayed as MORs were paused. The main policies affected by the pause in MORs are listed at

<sup>16</sup> The pause of MORs meant that MORs were voluntary, so that participants were not required to complete compulsory activities outlined in their Job Plan (e.g. provider appointments, attending activities (such as Work for the Dole) and/or reporting job searches). Under the pause of MORs, compliance penalties were not applied to participants who did not meet their MORs.

Table 1.3. Changes to the implementation timetable necessitated changes in the evaluation plan and timing.

**Table 1.3 Implementation dates – key NEST policies**

| Policy                         | Implementation |
|--------------------------------|----------------|
| 4 month activation requirement | November 2020  |
| Digital Services Review        | October 2020   |
| Points Based Activation System | December 2020  |

### Fast Connections to income support changes

Public health lockdowns in March 2020 contributed to substantial loss of employment, with hundreds of thousands of people losing much of their income virtually overnight. This created an influx of people claiming income support, mainly JobSeeker Payment and Youth Allowance (other). This in turn caused an influx of people being referred to the employment services caseload, which climbed from around 635,000 in February 2020 to 1,488,000 in September 2020.

To accommodate the increased need for economic support and demands on the employment services caseload, changes were made to the JobSeeker Payment eligibility criteria, application process and rules. These changes, known as the Fast Connections measures, suspended asset tests, limited in-person applications with Services Australia, and deferred the commencement in service requirement under the Rapid Connect Policy.

Rapid changes to the application, assessment, referral and commencement processes have created significant ‘noise’ in administrative data and complicated caseload analysis. Evaluation activities were also disrupted, with some fieldwork delayed or cancelled. Further detail on the impact of these events on the methodology is provided in Chapter 3.

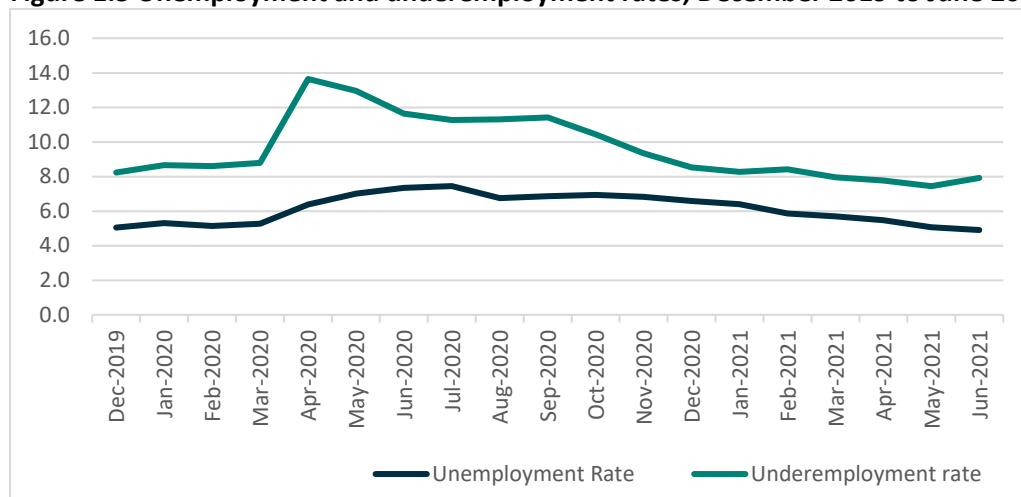
## 1.4.2 Labour market

### Impact of COVID-19

#### Australian labour market indicators

As Figure 1.3 shows, the impact of COVID-19 on the economy was strong and swift once lockdowns took hold. While the impact on the unemployment rate was not as strong as predicted (unemployment peaked at 7.4% seasonally adjusted in June 2020), the effect on underemployment was much stronger. From a low of 8.2% in December 2019, the underemployment rate peaked at 13.6% in April 2020 before falling to 7.9% in June 2021. The difference in impact on these rates is because of the nature of the workforce most affected by COVID-19 lockdowns. Many of the jobs lost during the lockdowns were in the retail and hospitality industries, which have highly casualised workforces. However, the JobKeeper program meant that some of these workers were not captured in the official unemployment rate, as they were still considered ‘employed’ but were working either zero hours or fewer hours than usual.

**Figure 1.3 Unemployment and underemployment rates, December 2019 to June 2021 (%)**

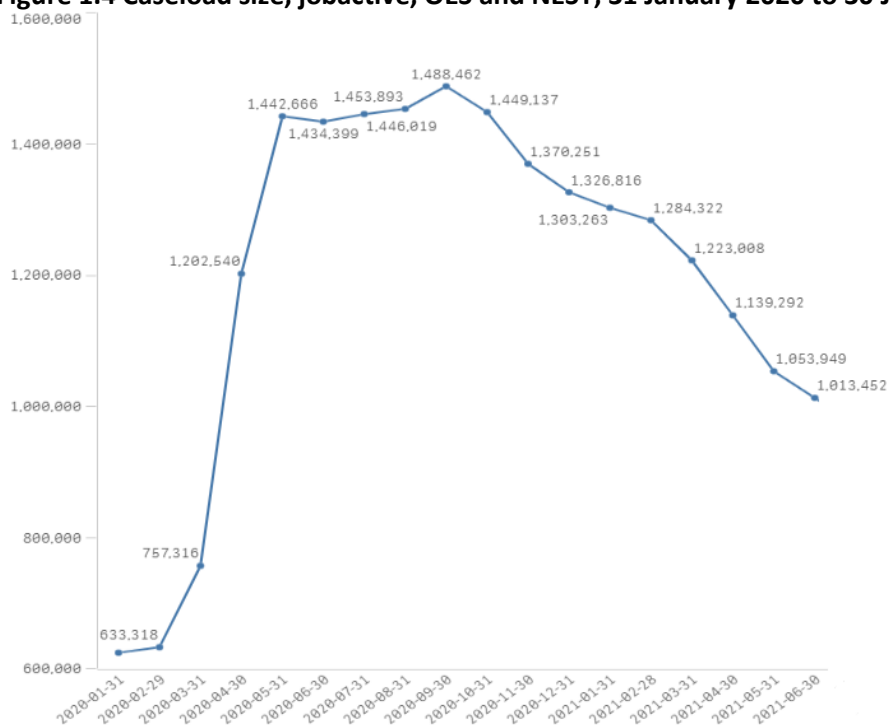


Source: Compiled by authors from ABS, Cat. No. 6202.0 *Labour Force, Australia*, August 2021, Detailed Tables.  
 Note: Data is seasonally adjusted.

### Employment services caseloads

The impact of COVID-19 lockdowns on employment services caseloads was unprecedented. From 633,318 in January 2020, the caseload increased to peak at 1,488,462 in September 2020 (an increase of around 135%). By the end of the analysis period for this report, caseloads had fallen again to 1,013,452. While this was a recovery, caseloads at the time remained 60% higher than their pre-COVID levels (Figure 1.4).

**Figure 1.4 Caseload size, jobactive, OES and NEST, 31 January 2020 to 30 June 2021 (number)**



Source: Internal departmental reporting data.

## Labour markets in NEST regions

### Mid North Coast employment region

Labour market conditions<sup>17</sup> in the Mid North Coast employment region<sup>18</sup> deteriorated between July 2019 and June 2021, with employment in the region decreasing by 3,200 (or 2.3%), to 139,200. The unemployment rate in Mid North Coast rose by 0.5 percentage points (ppt) over the period, to 6.6%, and remained well above the 4.9% recorded for Australia. This increase in the unemployment rate occurred in conjunction with a sizeable decline (1.4 ppt) in the region's participation rate over the period, to 49.0% in June 2021, the lowest rate of any employment region for which monthly data is available (Table 1.4).

It is also worth noting that the Mid North Coast employment region has a history of labour market disadvantage. For example, the proportion of the working age (15–64 years) population receiving income support in June 2021 in the employment region was 26.1%, nearly double the 13.2% recorded for Australia.

**Table 1.4 Selected labour market data Mid North Coast, NSW and Australia (number, % and ppt)**

| Region/indicator        | Number '000<br>June 2021 | %<br>June 2021 | Number '000<br>Change from<br>June 2019 | ppt<br>Change from<br>June 2019 |
|-------------------------|--------------------------|----------------|---|---------------------------------|
| <b>Mid North Coast</b>  |                          |                |   |                                 |
| Employment              | 139.2                    |                | -3.2                                    | -2.3                            |
| Unemployment            |                          | 6.6            |   | 0.5                             |
| Participation rate      |                          | 49.0           |   | -1.4                            |
| Youth unemployment rate |                          | 9.5            |   | -4.1                            |
| <b>New South Wales</b>  |                          |                |   |                                 |
| Employment              | 4,166                    |                | 28.9                                    | 0.7                             |
| Unemployment            |                          | 5.1            |   | 0.6                             |
| Participation rate      |                          | 66.0           |   | 0.2                             |
| Youth unemployment rate |                          | 11.2           |   | 1.7                             |
| <b>Australia</b>        |                          |                |   |                                 |
| Employment              | 13,165.8                 |                | 274.1                                   | 2.1                             |
| Unemployment            |                          | 4.9            |   | -0.3                            |
| Participation rate      |                          | 66.2           |   | 0.2                             |
| Youth unemployment rate |                          | 10.2           |   | -1.7                            |

Source: Data for the Mid North Coast employment region are from ABS, *Labour Force, Detailed*, August 2021, 12-month averages of *original* estimates. Data for New South Wales and Australia are from ABS, *Labour Force, Australia*, August 2021, *seasonally adjusted* data, except for the youth unemployment rate for New South Wales, which is in *original* monthly terms.

<sup>17</sup> Regional ABS Labour Force Survey (LFS) data at the Statistical Area Level 4 (SA4) are subject to a high degree of volatility. Accordingly, LFS data for the Mid North Coast Employment Region in this analysis are based on 12-month averages of original estimates.

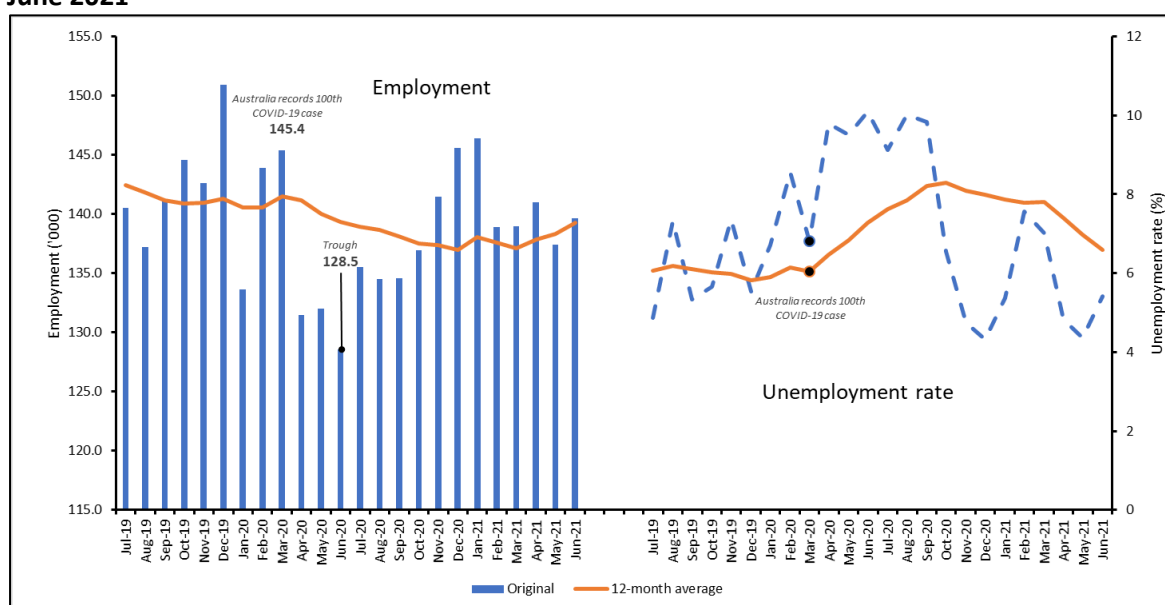
<sup>18</sup> For the purposes of this analysis, the Mid North Coast employment region is proxied by the combined SA4s of Coffs Harbour – Grafton and Mid North Coast.

### Impact of COVID-19 on labour market conditions in Mid North Coast

The COVID-19 pandemic has had a significant negative impact on conditions<sup>19</sup> in the Mid North Coast employment region. Between March 2020 (when Australia recorded its 100th case of COVID-19) and June 2020 (the trough in labour market conditions in the region), employment in the Mid North Coast fell by 16,800 (or 11.6%) (Figure 1.5). The unemployment rate in the region increased by 3.3 ppt over the period, to 10.1% in June 2020, while the participation rate decreased by 4.3 ppt, to a trough of 47.0% in June 2020.

Reflecting the effective elimination of COVID-19 cases in the region until recently, labour market conditions in the Mid North Coast employment region recovered somewhat between June 2020 and June 2021, with the level of employment increasing by 11,100 (or 8.6%). In addition, the region's unemployment rate decreased by 4.7 ppt over the period, while the participation rate increased by 1.6 ppt (Figure 1.5).

**Figure 1.5 Employment (number) and unemployment (%), Mid North Coast, NSW, July 2019 to June 2021**



Source: ABS, *Labour Force, Australia, Detailed*, August 2021.

Notwithstanding the improvement in conditions outlined above, it is worth noting that in June 2021, the number of JobSeeker Payment and Youth Allowance (other) recipients (as a proportion of the labour force) in Mid North Coast was 3.2 ppt above its pre-COVID rate in February 2020.

### Industry analysis

Over the period May 2019 to May 2021, employment in Mid North Coast increased in 7 industries and declined in 12 (Table 1.5).

Almost two-thirds (65.2%) of employment in the region was concentrated in 6 industries in May 2021, compared with 64.1% in May 2019. The employment share of Health Care and Social

<sup>19</sup> While the ABS advises that analysis of regional labour force estimates should typically be based on annual averages, the data referred to below are in original monthly terms to better assess the unprecedented impact that COVID-19 has had on conditions in Mid North Coast. It is important to note, however, that original data at the SA4 level are extremely volatile and should be viewed with considerable caution.

Assistance (the largest employing industry) fell from 18.8% as at May 2019, to 17.8% as at May 2021. In addition, the composition and ordering of the 6 largest industries changed over the 2 years.

For example, Accommodation and Food Services moved from the fourth to the third largest employing industry and Education and Training shifted from the sixth to the fourth. Retail Trade was the fifth largest employing industry in May 2021, while Other Services surpassed Public Administration and Safety (previously fifth largest) to become the sixth largest employing industry.

**Table 1.5 Employment by industry, Mid North Coast, NSW (number, % and ppt)**

| Industry  | Employment level '000 May 2020–21 | Employment share % May 2020–21 | Change in employment level '000 February 2020 to May 2021 | Change in employment level '000 May 2019 to May 2021 |
|---|-----------------------------------|--------------------------------|---|--|
| Health Care and Social Assistance               | 24.5                              | 17.8                           | -6.0  | -2.6   |
| Construction                                    | 15.1                              | 10.9                           | 0.0   | -4.2   |
| Accommodation and Food Services                 | 14.2                              | 10.3                           | 0.3   | 2.3  |
| Education and Training                          | 14.2                              | 10.3                           | 4.1   | 5.2  |
| Retail Trade                                    | 12.1                              | 8.8                            | -5.5  | -3.4   |
| Other Services                                  | 10.0                              | 7.3                            | 4.7   | 2.5  |
| Public Administration and Safety                | 8.3                               | 6.0                            | 2.3   | -1.3   |
| Administrative and Support Services             | 6.9                               | 5.0                            | 2.3   | 2.3  |
| Agriculture, Forestry and Fishing               | 6.0                               | 4.4                            | -0.5  | -0.8   |
| Professional, Scientific and Technical Services | 5.5                               | 4.0                            | -1.5  | -2.6   |
| Manufacturing                                   | 4.4                               | 3.2                            | -3.4  | -2.4   |
| Transport, Postal and Warehousing               | 3.7                               | 2.7                            | -2.2  | -1.7   |
| Electricity, Gas, Water and Waste Services      | 3.0                               | 2.2                            | 0.4   | 1.3  |
| Wholesale Trade                                 | 2.9                               | 2.1                            | 0.8   | 0.1  |
| Arts and Recreation Services                    | 2.9                               | 2.1                            | 0.5   | 1.5  |
| Rental, Hiring and Real Estate Services         | 1.8                               | 1.3                            | 0.7   | -0.3   |
| Information Media and Telecommunications        | 0.9                               | 0.7                            | 0.2   | -0.1   |
| Financial and Insurance Services                | 0.8                               | 0.6                            | -1.6  | -1.5   |
| Mining  | 0.7                               | 0.5                            | 0.2   | -0.2   |

Source: ABS, *Labour Force, Australia, Detailed, Quarterly*, August 2021, 4-quarter averages.

### Adelaide South employment region

Labour market conditions<sup>20</sup> in the Adelaide South employment region<sup>21</sup> improved slightly between July 2019 and June 2021, with employment increasing by 9,200 (or 2.7%), to 349,400. The

<sup>20</sup> Regional ABS LFS data at SA4 are subject to a high degree of volatility. Accordingly, LFS data for the Adelaide South employment region in this analysis are based on 12-month averages of original estimates.

<sup>21</sup> For the purposes of this analysis, the Adelaide South employment region is proxied by the combined SA4s of Adelaide – Central and Hills and Adelaide – South. While a small proportion of Adelaide South falls within the SA4 of South Australia – South East, which is not used here, the 2 SA4s remain a very good proxy for the employment region.



unemployment rate in Adelaide South rose by 1.3 ppt over the period to 6.3%, above the 4.9% recorded for Australia. However, the increase in the unemployment rate occurred in conjunction with a 1.4 ppt increase in the region's participation rate over the period, to 65.4% in June 2021, although this was below the national rate of 66.2% in June 2021 (Table 1.6).

It is worth noting that the proportion of the working age (15–64 years) population receiving income support<sup>22</sup> in June 2021 in the Adelaide South employment region was 11.7%, below the 13.2% for Australia.

**Table 1.6 Selected labour market data for Adelaide South, SA and Australia (number, % and ppt)**

| Region/indicator        | Number '000<br>June 2021 | %<br>June 2021 | Number '000<br>Change from June<br>2019 | ppt<br>Change from June<br>2019 |
|-------------------------|--------------------------|----------------|---|---------------------------------|
| <b>Adelaide South</b>   |                          |                |   |                                 |
| Employment              | 349.4                    |                | 9.2                                     | 2.7                             |
| Unemployment            |                          | 6.3            |   | 1.3                             |
| Participation rate      |                          | 65.4           |   | 1.4                             |
| Youth unemployment rate |                          | 14.7           |   | 2.5                             |
| <b>South Australia</b>  |                          |                |   |                                 |
| Employment              | 866.3                    |                | 9.2                                     | 2.7                             |
| Unemployment            |                          | 6.3            |   | 1.3                             |
| Participation rate      |                          | 62.6           |   | -0.9                            |
| Youth unemployment rate |                          | 9.5            |   | -6.8                            |
| <b>Australia</b>        |                          |                |   |                                 |
| Employment              | 13,165.8                 |                | 274.1                                   | 2.1                             |
| Unemployment            |                          | 4.9            |   | -0.3                            |
| Participation rate      |                          | 66.2           |   | 0.2                             |
| Youth unemployment rate |                          | 10.2           |   | -1.7                            |

Source: Data for the Adelaide South employment region are from ABS, *Labour Force, Detailed*, August 2021, 12-month averages of *original* estimates. Data for South Australia and Australia are from ABS, *Labour Force, Australia*, August 2021, *seasonally adjusted* data, except for the youth unemployment rate for South Australia, which is in *original* monthly terms.

#### Impact of COVID-19 on labour market conditions in Adelaide South

Notwithstanding the improvement in labour market conditions<sup>23</sup> outlined above, it is worth noting that COVID-19 had a negative impact on conditions in the Adelaide South employment region. For example, between March 2020 (when Australia recorded its 100th case of COVID-19) and May 2020 (the trough in labour market conditions), employment in Adelaide South fell by 19,300 (5.5%) (Figure

<sup>22</sup> 'Income support' refers to 5 payments: Disability Support Pension, JobSeeker Payment, Parenting Payment (single or partnered) and Youth Allowance (other).

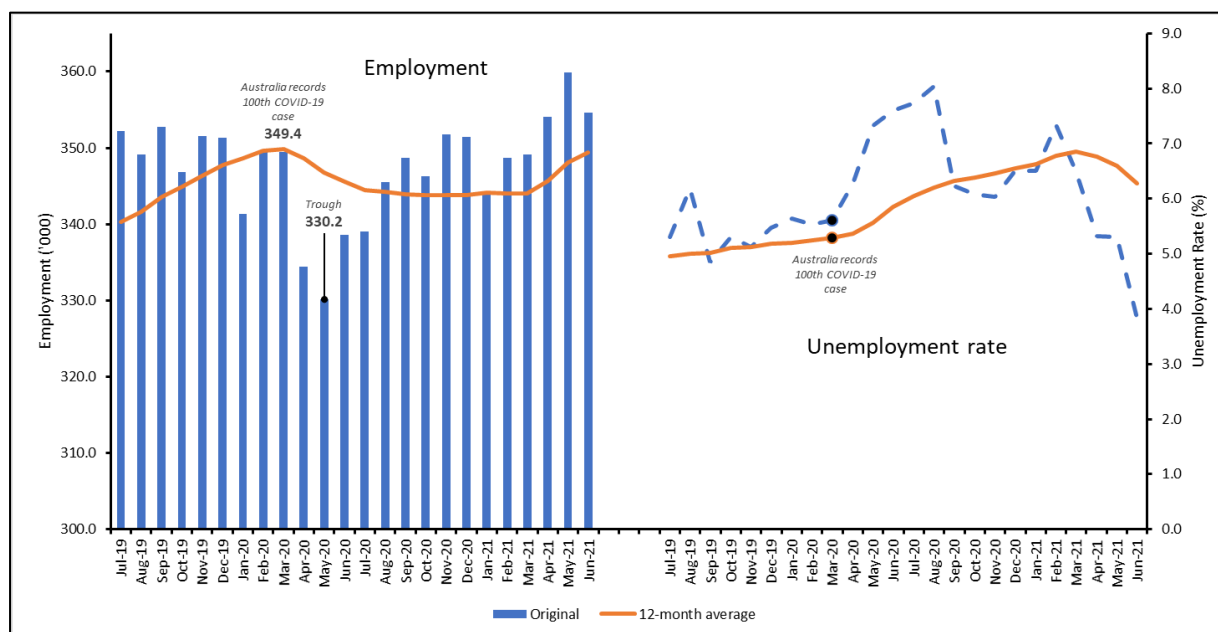
<sup>23</sup> While the ABS advises that analysis of regional labour force estimates should typically be based on annual averages, the data referred to below are in the original monthly terms to better assess the unprecedented impact that COVID-19 has had on conditions in Adelaide South. It is important to note, however, that original data at the SA4 level are extremely volatile and should be viewed with considerable caution.

1.6). The unemployment rate increased by 1.7 ppt over the period, to 7.3% in May 2020, while the participation rate decreased by 2.5 ppt to a trough of 62.6% in May 2020.

Reflecting the effective elimination of COVID-19 cases in the state, labour market conditions in the Adelaide South employment region appear to have recovered considerably between the May 2020 trough and June 2021, with the level of employment increasing by 24,400 (7.4%) over the period. The region's unemployment rate decreased by 3.5 ppt between May 2020 and June 2021, while the participation rate increased by 1.9 ppt over the period.

**Figure 1.6 Employment (number) and unemployment (%), Adelaide South, SA, July 2019 to June 2021**

Lm – if so no action



Source: ABS, *Labour Force, Australia, Detailed*, August 2021.

Despite the improvement in conditions noted above, it is worth noting that between February 2020<sup>24</sup> and June 2021 the number of JobSeeker Payment and Youth Allowance (other) recipients (as a proportion of Adelaide South's labour force) increased by 1.9 ppt, to 7.2%.

### Industry analysis

Between May 2019 and May 2021<sup>25</sup> employment in Adelaide South increased in 12 industries and declined in 7. Increases in Professional, Scientific and Technical Services (by 5,900 or 20.6%), Public Administration and Safety (by 4,700 or 21.3%) and Education and Training (by 4,100 or 12.8%) made the largest contributions to employment growth in this period. Employment growth across these 3 industries (14,700 in total) exceeded that for the region in total. The largest reductions in employment were in Accommodation and Food Services (by 4,200 or 16.0%), Manufacturing (by 2,700 or 11.7%) and Electricity, Gas, Water and Waste Services (by 2,200 or 37.6%).

<sup>24</sup> March 2020 is the most suitable pre-COVID-19 baseline for monthly ABS LFS data, as the survey reference period for March pre-dated the initial lockdown. Conversely, February 2020 is a more appropriate baseline for income support data, as unemployment beneficiary numbers began to rise by the end of March (when data was collected).

<sup>25</sup> Industry employment data from the LFS are released quarterly for the months of February, May, August and November.

Between February 2020 (i.e. pre-COVID-19) and May 2021, employment increased in 10 industries and declined in 9. Increases in Public Administration and Safety (by 4,800 or 22.2%), Financial and Insurance Services (by 3,500 or 38.3%) and Health Care and Social Assistance (by 2,700 or 4.6%) made the largest contributions to employment growth. The largest reductions in employment were recorded in Wholesale Trade (by 3,800 or 32.3%), Accommodation and Food Services (by 2,900 or 11%) and Electricity, Gas, Water and Waste Services (by 2,600 or 42.0%).

More than 60% of employment in the region is concentrated in 6 industries, and this concentration increased from 61.2% to 63.4% over the 2 years to May 2021. While the employment share of Health Care and Social Assistance, by far the dominant industry in terms of employment, remained stable (17.3% as at May 2019 and 17.4% as at May 2021) over the 2 year period, the composition and ordering of other large industries changed (Table 1.7). For example, by February 2020 Education and Training overtook Retail Trade as the second largest employer in the region and by May 2021 Public Administration and Safety surpassed both Accommodation and Food Services and Manufacturing (previously sixth and seventh largest) to become the sixth largest employing industry.

**Table 1.7 Employment by industry, Adelaide South, SA (number, % and ppt)**

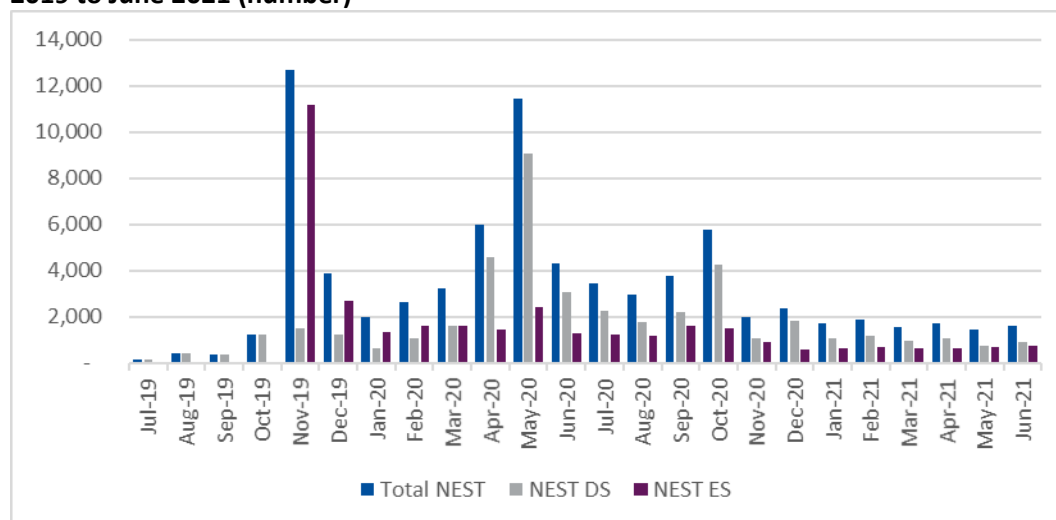
| Industry  | Employment level '000 May 2020–21 | Employment share % May 2020–21 | Change in employment '000 February 2020 to May 2021 | Change in employment '000 May 2019 to May 2021 |
|---|-----------------------------------|--------------------------------|---|--|
| Health Care and Social Assistance               | 61.2                              | 17.4                           | 2.7   | 2.6  |
| Education and Training                          | 36.3                              | 10.3                           | 0.5   | 4.1  |
| Retail Trade                                    | 35.6                              | 10.1                           | 0.4   | 1.4  |
| Professional, Scientific and Technical Services | 34.7                              | 9.9                            | 2.0   | 5.9  |
| Construction                                    | 28.5                              | 8.1                            | -0.8  | 0.9  |
| Public Administration and Safety                | 26.5                              | 7.5                            | 4.8   | 4.7  |
| Accommodation and Food Services                 | 22.3                              | 6.3                            | -2.9  | -4.2   |
| Manufacturing                                   | 20.2                              | 5.7                            | -2.2  | -2.7   |
| Other Services                                  | 13.8                              | 3.9                            | -0.9  | 0.3  |
| Financial and Insurance Services                | 12.8                              | 3.6                            | 3.5   | 1.4  |
| Administrative and Support Services             | 11.1                              | 3.1                            | -2.6  | -0.3   |
| Transport, Postal and Warehousing               | 10.2                              | 2.9                            | -0.6  | -0.8   |
| Wholesale Trade                                 | 7.9                               | 2.3                            | -3.8  | -1.8   |
| Arts and Recreation Services                    | 7.0                               | 2.0                            | 1.2   | 0.8  |
| Rental, Hiring and Real Estate Services         | 5.6                               | 1.6                            | 0.6   | 0.2  |
| Information Media and Telecommunications        | 5.2                               | 1.5                            | -2.1  | -0.3   |
| Agriculture, Forestry and Fishing               | 4.7                               | 1.3                            | 2.3   | 1.5  |
| Mining  | 4.4                               | 1.3                            | 1.2   | 0.7  |
| Electricity, Gas, Water and Waste Services      | 3.6                               | 1.0                            | -2.6  | -2.2   |

Source: ABS, *Labour Force, Australia, Detailed, Quarterly*, August 2021, 4-quarter averages.

### 1.4.3 Commencements

During the evaluation period (between July 2019 and June 2021) there were 78,787 commencements in the trial. Of these 44,223 were in DS and 34,564 were in ES. The peak in November 2019 coincides with the commencement of DS. DS peaks in April and May 2020 are due to COVID-19. The smaller peak for DS in October 2020 was likely due to the full reintroduction of MORs (Figure 1.7).

**Figure 1.7 Initial commencements in NEST Employment Regions, by service type and month, July 2019 to June 2021 (number)**



Source: Internal departmental reporting data.

### 1.4.4 Participant characteristics

#### Overall

Table 1.8 shows that the total NEST caseload went from 21,960 in December 2019 to 33,784 in June 2021 (an overall increase of around 54%). This is generally in line with the pattern of overall employment services caseload movements over the period, which rose from February 2020 to September 2020 and fell again substantially from September 2020 to June 2021 (Figure 1.4).

As would be expected, people who had been employed when COVID-19 and the subsequent lockdowns occurred had generally low levels of labour market disadvantage and, in line with the policy intent, most of these participants ended up in DS. It should be noted that the low DS caseload numbers in December 2019 are a transition phenomenon. Much of the caseload at this time were transition-eligible participants who were previously in provider servicing and did not move across to DS when invited (Section 3.1). Major demographic changes in the caseload are explored below.

#### Age

The proportion of younger participants on the caseload was lower in June 2021 (21.3%) than pre-COVID-19 (24.8%). This may be a result of younger participants choosing to study rather than compete for work in a highly competitive labour market. The youth unemployment rate also recovered more strongly than the overall labour market as lockdowns eased. Youth unemployment was 11.6% in December 2016 and rose to peak at 16.3% in June 2020. As at June 2021 the youth

unemployment rate was 10.2%, well below its pre-COVID level.<sup>26</sup> This is offset by increases in the proportion of older participants, particularly those 45 years and over, who represented 32.5% of the pre-COVID caseload but 35.2% of the June 2021 caseload (

Table 1.8). This increase is likely because when mature age people become unemployed, they tend to remain unemployed for longer than younger cohorts.

### Education levels

Over the study period the proportion on the caseload of people with lower levels of education decreased, so those with vocational qualifications and less than Year 12 qualifications represented less of the caseload (64.7%) in June 2021 than pre-COVID-19 (71.7%). This is likely due to changes in the labour market whereby more highly skilled, professional full-time jobs were slower to recover than part-time or casual jobs, which can respond more quickly to increased demand and are also more likely to be filled by younger and less qualified people. Two labour market factors that may have influenced this are large lay-offs in the university sector, resulting in fewer graduate positions; and the stimulus aimed at the construction sector, which is largely vocationally trained (

Table 1.8).

### Assessed level of disadvantage

As noted above, most of the increase in caseload was for people with low (from 21.3% to 30.1%) or moderate (24.5% to 27.9%) levels of assessed disadvantage in the labour market. The reason is twofold: firstly, those who are employed are more likely to have characteristics which make them employable generally; secondly, being recently in paid work is one of the factors considered in the assessment of labour market disadvantage (

Table 1.8).

**Table 1.8 NEST caseload characteristics, December 2019 to June 2021 (number and %)**

| Characteristics                              | Caseload at<br>31 December 2019 | Caseload at<br>30 June 2020 | Caseload at<br>31 December 2020 | Caseload at<br>30 June 2021 |
|--|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| <b>All participants (n)</b>                  | <b>21,960</b>                   | <b>46,557</b>               | <b>44,456</b>                   | <b>33,784</b>               |
| Digital Services (n)                         | 4,452                           | 25,483                      | 23,191                          | 15,857                      |
| Enhanced Services (n)                        | 17,508                          | 21,074                      | 21,265                          | 17,927                      |
| Digital Services %                           | 20.3                            | 54.7                        | 52.2                            | 46.9                        |
| Enhanced Services %                          | 79.7                            | 45.3                        | 47.8                            | 53.1                        |
| <b>Age group %</b>                           |                                 |                             |                                 |                             |
| Less than 25 years                           | 24.8                            | 21.4                        | 21.8                            | 21.3                        |
| 25 to 44 years                               | 42.7                            | 43.6                        | 44.0                            | 43.5                        |
| 45 years and older                           | 32.5                            | 35.0                        | 34.1                            | 35.2                        |
| <b>Highest education level<sup>1</sup> %</b> |                                 |                             |                                 |                             |
| Less than Year 12                            | 35.4                            | 29.3                        | 30.6                            | 33.9                        |

<sup>26</sup> ABS, Cat. No. 6202.0 *Labour Force, Australia*, August 2021, Detailed Table 13, Seasonally Adjusted.

| Characteristics                                     | Caseload at<br>31 December 2019 | Caseload at<br>30 June 2020 | Caseload at<br>31 December 2020 | Caseload at<br>30 June 2021 |
|---|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Year 12   | 18.0                            | 19.5                        | 19.1                            | 18.4                        |
| Vocational training                                 | 36.3                            | 33.6                        | 33.0                            | 33.5                        |
| University  | 10.3                            | 17.5                        | 17.3                            | 14.2                        |
| <b>Length of time in employment services %</b>      |                                 |                             |                                 |                             |
| Less than 1 year                                    | 42.1                            | 68.1                        | 59.8                            | 25.8                        |
| 1 to 2 years  | 21.0                            | 12.3                        | 17.1                            | 42.0                        |
| Longer than 2 years                                 | 36.9                            | 19.7                        | 23.2                            | 32.2                        |
| <b>Assessed level of disadvantage<sup>1</sup> %</b> |                                 |                             |                                 |                             |
| Low   | 21.3                            | 41.2                        | 36.9                            | 30.1                        |
| Moderate  | 24.5                            | 27.1                        | 27.9                            | 27.9                        |
| High  | 54.2                            | 31.8                        | 35.3                            | 41.9                        |
| <b>Gender %</b>                                     |                                 |                             |                                 |                             |
| Female  | 47.1                            | 47.2                        | 47.6                            | 48.0                        |
| Male  | 52.9                            | 52.8                        | 52.4                            | 52.0                        |
| <b>Remoteness<sup>1</sup> %</b>                     |                                 |                             |                                 |                             |
| Outer regional areas                                | 8.9                             | 8.0                         | 8.0                             | 8.5                         |
| Inner regional areas                                | 40.4                            | 38.8                        | 38.5                            | 39.8                        |
| Main capital cities                                 | 50.6                            | 53.3                        | 53.6                            | 51.7                        |
| <b>Other demographic characteristics %</b>          |                                 |                             |                                 |                             |
| Indigenous  | 11.4                            | 7.5                         | 8.2                             | 9.8                         |
| CALD  | 9.4                             | 11.5                        | 11.6                            | 10.5                        |
| Disability <sup>1</sup>                             | 17.5                            | 13.6                        | 15.3                            | 17.5                        |
| Low English proficiency <sup>1</sup>                | 6.6                             | 7.8                         | 5.9                             | 6.5                         |
| Principal carer parents <sup>1</sup>                | 15.9                            | 13.9                        | 13.9                            | 15.3                        |
| Homeless  | 10.5                            | 6.9                         | 7.7                             | 9.0                         |

Source: Departmental administrative data.

Notes: Percentages are of caseload.

Data as at 20 September, 2021.

1. Missing values are excluded from calculations.

## 2 Evaluation of the New Employment Services Trial

In line with public accountability provisions, purchased employment services have been subject to regular evaluation. In particular, the *Public Governance, Performance and Accountability Act 2013* encourages evaluation of all government programs.

This Phase 1 report assesses the effectiveness and efficiency of the New Employment Services Trial (NEST) in the context of the Australian labour market and the broad economic and demographic changes from July 2019 (for Digital Services (DS)) and November 2019 (for Enhanced Services (ES)) to June 2021.

### 2.1 Evaluation of the NEST

This section provides information on the NEST evaluation structure and method, including scope and limitations.

#### 2.1.1 Evaluation strategy

In 2018, the department engaged Clear Horizon Consulting to, in conjunction with the department, develop a Monitoring and Evaluation Strategy for the NEST.

The strategy included several theories of change (ToCs): an overarching NEST ToC; separate ToCs for DS participants and employers; and a ToC for ES. These ToCs are at Appendix C.2 (Figure C.1, Figure C.2, Figure C.3 and Figure C.4) The strategy design aligns with policy design principles in that it is flexible and responsive to consultation with the NEST stakeholders and emerging data. A highly consultative approach informed the design. The strategy was endorsed by relevant departmental governance committees on 12 October 2020.

The strategy also defined several key evaluation questions (KEQs) (Table 2.1). Further detail on the sub-questions is at Appendix C, Table C..

**Table 2.1 NEST key evaluation questions**

| Focus         | Key evaluation questions  |
|---------------|---|
| Efficiency    | How well is the NEST being implemented and delivered?                             |
| Effectiveness | What are the short- and long-term impacts and outcomes of the NEST (and for who)? |

The strategy was delivered to the department in March 2020, which coincided with the onset of the COVID-19 pandemic (Section 3.2.2).

#### 2.1.2 Evaluation plans

The strategy was underpinned by an initial evaluation plan. This plan, drafted in early 2018, outlined the evaluation approach, objectives and resources. The evaluation plan was revised in:

- June 2020 to adapt to the COVID-19 pandemic, public health restrictions, and the prolonged pause of MORs
- June 2021 to align with the finalisation of the Workforce Australia Employment Services budget and procurement processes.

### 2.1.3 Evaluation approach

Formative and developmental evaluation theory underpins the NEST evaluation design. This theoretical approach is orientated towards action research, and facilitates:

- the collection of real-time information from relevant stakeholders during the program implementation period
- ongoing feedback from results of quantitative analysis
- processes for iterative feedback and continuous development
- flexibility to respond to changes in the trial environment, program design, and outcome measurements.

Due to the lack of a counterfactual, evaluations of mainstream employment services typically compare performance, cost, and outcomes with the preceding model. For example, the performance of jobactive is compared to the Job Services Australia (JSA) 2012–2015 model. Trialling a new model (NEST) while the existing jobactive model continues, provided an opportunity to compare the new model's performance against the mainstream service it replaced. To enable this comparison, regions with similar labour markets and demographics were selected as a counterfactual. More detail on the comparison regions is at Appendix NEST evaluation methodology.

#### NEST Evaluation Advisory Group

The NEST Evaluation Advisory Group (EAG) was established to provide ongoing expert and strategic advice on the data collection and analysis and evaluation concepts. Membership of the EAG includes 4 private and public sector academics and evaluators with experience and/or interest in employment services or related policy. The group is chaired by the department's Assistant Secretary, Employment Evaluation Branch.

### 2.1.4 Evaluation scope and limitations

#### Scope

This report assesses the overall performance of the NEST (to 30 June 2021) including addressing questions of appropriateness, effectiveness and efficiency. To the extent possible, it assesses key components of the trial, including participation, engagement and outcomes for participants and employers, as well as aspects of the program such as the Points Based Activation System (PBAS).

The following areas are out of scope for this evaluation because they are either subject to separate evaluation elsewhere or outside the scope of the trial itself:

- programs and program elements that interact with the trial but are not considered part of the trial, such as the New Enterprise Incentive Scheme, the National Work Experience Program, PaTH, Career Transition Assistance (CTA), Employability Skills Training (EST), Employment Preparation Activity (EPA), and Skills for Education and Employment training
- the 'gateway'<sup>27</sup> and onboarding process, although the extent to which participants appear to have been referred to the most appropriate service, and the process of assessment and referral, are examined

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<sup>27</sup> The term 'gateway' refers to the way people on activity-tested income support payments (such as JobSeeker or Youth Allowance) are assessed and referred to employment-related services.



- volunteer participants
- aspects of the trial that have not yet been implemented.

### Limitations

The main limitations of the evaluation are related to the impact of COVID-19 and natural disasters (Section 1.4).

## 2.2 Methodology and data sources

This section provides an overview of methodology and data sources used in this evaluation.

### 2.2.1 Methodology

A range of methodologies, using both qualitative and quantitative analysis, are used in this evaluation. The methodological detail is covered in Appendix C.3, and there is also some methodological description in relevant sections.

### 2.2.2 Data sources

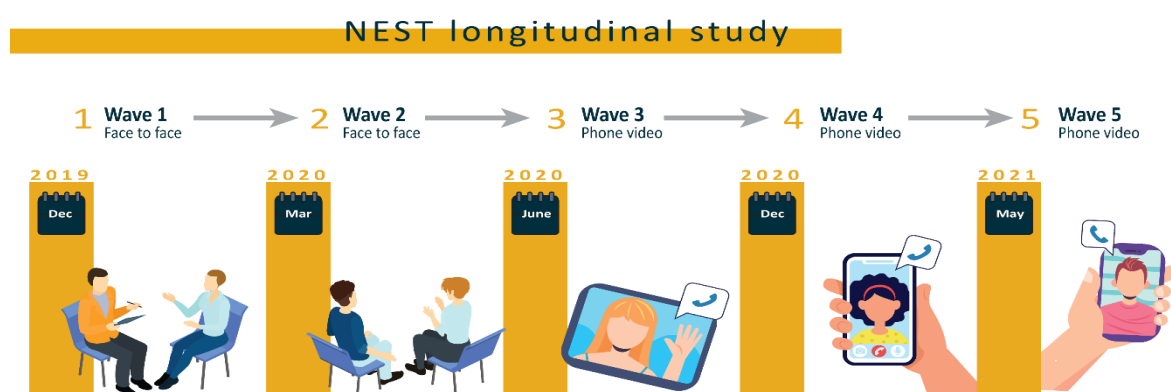
The evaluation uses various data sources, including qualitative fieldwork, surveys, and administrative data. Further detail on each of these data sources can be found at Appendix C.4. In the initial qualitative research design, the Longitudinal Study of NEST Participants (NEST LS) and the tranche fieldwork with NEST providers and other stakeholders (NEST Stakeholder Research) were designed to run concurrently, to enable a broad range of views to be gathered at the same point in time. To this end, Waves 1 and 2 of the NEST LS and Tranches 1 and 2 of the NEST Stakeholder Research ran concurrently. However, as discussed in Section 1.4.1, the timing of future waves of the NEST LS and the tranches of NEST Stakeholder Research changed due to unforeseen events.

#### Longitudinal Study of NEST Participants

The NEST LS was a qualitative research study of 10 DS participants and 20 ES participants (30 altogether) in the trial regions (15 in Mid North Coast and 15 in Adelaide South). The study was conducted by the Social Research Centre.

Five waves of the study were conducted between December 2019 and June 2021 (Figure 2.1).

**Figure 2.1 NEST Longitudinal Study interview dates and format**



People who left the study were replaced with ‘like participants’, except in Wave 3. In keeping with the evaluation design, high-level reports were provided to relevant policy areas within 2 weeks of completion of fieldwork, and more detailed reports within 2 months of fieldwork.

Discussion guides were adjusted at each wave to explore changes in experiences and examine new policies (such as PBAS). All interviews were recorded, transcribed and analysed using NVivo.

### Fieldwork with NEST providers and other stakeholders

In this report, this fieldwork is referred to as the NEST Stakeholder Research.

To the end of June 2021, 4 tranches were conducted by departmental researchers (Figure 2.2).

**Figure 2.2 Provider and stakeholder interview timeline**



### Participant Experiences of Employment Services

The Participant Experiences of Employment Services (PEES) study was conducted by Wallis Consulting. It included survey and qualitative fieldwork that explored the experiences of participants in mainstream employment services. More than 5,000 participants from different employment programs completed a telephone or online survey between 1 April and 10 May 2021 (Table 2.2).

**Table 2.2 Completed PEES Survey interviews, by employment program (number)**

| Quota group   | Completed interviews (n) |
|---|--------------------------|
| <b>Total NEST</b>   | <b>2,127</b>             |
| NEST Digital Services   | 1,068                    |
| NEST Enhanced Services  | 1,059                    |
| <b>Total jobactive</b>  | <b>1,513</b>             |
| jobactive   | 1,042                    |
| jobactive comparison regions                                    | 471                      |
| <b>Total Online Employment Services (OES)</b>                   | <b>1,346</b>             |
| OES   | 967                      |
| OES comparison regions  | 379                      |
| <b>Total Volunteer Online Employment Services Trial (VOEST)</b> | <b>302</b>               |
| <b>All participants</b>   | <b>5,288</b>             |

Source: PEES sample report.

The qualitative fieldwork further explored participants' views and experiences. It comprised 34 in-depth interviews and 14 focus groups. Participants in the qualitative component were split into 5 segments, representing different employment services programs and subsets of the community, including different age groups, periods of assistance, and IT access. Interviews were conducted using a combination of Microsoft Teams and face-to-face discussions.

In this report, the survey component of the PEES study is referred to as the PEES Survey, and the qualitative component is referred to as the PEES Qualitative research.

#### 4 Month Activity Survey

The 4 Month Activity Survey began in November 2020. This survey explores the attitudes and experiences of DS participants who commenced in CTA, EPA or EST to fulfil their 4 month activation requirement. A link to the survey was sent out monthly to people who completed CTA, EPA or EST (Table 2.3). The data covers the period November 2020 to June 2021.

**Table 2.3 Descriptive summary of the 4 Month Activity Survey respondents (number and %)**

| Description                      | Invitations n | Responses % |
|----------------------------------|---------------|-------------|
| <b>All participants (number)</b> | <b>499</b>    | <b>88</b>   |
| <b>Region (%)</b>                |               |             |
| Adelaide South                   | 58.4          | 79.5        |
| Mid North Coast                  | 30.6          | 20.5        |
| <b>Course type (%)</b>           |               |             |
| EPA                              | 89.4          | 74.7        |
| CTA                              | 7.0           | 19.3        |
| EST 1                            | 2.8           | 2.4         |
| EST 2                            | 0.8           | 3.6         |
| <b>Gender (%)</b>                |               |             |
| Male                             | 58.1          | 54.2        |
| Female                           | 41.9          | 45.8        |
| <b>Age group (%)</b>             |               |             |
| Under 25 years                   | 29.7          | 21.7        |
| 26 to 35 years                   | 30.5          | 22.9        |
| 36 to 45 years                   | 15.4          | 14.5        |
| 46 to 55 years                   | 13.6          | 20.5        |
| 56 years and over                | 10.8          | 20.5        |

Source: 4 Month Activity Survey

#### NEST and jobactive Provider Survey

The department regularly undertakes a census (survey) of employment services providers which gathers information on providers' views about various aspects of employment services and the quality of services contracted by the department. The most recent survey of jobactive and NEST

providers was conducted in July–August 2021. In this report, this census is referred to as the Provider Survey.

### User-centred design research

The department has undertaken user-centred design (UCD) research with participants and employers to inform the development of the NEST and the new employment services model (NESM). This evaluation report draws on this research where relevant and refers to it as UCD research.

### Administrative data

This data is from the Employment Services System (ESS). It includes information on participants who have received employment assistance, including geographic and demographic information, their Job Seeker Classification Instrument (JSCI)/Job Seeker Snapshot (JSS) assessments, types of assistance received through employment services, job placements, and paid outcomes.

### Income support data in the Research and Evaluation Dataset

The Research and Evaluation Dataset (RED) consists of unit record level data for customers on income support payments for at least one day since 1 July 1998 (excluding Department of Veterans' Affairs pensions).

### 3 Transition to and implementation of the trial

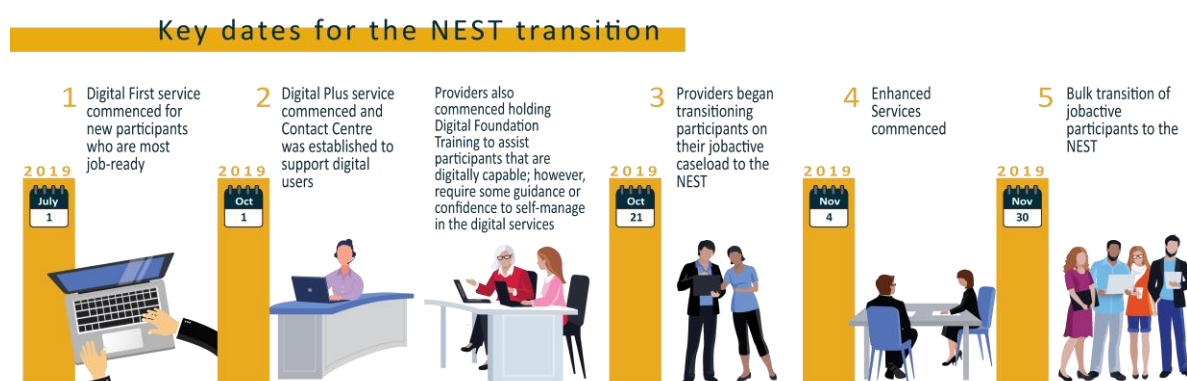
This chapter examines changes in the NEST regions' labour markets from the start of the trial to June 2021, including participant demographics in both Digital Services (DS) and Enhanced Services (ES), and changes over time. It also covers participant and provider experiences during the transition to and implementation of the NEST and explores provider and participant responses to COVID-19 and the pause of mutual obligation requirements (MORs) during the trial.

#### 3.1 Transition to the NEST model

This section explores providers', participants' and other stakeholders' understanding and experiences of the transition to the trial, and provider perceptions of the transition process.

Usually, mainstream employment services contracts cease on a given date (usually 30 June), and a new contract commences the following day (1 July). However, NEST used a different transition approach. Providers tested the department's recommended transition settings by assessing and transitioning their existing jobactive caseload to either DS or ES over several months. Key dates for the NEST transition are shown in Figure 3.1.

**Figure 3.1 NEST transition dates**



##### 3.1.1 Transition for existing jobactive participants

The eligibility criteria for participants to transition to DS were:

- Stream A (low levels of assessed disadvantage), and
- less than 12 months in service, and
- no identified barrier to using the digital service (such as capability or access).

Providers could override the move to DS based on their knowledge of the participant, or participants could opt to remain in ES.

## The transition-eligible caseload

On 3 November 2019 there were 597,516 jobactive participants who had commenced their period of assistance,<sup>28</sup> of whom **27,657** were either in NEST DS (1,830) or with a future NEST ES provider (25,827). Table 3.1 shows the pathway for these **27,657** participants who were in scope for NEST, of whom 4 in 5 or **22,173** (80.1%) commenced in the NEST.

Around 1 in 5 (19.9%, 5,484) of those 27,657 considered eligible did not transition to NEST for various reasons, including that they began a jobactive placement, were suspended or exempt for long periods, had another referral (such as to Disability Employment Services, ParentsNext or Transition to Work) or were volunteers.

**Table 3.1 Identified NEST pathways for people eligible at transition (number and %)**

| Identified pathways   | Total         | %           |
|---|---------------|-------------|
| <b>Total NEST eligible caseload at 3 November</b>               | <b>27,657</b> | <b>100</b>  |
| Already in NEST Digital Services                                | 1,830         | 6.6         |
| Commenced in NEST placement(s) only                             | 18,143        | 65.5        |
| Commenced in NEST and jobactive placements                      | 2,200         | 8.0         |
| <b>Commenced in NEST</b>  | <b>22,173</b> | <b>80.1</b> |
| Did not commence in NEST – commenced in jobactive               | 583           | 2.1         |
| Did not commence in NEST – commenced another employment service | 1,014         | 3.7         |
| Did not commence in NEST – suspended or exempt at transition    | 2,785         | 10.1        |
| Did not commence in NEST – volunteers                           | 272           | 1.0         |
| Did not commence in NEST – reason unknown                       | 830           | 3.0         |
| <b>Did not commence in NEST</b>                                 | <b>5,484</b>  | <b>19.9</b> |

Source: Departmental administrative data.

Note: Eligible participants are defined above.

## Actual transition caseload

For this analysis the ‘transition caseload’ includes participants who were ‘transition eligible’ as defined in Section 3.1.1 and who had commenced in a NEST placement prior to October 2020. Commencements prior to October 2020 for a policy implemented in November 2019 would not normally be considered a ‘transition’ caseload. However, extenuating circumstances, including Centrelink exemptions, COVID-19 and the pause of MORs meant that providers struggled to engage and commence participants over a considerable length of time. Table 3.2 shows the actual transition caseload.

<sup>28</sup> A period of assistance (POA) is the duration a participant has been in a specific employment service program, such as jobactive, Transition to Work (TtW) or ParentsNext. A participant will have a separate POA for each program (though NEST and jobactive are generally considered to be the same program when defining a POA). A POA begins from the participant’s first contract referral and ends when the participant exits the program, including if they transfer to another program. If the participant returns to the program outside the allowable break period (91 days) they will begin a new POA. If the participant returns to the program within the allowable break period, they will resume their former POA.

**Table 3.2 NEST actual transition caseload (number)**

|  | Before October 2020 (n) | After Oct 2020 (n) | Total (n)     |
|--|-------------------------|--------------------|---------------|
| Participants who commenced NEST placement(s) only        | 16,910                  | 1,233              | 18,143        |
| Participants who commenced NEST and jobactive placements | 2,156                   | 44                 | 2,200         |
| Participants already with NEST DS                        | 1,830                   |                    | 1,830         |
| <b>Total</b>   | <b>19,552</b>           | <b>1,374</b>       | <b>22,173</b> |

Source: Departmental administrative data.

Notes: Eligible participants are defined above.

Only those who commenced in the NEST before October 2020 are considered part of the 'transition caseload'.

Of the 19,066 participants who commenced in the NEST **before** October 2020 (grey in Table 3.2), **2,723** (14.3%) were eligible for DS and **16,343** (85.7%) were eligible for ES, based on their characteristics.

#### Digital services eligible transition participants

Of those eligible for DS based on their characteristics, 1,023 (37.6%) commenced in DS, while 1,700 (62.4%) were in ES (Table 3.3). The 1,700 who commenced in ES generally had higher assessed levels of disadvantage than the 1,023 who commenced in DS. This indicates that providers may have been taking a cautious approach and considered factors other than the Job Seeker Classification Instrument (JSCI) when allocating participants to DS.

**Table 3.3 Digital Services eligible transition participants (number and %)**

| First NEST service type | number       | %            |
|-------------------------|--------------|--------------|
| Digital Services        | 1,023        | 37.6         |
| Enhanced Services       | 1,700        | 62.4         |
| <b>Total</b>            | <b>2,723</b> | <b>100.0</b> |

Source: Departmental administrative data.

Of the DS-eligible transition caseload who commenced in DS (a total of 1,023), 418 (40.8%) remained in DS, while 59.2% later spent some time in ES. Those who spent time in ES generally had a higher assessed level of disadvantage (e.g. participants with a higher assessed level of disadvantage generally had lower levels of education, were older, had been unemployed for a longer period, and faced additional barriers to employment) compared with those who remained in DS.

#### Enhanced Services eligible transition participants

Of those eligible for ES, **16,204** (99.1%) commenced in ES, while **139** (0.9%) commenced in DS (Table 3.4).

**Table 3.4 Enhanced Services eligible transition participants (number and %)**

| First NEST service type | number        | %            |
|-------------------------|---------------|--------------|
| Digital Services        | 139           | 0.9          |
| Enhanced Services       | 16,204        | 99.1         |
| <b>Total</b>            | <b>16,343</b> | <b>100.0</b> |

Source: Departmental administrative data.

The small group eligible for ES but in DS generally had a lower assessed level of disadvantage compared to those both eligible for and commenced in ES. This also implies that providers who were transitioning to DS were accounting for participant capacity and ability.

### 3.1.2 New NEST entrants

#### July 2019 to March 2020

Between July 2019 and March 2020, the referral process for employment services in the NEST regions changed so that:

- from 1 July 2019, Services Australia referred new entrant Stream A participants to DS
- from October 2019, almost all new Stream A participants commenced in DS
- from 4 November 2019, ES commenced and NEST providers no longer received new Stream A referrals
- eligible DS participants who failed to engage with DS were referred to ES, as were participants who chose to opt out of DS.

#### March 2020 to June 2021

Due to the national COVID-19 lockdown, income support applications, assessment and referral to service moved largely online from mid-March 2020. RapidConnect, which had previously linked commencement in employment services to receipt of income support, was also suspended. This process, known as Fast Connections, placed income support applicants into the Digital Gateway<sup>29</sup> until they completed the Job Seeker Snapshot (JSS) and could then be referred to an eligible service. Fast Connections was required for timely:

- processing of large volumes of income support applications
- assessment and referrals to employment services.

The Digital Gateway is discussed in greater detail in Section 4.3.

### 3.1.3 Experiences, awareness and understanding of the trial

This section explores the experiences of participants and providers who transitioned to the trial.

#### Awareness of the trial was patchy among transitioning participants

Participants' awareness of the NEST was discussed during Waves 1 and 2 of the Longitudinal Study of NEST Participants (NEST LS). Most transitioning participants had limited awareness of the trial, and those who were aware had limited knowledge but understood that some service changes were happening. Participants who were transitioned to DS also understood that they were no longer required to attend appointments with their provider.

*I was told very little. That's all I was told – it was just, 'You're going to be doing stuff online because it'll be easier for you.'*

NEST LS Wave 1, Digital First, Interview 1

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<sup>29</sup> This online assessment and referral process became known as The Digital Gateway.



*I'm still on a trial for the online one. I think it's [Provider Name] or [similar Provider Name] or something like that online.*

NEST LS, Wave 2, Digital First, Interview 1

In a few cases, participants transitioning to DS reported receiving clear information from their provider.

*I'd seen them [provider] a couple of times and the last time I went, and they said that they're doing a new digitalised system which because I'm quite capable, I'm listed in category A, I'm quite capable of finding my own job. I have a good understanding of how to use the phone and the computers and things, that I'd be one of the candidates that would be able to do that. So, they just transferred me over to the digital side of things.*

NEST LS Wave 1, Digital First, Interview 1

Participants transitioning to ES had been advised that there may be some changes, but most had yet to notice any, beyond an updated Job Plan with reduced job search requirements.

Participants' main source of information about the NEST was their employment services provider. Some recalled having a discussion with their provider but noted that their provider had acknowledged that they were unfamiliar with the details of the changes and expected to know more as the trial progressed.

*Yeah, I went to that [information session with providers] and I also had some material before that and I had a flick through but it seemed kind of vague at that stage because I hadn't really had a chance to nut out the details with the providers.*

NEST LS, Wave 1, Enhanced Services, Interview 1

### Providers also felt this uncertainty in the early stages of the trial

This accords with feedback from providers in the first tranche of the NEST Stakeholder Research who noted feeling at the trial commencement that there was some lack of direction from the department – for example, guidelines were received at short notice. However, providers also acknowledged that as part of a trial they were tasked with testing new ways of doing things, and were aware that the department would be less prescriptive.

*[The implementation of the NEST] was a bit washy at the start, we didn't really know what was going on, and then it was just like bang, we're a NEST, and okay we're doing things ... differently ...*

Stakeholder fieldwork, Provider, Tranche 2

### Providers actively assessed suitability for Digital Services or Enhanced Services

To allocate participants to tiers, (see Section 6.3.2 for an explanation of tiers in the NEST) providers tested various assessment tools alongside the department's tools to:

- measure participants' digital literacy and confidence in using digital platforms to determine suitability for DS (see Chapter 6 for a broader discussion on assessment and tiers)
- identify participants' vocational and non-vocational barriers to allocate them to the appropriate tier
- discover participants' strengths, barriers, interests, goals and needs to help develop tailored action plans/Job Plans.

Providers reported that their initial appointment times were longer than planned as staff needed to gain confidence in completing the newly developed comprehensive assessment tools. However, they thought that the duration of appointment times would reduce as the tools were reviewed and refined, and internal processes changed to support the implementation of the assessment process.

The complexity of these assessment tools varied by provider, as did the timing and mode of administering them (online, over the phone, or face-to-face).

Providers were concerned that using the participant's jobactive stream (A, B or C), was not always the most appropriate indicator, noting the streaming issues that were previously identified in jobactive.<sup>30</sup>

*I had one gentleman that was just released from prison, had a huge load of issues that we had to work on, and he came through as a Stream A. ... I mean we had them all the time and it was really hard to get people changed to the correct stream.*

Stakeholder fieldwork, Provider, Tranche 2

While most providers broadly agreed that the gradual transition was beneficial to enable a more extensive assessment process, they also identified some cohorts who did not fit neatly in the transition categories. For example, some allocations to ES based on period of assistance (POA) were inappropriate. In these cases, although the participant had been in service for more than 12 months, they were employed in professional contract or casual roles (e.g. teachers), completing postgraduate studies and not eligible for study assistance, and/or self-employed. Therefore, their lengthy POA was related to industry employment practices, fluctuating consumer markets, and eligibility restrictions for other government support payments, rather than individual employment barriers.

Participants in the PEES Qualitative research echoed this sentiment.

*What I find difficult is that I'm earning money most of the school term but I have to stay on Centrelink for the holidays when I have no income and I've tried to talk to Centrelink and the job people about it and I've said I'm doing my best and I'm earning enough not to have to get any government money all school term, why do I have to keep saying that?*

PEES Qualitative

Providers noted that these participants may be better suited to DS as they can end up 'parked' in ES, and do not require provider support or intensive servicing.

Providers also mentioned retrenched participants. For example, some providers thought that the existing jobactive policy framework potentially complicated the decision-making process when allocating participants who were eligible for structural adjustment programs to DS or ES. One provider stated that recently retrenched workers were usually allocated to Stream B servicing in jobactive; however, as some of the retrenched participants would be suitable for DS, they were uncertain whether to allocate them to that service.

Providers also identified the following groups who did not neatly transition or who they were unsure about due to their circumstances:

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<sup>30</sup> [Evaluation of jobactive - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au).

- Suspended or exempt participants
  - Several providers noted that Stream A participants whose suspensions or exemptions were ending were automatically transferred to DS but would then present to providers asking for information.
  - Providers felt that automatic transitions to DS may exacerbate some participants' employment barriers and create further disengagement if they are ill suited for DS, and that participants coming off exemptions or suspensions would benefit from an assessment or JSCI update before being referred to a service.
  - Several providers noted that they monitored their suspended/exempt caseload closely to try to contact the participant before their exemption period ended so they could explain the NEST and discuss their current situation.
- Participants tracking to an outcome
  - Some providers stated that they had difficulty transitioning participants who were in an activity or tracking towards an outcome.
  - One provider noted that these participants could not be transitioned to the NEST and that it impacted their service and tier allocation; they suggested that it would have been easier to transition participants based on a point in time perspective rather than over an ongoing period.
  - Another stated that they overcame this issue by removing participants from their current activities before transferring them to DS.
- Participants scheduled for employment trials
  - One provider noted that these participants disappeared from their caseloads because they were transferred to DS. This impacted the provider's relationships with employers, as well as their placement/outcome payments.

## 3.2 Implementation

This section covers the implementation of the trial, including early challenges associated with:

- developing and implementing new assessment tools to determine tier allocations and tailor servicing
- using the jobactive platform in ESSWeb, which had yet to be fully developed to support the NEST
- confidently explaining the trial to participants, employers and other stakeholders
- obtaining adequate reports and comparative performance data to inform organisational decisions and staff training and development
- minimising disruption to participant engagement and staff operations while implementing broader organisational restructures in some instances.

Despite these challenges, providers reported that the department's investment in developing user-centred and flexible employment services had strengthened their relationship, increased their willingness to trial new activities and engagement practices, and improved staff satisfaction.

### 3.2.1 Early challenges

#### Not having fully developed IT functionality complicated processes

Early in the trial, a range of IT issues were highlighted by providers, typically around access to reports for tracking and managing caseloads, but also complicated by NEST using the jobactive system, which had not been fully adapted for NEST.

*ESS overall is not a bad system, it's just that operating a NEST trial mostly with the jobactive system is a little bit frustrating.*

Stakeholder fieldwork, Provider, Tranche 2

Overall, providers reported that inadequate reporting functionality at the commencement of the trial negatively impacted their ability to adequately assess changes in the caseload, and that participants were temporarily excluded from the trial due to suspensions, exemptions, or tracking towards an activity. Providers developed a series of workarounds to overcome these challenges; however, this did increase their administrative loads and financial costs in the short term as they had to manually process claims, acquittals and compliance activities which were previously uploaded for jobactive. For example, Employment Fund (EF) features such as the commitment upload facility, which allows providers to create and reimburse commitments in bulk, was not available from the start of the NEST. One provider described the administrative processes adopted to overcome reporting and caseload tracking limitations as 'death by spreadsheet'.

#### IT suggestions

Providers thought that the IT build may need to increase functionality to operate effectively in the NEST and capture a greater range of activities being undertaken by providers. For example, providers would like:

- an easy way to record and extract information about group activities. One provider thought that it would be good to develop a 'groups' activity function which could have multiple participants assigned to it, with providers updating attendance or observational notes which are then replicated in individual profiles
- a report which tracks participant progress and progress payment eligibility (i.e., if the participant has completed some activities, payments are auto-generated).

Providers noted that they track activity information by extracting data from activity management reports, but this report does not record all the activities that consultants help participants with. It was noted that many activities fell within the guideline definitions, however they needed to be recorded manually for inclusion as progress fee evidence. Increased functionalities with regard to reporting activities would also provide greater insight into what works well, where and for whom, and would contribute to a broader evidence/knowledge base.

Some providers were also anxious about what the IT system would look like in the new model and would have appreciated the opportunity to 'play' with the NEST functionality in ESS prior to implementation.

*I think it would be fabulous – I don't even know if it's possible – to set up a test page so that people can play in the week leading up ... so that when it goes live on the day we're not flying blind ... we had no idea how it was going to look or anything. And then on the day, of course*

*we looked at it and we've gone, 'Okay, this isn't too bad,' but we're getting all worked up in the lead up, going, 'I've got no idea what to expect come Monday.'*

Stakeholder fieldwork, Provider, Tranche 2

Further, one provider noted that they were unable to adequately assist DS participants who presented at their office requesting assistance as providers were unable to access DS participant profiles (which is appropriate due to privacy considerations). In some instances, participants who were confused by DS or needed timely access to financial assistance chose to opt out of DS at that point.

*There was a couple of different cases ... where clients opted to do digital and then they were still coming in here for servicing. We were trying to, I guess, through that period – we would still inform them where to go but not really do the next level because we couldn't see their file, you know ...*

Stakeholder fieldwork, Provider, Tranche 2

### Providers need information to plan services and business needs

Some providers stated that while the department was committed to developing a co-designed system and engaging stakeholders, in some instances the detail around things like assurance and measuring progress was missing for providers. They felt this limited their capacity to confidently:

- plan programs
- develop service models that met departmental requirements and staff key performance indicators (KPIs)
- adapt record keeping and administrative systems
- train staff
- explain service provision to participants in accordance with departmental policies and processes
- discuss NEST changes with participants, employers and host organisations.

*[Employers] haven't seen, really, any changes ... They're really happy with how everything's come through, so, they haven't seen any hiccups, I think ... We haven't really discussed it with them, because we want smooth sailing ... Especially with our repeat employer ...*

Stakeholder fieldwork, Provider, Tranche 2

### Caseload size per consultant

As noted in *The next generation of employment services: discussion paper* with regard to jobactive:

*Research suggests the average employment services consultant manages a caseload of around 148 job seekers.<sup>31</sup> Research also shows that jobactive provider consultant turnover is almost three times the national average.<sup>32</sup> This makes it difficult to provide high-quality, tailored services to disadvantaged job seekers.*

Prompted by these findings, part of the rationale for the new model was that having significant percentages of participants self-servicing online would free up provider capacity and resources to invest in tailored personal services for the most disadvantaged. It was expected therefore that NEST

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<sup>31</sup> J. Lewis, M. Considine, S. O'Sullivan, P. Nguyen and M. McGann, *From Entitlement to Experiment: The New Governance of Welfare to Work – Australian Report back to Industry Partners*, University of Melbourne, 2016.

<sup>32</sup> *National Employment Services Association (NESA), Employment Services Workforce Survey of Remuneration and Human Resource Management Performance*, 2016.

ES consultant caseloads per site and per consultant would be lower than in jobactive. However, other factors in play meant that caseload size per consultant did not significantly reduce **over the transition period**. These factors included:

- site closures – some provider organisations undertook a restructure process which saw some sites with small caseloads, particularly outreach or part-time sites, close. This inevitably increased caseloads at larger sites as participants were redirected. There was also some movement of participants between providers in more remote locations where the number of active providers reduced
- staff restructures – some providers reported changing and amalgamating staff roles as part of their restructure process
- low early transfers to DS, possibly due to a range of factors including:
  - participant reluctance to transfer to DS due to uncertainty about what it was and what it meant for them
  - provider uncertainty about the DS offer and the appropriateness of it for some of their participants
- low early recruitment of new staff as providers managed the transition.

Caseload size per consultant **post-transition** is discussed in greater detail in Section 6.2.1.

#### Organisational focus impacted other activities

Some training organisations reported that NEST providers stopped referring participants to employability training during the transition and implementation periods, as they were confused about what was coming and were focused on their own change processes.

*... before the NEST started ... it was business as usual for us delivering [Course A], as well as [Course B] because we were working with the jobactive providers there. We would be having classes and training blocks running every single month ... Sadly when the NEST trial did start ... we actually stopped receiving referrals for [Course A] as well as [Course B] ... this was because providers who we've had fantastic relationships with did advise to us ... love doing business with you and collaborating with you, but right now we're just focusing on this NES trial ... it was pretty quiet in the [NEST Region B] employment region last year for [Course A] and [Course B].*

Stakeholder fieldwork, Training organisation, Tranche 3

*In the beginning, so from the lead up to the 1st of July 2019, there was confusion from our referring agencies about what was coming. They didn't know what it would be like. They stopped referring to our training programs about two months before the 1st of July and they tell us quite honestly, 'We can't speak with you, we're busy. We've got this change coming.' That's very typical in employment services in their interactions with training services. If they have a pressure point in their contract the first thing they do is shut down contact with peripheral services.*

Stakeholder fieldwork, Training organisation, Tranche 3

#### Participants need information to understand their options

Findings from the NEST LS and user-centred design (UCD) research noted that the information about DS given at the time of referral may have been incomplete and sometimes inaccurate, particularly regarding the assistance available and the role of employment services providers.

Some participants did not understand the implications of moving to DS and preferred to stay with the service they knew and understood. Some ES participants reported service changes during the second wave interview, others did not.

Unsurprisingly, new employment services participants were unlikely to question their allocation to either DS or ES, given that many had no previous experience. Participant feedback early in the trial suggests that some received confusing or incorrect information at critical touchpoints from Services Australia, the National Customer Service Line (NCSL) and providers. They were also confused about the impact of moving to a digital service – for example, on retaining access to provider resources (e.g. computers and printing).

UCD research shows that some participants also struggled to identify relevant information and that others found it hard to judge the quality and credibility of information. For example, typically participants in ES are required to attend interviews, whereas this is not a requirement for those in DS. The research notes that participants are sometimes unaware of these differences – only learning about them through discussions with the NCSL or the Digital Services Contact Centre (DSCC) (Section 5.4.1). This knowledge can come too late for those choosing with which service to engage.

### The relationship between providers and the department greatly enhanced the implementation of the trial

In the NEST Stakeholder Research, most providers reported that they felt supported by the willingness to engage, the goodwill and the commitment to ‘learning together’ of departmental officers. This support strengthened providers’ ability and willingness to try new initiatives and increased their confidence in the trial process. Some providers noted that the department’s consultative approach also influenced their organisational change processes and increased staff enthusiasm.

*... there’s a real eagerness there to go ‘We get it, you’re going to need to try things, you’re going to need to fail.’ To hear the department say to you ‘Some things are not going to work’, that gives providers a bit more confidence to go ‘Okay, let’s take the opportunity to do things differently’ and that voices are heard amongst employers, hosts and otherwise and everyone’s quite excited to do things differently, yeah.*

Stakeholder fieldwork, Provider, Tranche 2

This approach is a departure from previous department–provider relationships. Factors that have contributed to the success of this new working relationship include:

- a shared vision of an employment service that better meets the needs of participants and employers and a user-centred approach to policy development
- an acknowledgement by the department that providers are usually best placed to determine the needs of their participants, and that flexible and tailored servicing practices are to be encouraged
- genuine consultation with providers during development and implementation of the trial
- continuous and open dialogue between the department and providers through a range of channels
- the role of account managers, who have been, and remain, key enablers of this dialogue
- responsiveness to provider queries and issues and regular updates.



Providers noted that the NEST does not change the overall goal of getting people into jobs but does provide more flexibility in how they go about it.

*What we've changed is the way we deliver our service. So, our model, how we train our staff, what assessments we're using and how we're actually delivering the service ...*

Stakeholder fieldwork, Provider, Tranche 2

### 3.2.2 The impact of bushfires, COVID-19 and the pause of mutual obligation requirements on implementation

This section explores participant, provider and other stakeholder perspectives on the summer 2019–20 bushfires and the onset of the COVID-19 pandemic, using interviews from Tranche 3 of the NEST Stakeholder Research (December 2020), the LS (Wave 3 (July 2020) and Wave 4 (December 2020)), and COVID-related questions asked in the PEES Survey (March 2021).

#### Happenstance learning

While this section is not strictly about the trial, the considerably different environment triggered by COVID-19 did impact the implementation and operation of the trial. It also provided some valuable learnings for the department.

It provided an opportunity to understand trial policy in a more complex environment where business as usual (BAU) was not an option, MORs were suspended, the size and composition of the caseload and the labour market changed significantly. This enabled the department to gain insight into participant behaviour in the absence of MORs. This disruption also provided opportunities to stress test DS, how it operates on a large scale, and the ability of both the department and employment service providers to pivot in response to rapid change. Similarly, it brought into sharp focus the importance of an effective onboarding and assessment process to minimise the risk of participants not being referred to the most appropriate service.

The extent to which NEST provider behaviour was reflected by jobactive providers is unclear, although there is evidence from the Provider Survey that some similar things were happening in jobactive. However, many NEST providers thought that their changed mindset due to working in the trial did allow them to pivot more quickly in response to the changing environment and implement innovative ideas and solutions.

*... the amount of learnings that we've come up and the flexible approach, it's meant that we've been able to connect people in different ways ...*

Stakeholder fieldwork, Provider, Tranche 3

#### The evolving employment and economic environment

##### The reported impacts on employment

Participants in the NEST LS reported direct impacts such as job loss or reduction in hours worked, and indirect impacts such as an expectation of sustained unemployment due to the economic downturn.

*I had interviews lined up that were cancelled because they said 'We're not gonna run this job position anymore because of the coronavirus.'*

NEST LS Wave 3, Digital Plus, Interview 1



Participants in the PEES Survey were also asked about the impact of COVID-19. Of NEST participants who reported an impact, 3 categories cover the majority of responses:

- more difficulty finding work (50.2%)
- decreased hours in employment (25.3%)
- permanently made redundant (20.2%) (Table 3.5).

This may be connected to the prevalent industries, particularly in the Mid North Coast. For example, the employment share of Health Care and Social Assistance (the largest employing industry in the Mid North Coast) fell from 18.8% as at May 2019 to 17.8 % as at May 2021 (Section 1.4.2).

**Table 3.5 Impacts of COVID-19 on employment services participants (%)**

| Impact reported   | NEST % | Non-NEST % |
|---|--------|------------|
| Increased difficulty finding work   | 50.2   | 50.1       |
| Hours have decreased  | 25.3   | 22.8       |
| Permanently retrenched/made redundant   | 20.2   | 24.9       |
| Had to find different work to what I usually do                                   | 12.0   | 13.7       |
| Temporarily stood down (including if received JobKeeper)                          | 11.5   | 10.6       |
| Changed jobs  | 8.8    | 7.3        |
| Hours have fluctuated over time   | 8.8    | 6.2        |
| Duties changed  | 6.3    | 5.1        |
| Kept working and received JobKeeper   | 3.7    | 3.2        |
| I suffered health/mental health problems / had to take precautions / had concerns | 3.4    | 3.0        |
| Hours have increased  | 2.4    | 1.7        |
| Couldn't travel to work (including overseas)                                      | 1.9    | 1.0        |
| Business closed down  | 1.7    | 1.3        |
| COVID-19 interfered with my training  | 0.8    | 0.6        |
| Other working difficulties caused by COVID-19                                     | 0.8    | 1.4        |
| Had to work from home   | 0.6    | 0.9        |
| I left my job/resigned  | 0.5    | 0.4        |

Source: PEES Survey data.

Notes: Q How was your employment situation affected by COVID-19?

Volunteer Online Employment Services Trial (VOEST) participants are excluded.

Percentages are of those who reported an impact.

*I had to resign from my job because my underlying health conditions made it too risky for me to work in aged care. There was no way to stay safe so I was isolated at home.*

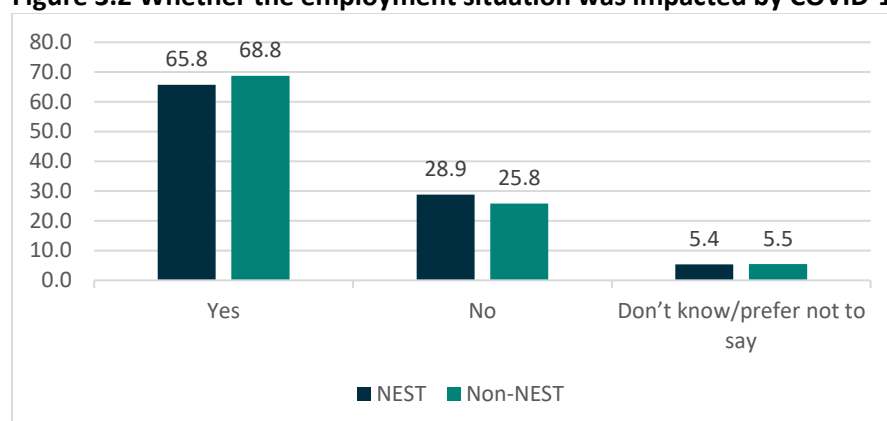
PEES Survey

*As a casual teacher it was hard to get work due to the restrictions imposed by the Department of Education; e.g. over 60's were not encouraged to work, and schools limited their casual supply teachers.*

PEES Survey

The PEES Survey indicates that COVID-19 had affected the ability of most participants (65.8% for NEST and 68.8% for non-NEST) to secure employment (Figure 3.2).

**Figure 3.2 Whether the employment situation was impacted by COVID-19 (%)**



Source: PEES Survey data.

Notes: Q Now thinking about the past 12 months, was any aspect of your employment situation affected by COVID-19? VOEST participants are excluded from the calculations.

### Impacts on mental health were mixed

Several NEST providers in the NEST Stakeholder Research stated that the 2019–20 summer bushfires and COVID-19 contributed to significant community trauma, particularly heading back into the summer season. Providers noted that participants, employers and broader community organisations had all been affected and there was continuing apprehension about what the future held.

*... it's been a very traumatic time for people and as the wind picks up and the heat comes back again, and we had a fire the other day at [place] and people are already talking about it, saying 'God, it's happening already ... Here we go again.'*

Stakeholder fieldwork, Provider, Tranche 3

*... we have found with COVID, and depending on the customers' barriers, their non-voc, some of the customers are very anxious, and haven't wanted to engage in services.*

Stakeholder fieldwork, Provider, Tranche 3

Although most providers did not believe that NEST participants required more mental health support than usual, they had increased their advertising efforts regarding the mental health supports available. In addition, one interviewee stated that COVID-19 had set back some participants' recovery from poor mental health.

*Not a huge increase because there's always a need for it, so the need's been fairly consistent I'd say ... we consistently used services prior to COVID and we're consistently using those same services now.*

Stakeholder fieldwork, Provider, Tranche 3

Most participants in the NEST LS conceded that some aspects of the pandemic had a positive impact on their mental health and wellbeing. These included the slower pace of life that came with the directive to stay at home and the cessation of community activities such as social and sporting events.

Further, some participants who self-disclosed a history of social anxiety expressed that their mental health status was unchanged or had improved since the lockdown started, as it gave them

‘permission’ to self-isolate. This, in turn, enabled them to avoid outside social interactions which might have otherwise been a source of anxiety. These participants commonly described themselves as ‘homebodies’ and ‘hermits’.

*It's made me more comfortable at home because I'd rather stay home than go out but I have kind of always been like that ... when they introduced the social distancing and isolation and stuff, that was basically me before. I've been training for it my whole life!*

NEST LS, Wave 3, Digital First, Interview 1

Broadly, participant fear and anxiety was mostly around the virus itself. Apart from the fear of contracting the virus, participants were worried about the impact it could have on vulnerable family members who were in high-risk categories, such as those with chronic health conditions or those who were immunosuppressed.

### **Participants were extremely grateful for the extra financial support**

Without exception, participants in both Waves 3 and 4 of the NEST LS expressed gratitude for the additional financial support they had received through the Coronavirus Supplement. Among other things, this supplement enabled participants to save money, pay bills and pay off debt, buy non-essential items, and reduce reliance on charity.

*[Thanks to the supplement] ... I'm on top of all of my bills so I just feel like I don't carry as much burden – financial burden within yourself. I haven't been to an organisation, a charitable organisation, for food, which I used to do regularly before on \$550 a fortnight ... [The payment has been] very, very welcome.*

NEST LS, Wave 4, Enhanced Services, Interview 3

### **Participants reported a better quality of life**

Participants in the NEST LS felt that it contributed to their having an improved quality of life. A few also reported that the supplement enabled them to improve their credit history (or credit score). Several participants reported that they had also made more of an effort to direct their spending to small businesses to help their local communities recover from the economic impact of the pandemic.

### **Many, however, were concerned about losing the supplement**

Many participants expressed concern about how they would manage when the payment ceased in March 2021, with several noting that they had experienced greater financial hardship since the reduction between Waves 3 and 4.

*Basically, what I'm trying to do is get an income that will replace the COVID supplement that is rapidly diminishing and disappearing on me because when it goes back to what it used to be originally, I will not survive. I will be ... I will not survive without the original COVID \$550 supplement. Because that gave me enough money to live on.*

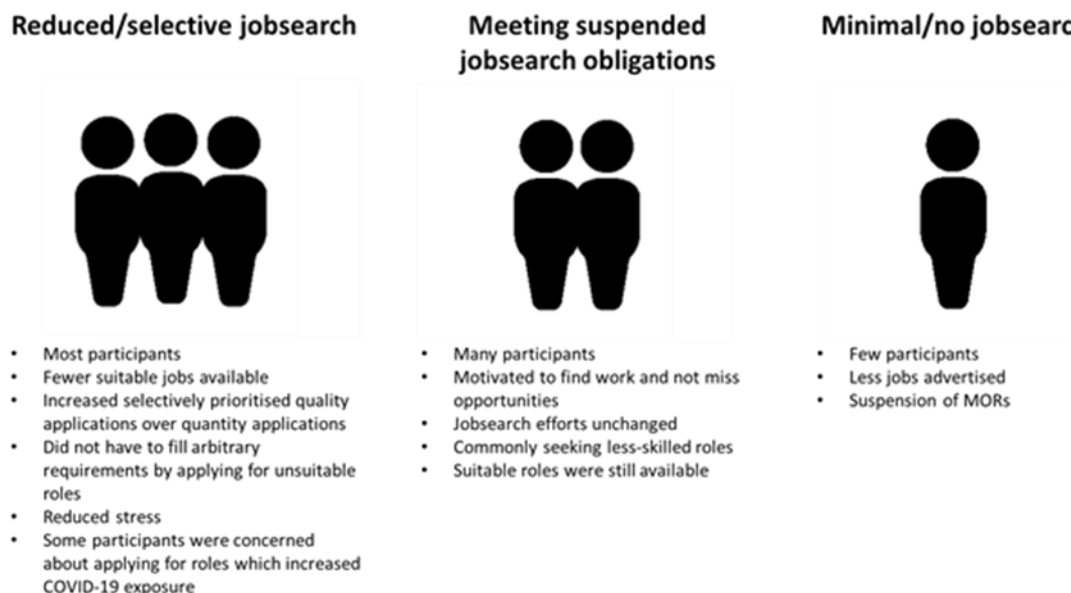
NEST LS, Wave 4, Enhanced Services, Interview 4

### **Most participants continued some form of job search**

The pause of MORs was a source of relief to some participants who were uncertain how they would manage to meet these requirements as the pandemic unfolded. Regardless, most participants in the NEST LS reported that they continued to look for work and apply for any suitable vacancies. Their job search approaches were generally unchanged, except that fewer job enquiries were made in person.

Only a few participants reported that their job-seeking efforts had stopped due to the pause of MORs. Participant job-seeking behaviours during this period fell into one of the 3 groups shown in Figure 3.3.

**Figure 3.3 Job search efforts during the pause of mutual obligation requirements as reported by NEST Longitudinal Study participants**



Participants reported that the pause of their MORs had reduced their stress levels, while enabling them to prioritise 'quality' over 'quantity' in applications.

Other activities reported by participants during this period included:

- recording job-seeking activity
- participating in training activities
- establishing small businesses.

Some participants advised that they had continued to document their job search efforts in the system even though they understood that this was no longer required. Their motivation for reporting their job-seeking was twofold:

- to help them maintain a record of which jobs they had applied for, and when
- to substantiate job-seeking efforts should the pause of MORs be lifted at short notice and/or without their prior knowledge.

*I still kept reporting jobs, partly to remind myself of the ones that I'd applied for and partly 'cause I wasn't totally sure if they meant it when they said that the requirements lifted. So I kept adding them and I got a personalised email saying 'you do not need to keep adding jobs' ... I was like 'well it's not really hurting anyone, is it, if I keep adding them?'*

NEST LS, Wave 3, Digital Plus, Interview 1

### Adaptations to NEST providers' servicing models

COVID-19 necessitated a shift in the way providers engaged and assisted participants, due to the pause of MORs and onsite servicing.

### NEST providers reported that the pause in MORs affected engagement

At the time of the second wave of the NEST LS, there were many participants on provider caseloads who had been referred to, but not commenced in the service. In the NEST Stakeholder Research, providers reported differing behaviour during the pause of MORs, with some participants increasing their engagement and others not engaging at all.

*... the ones who really want to find work are coming in. I mean there are some that I am still yet to meet on our caseload. So that becomes quite difficult when our BA [Business Adviser] will tell us there's jobs ... I have to go into the caseload, try and look at résumés of people that I haven't met yet, then try and call them ...*

Stakeholder fieldwork, Provider, Tranche 2

### However, they tried to turn negatives into positives

Providers looked for ways to use the pausing of MORs to give participants more agency in their engagement and career pathway, and promote a more tailored, personalised service.

*... we used to say 'Now is the perfect time because you're not competing against as many people and it shows your real want and desire to work. Keep applying. Don't give up' ...*

Stakeholder fieldwork, Provider, Tranche 3

They also tried to use the absence of MORs to change the conversation around engagement and assistance.

*... it's made us look at a whole way that we can keep servicing job seekers ... [from] 'If you don't go to this interview it could suspend your payment.' Now the conversation[s] ... have been, 'You identified that you wanted a job in this area. We found an employer, you have an interview. Is something else going on that we don't know about that we can help you with?' ... by and large most people really welcome that we weren't talking about demerits or payment suspensions or anything like that.*

Stakeholder fieldwork, Provider, Tranche 3

### Providers moved to online servicing

Both NEST and jobactive respondents in the Provider Survey noted that the move to online servicing overall appeared to be an easy process, with three-quarters of NEST sites easily moving to online servicing and a difference of 13.9 percentage points between NEST and jobactive sites. Almost two-thirds (61.7%) of jobactive sites found the transition to online servicing easy, while a third found it neither easy nor difficult. Only 5% of NEST sites found the move to online servicing difficult, compared with 10% of jobactive sites (Table 3.6). This difference was likely a result of the mindset of NEST providers working in a trial environment, part of which was to think about more tailored servicing options for their participants.

**Table 3.6 Extent of ease/difficulty moving to online servicing (%) and difference (ppt)**

| Move to online servicing   | NEST % | jobactive % | Difference ppt |
|----------------------------|--------|-------------|----------------|
| Easy / Very easy           | 75.6   | 61.7        | 13.9           |
| Neither easy nor difficult | 19.5   | 28.6        | -9.1           |
| Difficult / Very difficult | 4.9    | 9.7         | -4.8           |

Source: Provider Survey, 2021.

Notes: Q During COVID-19-related lockdown, to what extent was it easy or difficult for your site to move to online servicing?  
NEST n=41, jobactive n=733.

Several providers in the NEST Stakeholder Research noted that organisational change processes, less prescriptive guidelines and increased staff confidence and autonomy implemented under the NEST had left them in a good position to respond to the challenges brought on by the summer bushfires and COVID-19.

*I think we like to be in front of a lot of stuff. I think we were working on a lot of stuff prior to COVID and just we brought it in quicker than what we expected to. We were quickly able to change that initial process and working with job seekers on Teams and delivering training online. So I think it just sped that up and just showing our level of innovation where we may not have been able to do that under jobactive.*

Stakeholder fieldwork, Provider, Tranche 3

NEST providers reportedly adapted their business and service models in response to the suspension of face-to-face servicing, including:

- increasing online engagement by:
  - diversifying their online services and activities (including through online appointments and training, and increased social media use)
  - coaching participants about how to use the digital platform and increasing their knowledge and confidence in using it
  - educating participants on how to use video conferencing (such as Zoom and Skype), and accessing other types of online assistance
- rebuilding relationships with, and knowledge about local services and employers
- re-educating participants about MORs and compliance as MORs were gradually reintroduced.

NEST providers adopted a blended, or hybrid service delivery model by integrating face-to-face (where possible and permissible), phone and online servicing and engagement. Providers were largely positive about this hybrid model, noting that blended servicing had:

- allowed participants more choice about how, when and where they engage
- improved engagement and participation of difficult to reach cohorts
- increased participants' digital confidence.

*... moving forward, our experience would be a recommendation of a blended approach, as I know many other providers have said the same thing. Because some of those with social anxiety that we haven't been able to engage previously did engage through different servicing arrangements, so yeah, there's definite benefits for both ...*

Stakeholder fieldwork, Provider, Tranche 3

In addition, some providers reported that the different servicing modes allowed them to get to know their participants more, have more honest and meaningful conversations about barriers, and gain insight into participants' daily lives, hobbies and interests. Departmental staff also noted that blended servicing had allowed providers to increase efficiencies by avoiding low-value interactions, so that face-to-face meetings were reserved for meaningful engagement and conversations.

### **However, face-to-face contact is still vital for some**

NEST providers noted that while some participants are satisfied with this informal servicing, others will only connect in structured servicing and/or a face-to-face setting. Most providers still thought some face-to-face servicing was required to build successful relationships and gain insights about participants' employability, presentation and barriers.

*I believe there will always be a place for face-to-face training and face-to-face servicing in this particular industry, because you can't beat that relationship building you build with people when they're sitting across the desk from you.*

Stakeholder fieldwork, Provider, Tranche 3

### **Increased online engagement has come with some challenges**

NEST providers noted that while providing activities online increases flexibility and accessibility, it is not suitable for all participants or workplace training. For example, their ability to provide some soft skills training like resilience, motivation and communication, as well as targeted employment training like job searching and application skills, has been hindered because of COVID-19 restrictions. In addition, activity has reduced for industries and skill sets that require face-to-face delivery, on the job practical learning and/or workplace placements to gain the required skills, demonstrate competency, and be assessed appropriately.

The inability to provide face-to-face training and workplace placements meant some providers were unable to meet labour force surges in industries such as aged care and transportation.

*[There was] that workforce group where we have all the aged care providers and they were wanting to get prepared for if there was a COVID case in any one of their facilities, they would have to completely – overnight, completely change their workforce. So I guess for us, just the sheer demand, whereas prior to COVID we were working quite well as an organisation with aged care facilities. In running the training, you were able to have the work placement in their facility. It worked really well. We had a good model. But because of COVID, we just can't keep up with the demand. You can't have the people in the workplace. I think that is starting to ease a little bit now, but still some organisations won't have people in doing work placement.*

Stakeholder fieldwork, Provider, Tranche 3

However, activity increased for other industries suited to online training or that did not require workplace or on the job experience for employment (e.g. call centre roles).

### **Furthermore, online engagement is more suited and accessible to some cohorts than others**

NEST provider feedback suggests that some participants (e.g. younger people and people with anxiety) are more suited to an online mode of engagement and training than others. Further, this was supported by some participants in the NEST LS who reported having anxiety and preferred the option of online engagement.

Some providers noted that although some cohorts had been keen to interact online, they did not necessarily want to complete training online and benefited from having trainers/staff available in person if required.

*... we've had about 15 customers ready to go to CTA, and not one of them elected to do it virtually, because they didn't feel they had the confidence.*

Stakeholder fieldwork, Provider, Tranche 3

It has also been difficult for providers to overcome the digital divide and a lack of digital literacy, access or fear experienced by some cohorts.

*... this is presuming that people are – can use digital technology ... there's probably still about 40% of our customers that are really afraid of it, or they don't have the money for it, or their [internet] keeps dropping in and out because they don't have that level of support ...*

Stakeholder fieldwork, Provider, Tranche 3

## Provider staffing challenges

### Staff leaving

The Provider Survey revealed that around 1 in 10 of both NEST and jobactive sites lost staff because of COVID-19 (Table 3.7).

**Table 3.7 Extent to which providers lost staff because of COVID-19 (%) and difference (ppt)**

| Staff left | NEST % | jobactive % | Difference ppt |
|------------|--------|-------------|----------------|
| Yes        | 9.5    | 9.0         | 0.5            |
| No         | 83.3   | 89.7        | -6.3           |
| Don't know | 7.1    | 1.3         | 5.8            |

Source: Provider Survey, 2021.

Notes: Q Have any staff left your site for any reason related to COVID-19?

NEST n=42, jobactive n=741.

### Recruitment challenges

Recruitment of staff during COVID-19 was easy/very easy for only 6% of NEST sites and 28% of jobactive sites. NEST sites were more likely to report recruitment as neither easy nor difficult (60%). The majority of jobactive sites found the impact of COVID-19 on recruitment of staff neither easy nor difficult (38%), or difficult/very difficult (35%). (Table 3.8).

**Table 3.8 Extent of ease/difficulty recruiting staff because of COVID-19 (%) and difference (ppt)**

| Staff recruitment          | NEST % | jobactive % | Difference ppt |
|----------------------------|--------|-------------|----------------|
| Easy / Very easy           | 5.7    | 27.9        | -2.2           |
| Neither easy nor difficult | 60.0   | 37.6        | 22.4           |
| Difficult / Very difficult | 34.3   | 34.5        | -0.3           |

Source: Provider Survey, 2021.

Notes: Q To what extent has your site found it easy or difficult to find new staff during COVID-19?

NEST n=35, jobactive n=657.

### Provider relationships with stakeholders

COVID-19 also impacted the relationship with employers for both NEST sites (52%) and jobactive sites (48%), while there was no impact for a smaller proportion of NEST sites (5%) compared with jobactive sites (14%) (Table 3.9).

**Table 3.9 Impact of COVID-19 on relationships with employers (%) and difference (ppt)**

| Relationship with employer | NEST % | jobactive % | Difference ppt |
|----------------------------|--------|-------------|----------------|
| Major impact               | 11.9   | 10.0        | 1.9            |
| Some impact                | 52.4   | 48.1        | 4.3            |



|               |      |      |      |
|---------------|------|------|------|
| Little impact | 28.6 | 27.1 | 1.5  |
| No impact     | 4.8  | 14.4 | -9.7 |
| Don't know    | 2.4  | 0.4  | 2.0  |

Source: Provider Survey, 2021.

Notes: Q To what extent has COVID-19 had an impact on your site's relationship with employers?

NEST n=42, jobactive n=742.

In the Stakeholder Research providers noted that the bushfires and COVID-19 also hampered their ability to engage host agencies and offer participants placements and work experience activities.

*So, the NEST came in on the 4th of November, our first contingencies due to the bushfires were applied on the 12th of November, so we literally only had ... eight days in the NEST to sort of get commencement going and then our contingencies were applied ... we had 13 days without contingencies in this region since the beginning [of the NEST] ...*

Stakeholder fieldwork, Provider, Tranche 3

### COVID-19 disrupted some employer engagement

COVID-19 affected some employer engagement activities. For example, one provider described how employers with vacancies had previously attended sites to pre-screen potential employees, which was not possible during the height of the lockdown.

*We did have an employer that would come in once a week. He did it for three weeks before we had to stop that and he would pre-screen 3 or 4 job seekers throughout the day and ... give us really valuable feedback about how they went and so people that perhaps didn't look great on paper but were in the pre-screen were given opportunities, so we were really looking at really building that, but it's sort of like 2 steps forward and 1 back.*

Stakeholder fieldwork, Provider, Tranche 3

The voluntary nature of MORs in this period affected the ability of providers to engage some participants who were otherwise capable of meeting their requirements. This in turn impacted their relationship with employers who were still looking for staff. Providers struggled to match roles to people on their caseload, many of whom they had never met. Some providers noted that when they did find a match, some candidates proved unreliable.

*There was another guy for the ... full-time traineeship, another one, no show. We've had a lot of ones like that too that just didn't even show up, so it let us, let our relationship with our employers down as well. And we can't do anything about it.*

Stakeholder fieldwork, Provider, Tranche 2

### Availability of training

Respondents in the Provider Survey generally reported that COVID-19 had some impact on the availability of training for both NEST sites (48%) and jobactive sites (45%). It had a major impact on a third of NEST sites (33%) and jobactive sites (36%) while for a small number of the sites it had little or no impact (Table 3.10). This feedback reflects the Tranche 3 and Tranche 4 stakeholder interviews, where both providers and training organisations reported that training availability was interrupted because of COVID-19 lockdowns and the pause of MORs.

**Table 3.10 Impact of COVID-19 on the availability of training (%) and difference (ppt)**

| Training availability | NEST % | jobactive % | Difference ppt |
|-----------------------|--------|-------------|----------------|
| Major impact          | 33.3   | 35.6        | -2.2           |
| Some impact           | 47.6   | 45.0        | 2.6            |
| Little impact         | 14.3   | 15.4        | -1.1           |
| No impact             | 2.4    | 3.9         | -1.5           |
| Don't know            | 2.4    | 0.1         | 2.2            |

Source: Provider Survey, 2021.

Notes: Q To what extent did COVID-19 have an impact on the availability of training at your site?  
NEST n=42, jobactive n=742.

## 4 Referral to service, assessment, and the digital environment

This chapter explores participants' awareness of employment services, including online government services, and access to and use of digital technology. It also examines the Digital Gateway, registration process, and tools used to assess service needs such as the Job Seeker Classification Instrument (JSCI) and the Job Seeker Snapshot (JSS). Communication in the digital environment is also discussed.

### 4.1 Awareness of government employment services

This section explores awareness of government-funded employment services and participant understanding of the differences between Services Australia (typically referred to by participants as Centrelink) and the Department of Employment and Workplace Relations (DEWR) (formerly the Department of Education, Skills and Employment – DESE). These issues were explored in some detail in the Participant Experiences of Employment Services (PEES) Survey and the PEES Qualitative research.

#### Respondents are broadly unaware of the differences between Centrelink (Services Australia) and the Department of Employment and Workplace Relations

While most respondents broadly understood Services Australia's role in administering income support payments, there was little awareness of DEWR's role in providing employment services, and of how the 2 departments interact. This is evident in previous evaluation research and is reinforced by the PEES Survey and Qualitative research.

*I'm not sure. Not to be precise of what is going on. However, for whatever help we need as a resident ... we go through Services Australia. Whether it's any payment, any financial ...*

*I always assume it's part of Centrelink because obligations you have to talk to them.*

PEES Qualitative

*I've got no idea... having this conversation with you has really highlighted how little I know and how little I've actually ... I realise that I haven't even tried to understand ... I've just made assumptions. So it would be good if that was clearer ... it is confusing ... if I could understand that better, I might be able to get help at the appropriate point.*

PEES Qualitative

#### Respondents are broadly unaware of what employment services are and offer

This is particularly the case for new employment services participants who were allocated to Digital Services (DS) with little explanation and/or human interaction.

*It's always important to be aware of the different services and the different providers that are there. What I found in my process was that the – some of these departments and other services that are third-party provided, they're a bit discrete in terms of not necessarily even knowing where to look for that information. So, having gone through the process of going to Centrelink and then being pushed towards jobactive and having looked at that system, it doesn't flow into 'here are the other things that are potentially available'.*

PEES Qualitative

This may be in part because, in using an online registration and referral process, there is no person on hand to answer questions or explain the service, particularly for those who have never needed

assistance to find employment, whereas applications for income support made through Services Australia offices, and referral to Enhanced Services (ES), provide opportunity for human contact.

### **Respondents broadly equate government employment assistance with mutual obligation requirements**

This is true of respondents in both ES and DS, but more so for those in online services (both Online Employment Services (OES) and DS). Respondents generally lack awareness about the tools and assistance available (Section 5.3.1).

Understanding of employment assistance in the context of mutual obligation requirements (MORs) is also the reported experience of jobactive participants and reflects one of the goals of jobactive, which has a stronger emphasis on MORs. NEST provider staff who had experience working in jobactive also noted that the emphasis on MORs and reporting left little time or space to assist participants with their broader needs and barriers to employment.

These findings broadly reflect participant perceptions in previous internal research, including the Longitudinal Study of NEST Participants (NEST LS)

## **4.2 Access to and use of digital technology**

This section explores access to and use of digital technology, and its impact on and use in employment services.

### **4.2.1 Internet use**

#### **Very few participants do not use the internet at all**

Data from the PEES Survey indicates that 1.8% of respondents never use computers, tablets or smartphones to access the internet. However, this proportion increased significantly for respondents with less than Year 10 education (12.0%), those with low English proficiency (9.6%), Indigenous respondents (6.3%), those in outer regional areas (5.1 %), respondents aged 45 years and older (3.5%), and those who have been in employment services more than 2 years (2.8%) (Appendix D, Table D.3).

#### **Home internet use is also very common**

Most respondents in the PEES Survey (96.6%) reported being able to access the internet from home. Indeed, more than 9 in 10 respondents in every demographic category reported being able to do so. Participants less likely to be able to access the internet from home included those with less than Year 10 education (90.2%), Indigenous participants (91.1%), homeless participants (91.8%), those in service longer than 2 years (94.1%), and those aged 45 years and older (94.5%). All other groups reported more than 95% availability of home internet access (Appendix D, Table D.2).

#### **Home internet is, however, not always reliable**

On a scale of 1 to 10 (where 1 is completely unreliable and 10 is completely reliable), most respondent groups reported internet reliability of between 7 and 8. The exceptions to this were participants with a university education (8.1) and Indigenous participants (8.1). Those with less reliable internet included ES participants (7.5) and those in outer regional areas (Appendix D, Table D.2).

## Participant use of various devices to access the internet

Overall, respondents in the PEES Survey were most likely to use smartphones to access the internet frequently (91.8%), followed by computers/laptops (74.5%). Few participants frequently use tablets (38.0%), and many (7.5%) never use tablets (Table 4.1).

**Table 4.1 Devices used by employment services participants (%)**

| Devices         | Frequently % | Infrequently % | Never % |
|-----------------|--------------|----------------|---------|
| Computer/laptop | 74.5         | 14.8           | 10.0    |
| Tablet          | 38.0         | 16.6           | 7.5     |
| Smartphone      | 91.8         | 3.8            | 4.1     |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.

n values are raw sample numbers (n=4,986).

## Use of computers or laptops is less likely for some groups

Further analysis indicates that the overall use of computers and laptops (74.6%) to access the internet is not universal across groups. For example, some respondents, particularly Indigenous participants (50.3%) and those with less than Year 10 education (42.3%) were much less likely to use a computer regularly to access the internet. Those who were most likely to never use a computer to go online include those with low English proficiency (31.8%), Indigenous participants (30.9%), and participants with less than Year 10 education (32.7%) (Appendix D, Table D.3).

The NEST LS found that, in most cases, participants in employment services preferred to use a laptop/desktop computer – especially when reporting their job search efforts, as that makes it easier to attach evidence. Participants tended to use their smartphone to check their status or their messages.

*I think it's a lot easier on the laptop to attach things. It's not really possible on the phone – I mean, it probably is but I can't ... I guess I would use my phone just to check how many jobs I've got left, or to read, to see if I've got a message. Yes, see if I'm being compliant or what not.*

NEST LS, Wave 2 Digital Plus, Interview 1

## However, some participants only have access via smartphones

A few participants in the NEST LS noted they did not have a computer or laptop at home, primarily due to affordability, and were reliant either on their mobile phone or on accessing a computer in the library or other similar community location (or at the employment services provider's offices if in ES).

This is supported by findings from the PEES Survey, which shows that smartphones are by far the most common way that people access the internet (Table 4.1). Respondents most likely to use a smartphone frequently include those with a university education (96.4%) and those who are 25 years or younger (96.1%). Respondents who are Indigenous (86.4%), over 45 years (85.3%) and those with less than Year 10 education (82.1%) are much less likely to use a smartphone to go online frequently than the average respondent (91.8%) (Appendix D, Table D.6).

### Tablets are less commonly used

Fewer than 4 in 10 (38.0%) participants in the PEES Survey reported frequently using a tablet to go online. Participants most likely to be frequent tablet users included those aged 45 and over (45.7%), those who are culturally and linguistically diverse (CALD) (45.4%) and principal carer parents (46.3%) (Appendix D, Table D.6). The fact that tablets are less popular in the context of employment services is unsurprising. Tablets lack the capability to upload and deal with attachments easily, which is valued by participants, and they are also not as mobile as smartphones.

## 4.2.2 Determinants of digital access

While digital service delivery has great appeal, it is not the most appropriate service for everyone. Access to an appropriate digital device and reliable internet, affordability, and an ability to understand and navigate the platform are all determinants of appropriateness.

### Older people

Older people tend to be lower users of the internet, regardless of the device used. Around 3.5% of PEES respondents aged over 45 reported never using the internet, compared with 1.8% of the overall respondent population (Appendix D, Table D.6).

Evaluations of both the Online JSCI Trial and the Online Employment Services Trial (OEST) generally found that older people tend to be less able to participate in online servicing. Older participants had significantly lower online completion rates for the JSCI (particularly those aged over 50) and were also more likely to opt out both before and during the OEST. Those aged 50 years and over had a slightly higher opt-out rate prior to commencement (12%) than after commencement (9.8%), whereas participants aged under 50 were more likely to opt out during the trial than before commencement. This suggests older participants may be aware that their limited digital literacy might prevent them from effective online servicing, may be more cautious, or may simply prefer face-to-face servicing.

### Indigenous Australians

Indigenous Australians were among those most likely to never access the internet (6.3% compared to 1.8% of all respondents) (Appendix D, Table D.6). This is despite the average age of Indigenous respondents (34 years) being much younger than that of the non-Indigenous respondents (38 years). Indigenous Australians are also more likely to experience disadvantage across a range of areas, including education, health, housing, and other factors which may limit their capacity to fully participate in online servicing.<sup>33</sup>

In the Online JSCI Trial, Indigenous Australians were generally found to have lower digital literacy than the non-Indigenous population. They also had a significantly lower rate of JSS completion than average (Table 4.2). While just under half (49%) of non-Indigenous participants completed the JSS, only 42% of Indigenous participants completed it.<sup>34</sup> Statistical modelling found that non-completion was due to lower levels of digital literacy.

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<sup>33</sup> [Closing the Gap 2020 \(niaa.gov.au\)](https://www.niaa.gov.au).

<sup>34</sup> As participants in remote areas were excluded from the Online JSCI Trial, this may understate the true difference in capacity to participate in digital servicing.

**Table 4.2 Job Seeker Snapshot (JSS) completion rates by Indigenous status, 2019 (number and %)**

| Indigenous status | Job seeker (n) | Completer % | Non-completer % |
|-------------------|----------------|-------------|-----------------|
| Indigenous        | 7,283          | 41.6        | 58.4            |
| Non-Indigenous    | 100,436        | 49.1        | 50.9            |

Source: Departmental administrative data.

Indigenous OEST participants who had commenced in the trial had an opt-out rate of 7.8%, compared with 5.5% for non-Indigenous participants.

### People with learning, reading and/or English language challenges

In Wave 5 of the NEST LS, a few participants disclosed that they were dyslexic or otherwise had trouble reading on screens for an extended period. They had asked family members and/or a Services Australia employee for help to fill out the JSS and the Digital Assessment (DA). These participants suggested that a question which asked about their ability to read and complete forms would be useful.

*If there was a question more like 'Do you need someone to read it out to you?' 'cause I know there's a lot of people with mental disabilities that can't read and understand. Or short-term memory loss; that was literally today, I had someone come in: she's a lovely lady, but she has a lot of problems with the government and fines and everything 'cause she has short-term memory loss.*

NEST LS, Wave 5, Digital Plus, Interview 1

### Participants who have difficulty understanding or navigating the labour market

Both the NEST LS and PEES Qualitative research uncovered examples of participants who might otherwise be considered digitally literate but have struggled in DS as they lack familiarity with the labour market, including understanding available career options, skills requirements, and how and where to look for assistance. These participants included school leavers who were looking to move into the workforce, people who had been employed for extended periods in Australia or overseas, and/or participants who had little experience of looking for work in a digital environment. Typically, these were participants aged under 20 years or over 45 years.

### Social isolation

Findings from the NEST LS and PEES Qualitative research found that an online service may not be the most appropriate service for participants who are socially isolated, those without friends or family around them, and those who have some types of mental health issues. Engagement through the digital platform may entrench social isolation, since providers can play an important role in connecting participants with support services, increasing their confidence when communicating with peers, and challenging self-limiting beliefs and behaviours. Suggested measures to reduce social isolation include using positive language in communications, providing information about local support services and activities, and sending reminders to help participants manage time and commitments.

### Other groups may also be disadvantaged in an online environment

While low digital literacy is likely to be a primary barrier to online engagement, it is also likely to be negatively correlated with other indicators of disadvantage, such as low educational attainment.

The analysis above highlights several groups with low levels of digital engagement. Of the overall PEES Survey respondent population, 1.8% reported never using a device to access the internet. Compared to this, groups more likely to report never accessing the internet include participants:

- with less than Year 10 education (12.0%)
- with low levels of English proficiency (9.6%)
- in outer regional areas (5.1%)
- who were homeless (3.0%)
- with Year 10 or 11 education (2.9%).

The evaluation of the Online JSCI Trial also found that people who had experienced unstable living arrangements and people with disability were less likely to complete the JSS (Table 4.3).

As noted above, the indicators of disadvantage found in the Online JSCI Trial remained statistically significant even after controlling for digital literacy. This tends to suggest that even for those with a high level of digital literacy, health- or housing-related disadvantage may also impact on capacity to use online services effectively.

**Table 4.3 Selected characteristics of Job Seeker Snapshot (JSS) completers and non-completers, 2019 (number and %)**

| Selected characteristics            | Participant n | Completer % | Non-completer % |
|-------------------------------------|---------------|-------------|-----------------|
| <b>Living situation<sup>1</sup></b> |               |             |                 |
| Stable                              | 2,031         | 56.1        | 43.9            |
| Unstable                            | 763           | 49.6        | 50.4            |
| <b>Disability status</b>            |               |             |                 |
| With disability                     | 383           | 35.8        | 64.2            |
| Without disability                  | 2,459         | 56.7        | 43.3            |
| <b>All observations<sup>2</sup></b> | <b>3,105</b>  | <b>53.8</b> | <b>46.2</b>     |

Source: 2019 Job Seeker Snapshot Survey.

Notes: 1. Unstable means answered yes to the survey question 'Have you ever experienced not having a permanent place to live?'

2. Full sample includes some observations with no data on living situation and disability status.

In the OEST, opt-out rates were higher among cohorts with lower digital literacy, such as older age groups and those with lower levels of education. This reinforces the findings above regarding similar cohorts. It is also a finding reinforced by jobactive providers, who reported that internet access and digital literacy were not universal, even among less disadvantaged participants.

*[Participants] may have access to the internet because they have a smart phone, but they may not have internet at home.*

OEST evaluation, jobactive provider

*A considerable amount of job seekers don't know how to use the internet ... job seekers who have done factory or construction work need more help.*

OEST evaluation, jobactive provider,

*I think about 50% of my [Stream] As can use the internet.*

OEST evaluation, jobactive provider



As there were no provisions in the JSCI/JSS for assessing participants' digital literacy during the OEST, it is likely that some participants selected for the OEST faced difficulty in managing the online platform appropriately, though overall outcomes (such as leaving services or income support) for OEST participants were similar to those for similar provider-serviced participants.<sup>35</sup>

### **4.3 Registration, assessment, and service allocation**

This section discusses the processes, and participant experiences, of applying for assistance online and of allocation to service, including completion of the JSS and the DA. It explores the registration process, including the extent to which people who use the digital platform understand the need to disclose personal information and the purpose for which it is used, the extent to which participants appear to be allocated to the most appropriate service, and their experiences of the Digital Gateway.

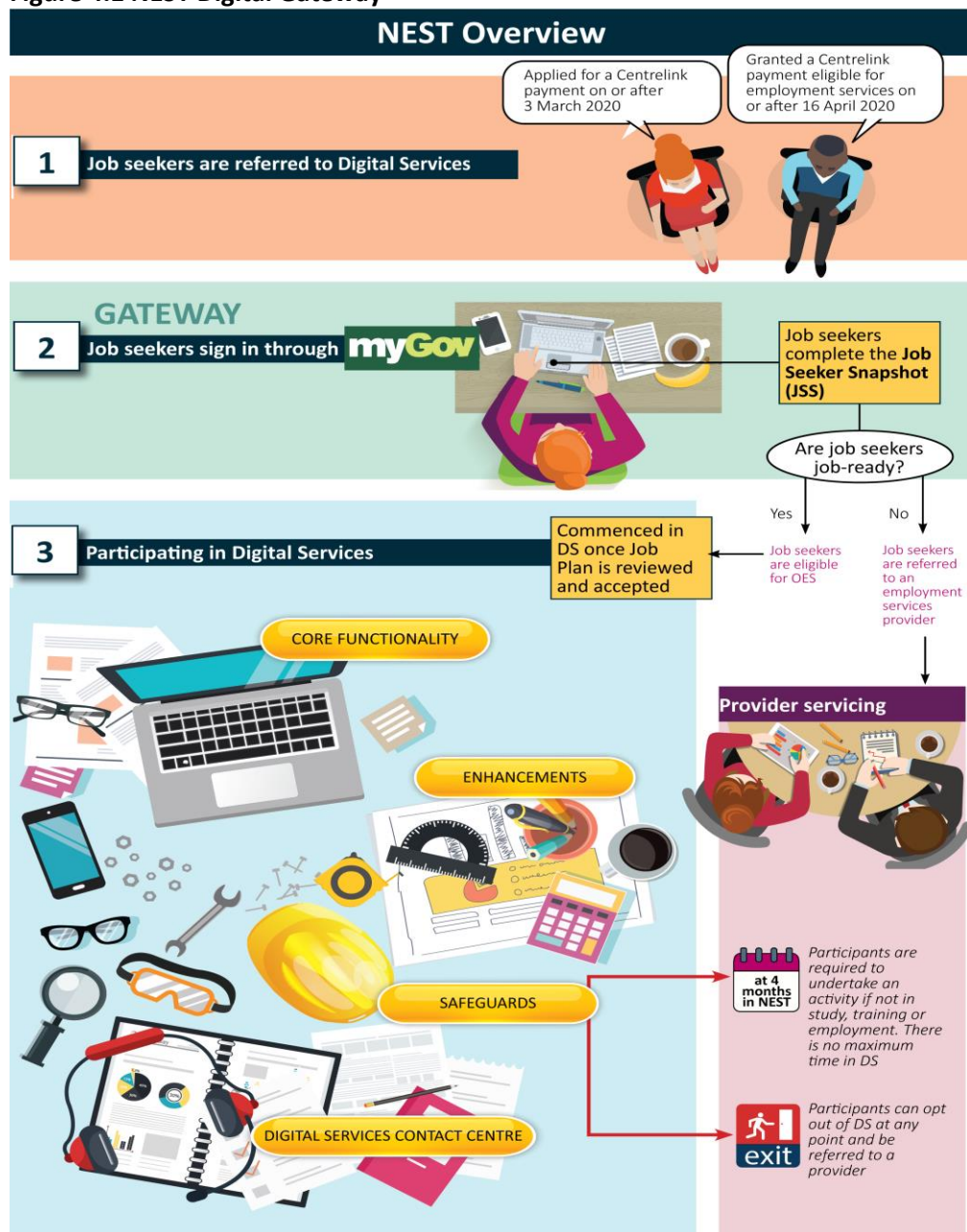
Though not a focus of this evaluation, the onboarding process and the changes due to COVID-19 are explored here because they impact both the way participants are referred to employment services and the implementation of some aspects of the trial.

The Digital Gateway has evolved since it was implemented in response to COVID-19 and the movement of the mainstream application process online. In this context, the Digital Gateway is the term used to describe the online registration process for employment services and includes the application process and completion of the JSS and the DA. The Digital Gateway, as it was implemented in from March 2020, is outlined below (Figure 4.1).

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<sup>35</sup> [Online Employment Services Trial Evaluation Report – Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au).

Figure 4.1 NEST Digital Gateway



### 4.3.1 Registration

Most participants managed online registration with relative ease

Around 70% of PEES Survey respondents agreed (53.4%) or strongly agreed (17.6%) that the registration process was straightforward and easy to follow. Only 12.9% disagreed or strongly disagreed and a further 12.6% were ambivalent (Appendix D, Table D.4).

This experience was supported by the responses of participants in the NEST LS when asked about their experience of setting up and linking profiles. They broadly reported that the registration process was straightforward.

*I found that [setting up a profile and linking jobactive to myGov] smooth. I just put that number in thing and pressed a button and then I went in and put in my details.*

NEST LS, Wave 1, Digital Plus, Interview 1

For all PEES Survey respondents, there was net agreement<sup>36</sup> of 58.1% that the process was simple and easy to follow. Groups who were much less likely to agree include Indigenous participants (11.8%), participants with less than Year 10 education (19.2%), people with disability (27.6%), people with low English proficiency (38.1%) and those with Year 10 or Year 11 education (38.1%) (Appendix D, Table D.4).

The groups who were more likely to agree that the process was straightforward include those who had been in employment services for more than a year (83.7%) or more than 2 years (90.0%) and CALD participants (74.9%) (Appendix D Table D.4). It should be noted that these cohorts report high social desirability scores when surveyed,<sup>37</sup> and it is possible that this is a reflection.

In the OEST evaluation, participants also reported that having a better understanding of the online process beforehand was helpful. Participants who recalled receiving detailed information from Centrelink before they commenced in the OEST (such as on the availability of the National Customer Service Line (NCSL) and on the processes for opting out, linking their myGov account and accepting their Job Plan) felt that it contributed to a positive experience of online employment servicing.

### Disclosing personal information

When registering for income support, and for the process of being referred to services, (including employment services), people are required to complete a range of assessments.

The department's user-centred design (UCD) research also indicates that participants are more willing to share information about themselves if they understand why those requests for information are being made, how the information will be used, and if requests focus on positives (rather than focusing solely on participant barriers). Further, participants would like some choice around information that is passed on to providers and employers so that they are not disadvantaged.

### Participants largely understand the need to disclose personal information

In the PEES Survey, more than 4 in 5 (81.8%) respondents agreed (60.1%) or strongly agreed (21.7%) that they understood the need to disclose personal information (Appendix D, Table D.5). Fewer than 1 in 20 respondents disagreed that they understood the need to disclose personal information, while a further 1 in 10 neither agreed nor disagreed.

Compared with an overall net agreement of 77.1%, the groups less likely to understand the need to disclose personal information include people with less than Year 10 education (48.1%), Indigenous participants (49.5%), people with disability (58.3%) and people with low English proficiency (63.9%) (Appendix D, Table D.5).

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<sup>36</sup> Calculated by subtracting the number of respondents who disagreed from the number of respondents who agreed (agreed and strongly agreed minus disagreed and strongly disagreed).

<sup>37</sup> Internal departmental research.

### Participants only vaguely understand how this information is used

NEST LS feedback indicates that some people lack understanding of the purpose for which the information is used, or how the process works.

*I definitely did not ask why I was being asked those questions, I just filled it out. It was there and I had to do it and so I thought it is what it is.*

NEST LS, Wave 5, Digital Plus, Interview 1

*[During a phone call with Centrelink someone asked] Do you have a full-time job? Do you still need support?'. And I said, 'Yes, I need support', so I just went straight into the job seeker ... and so, I think I went straight into the [Digital Services] – yes, they put me straight into job applier to sign up and start applying, like for that next [payment].*

NEST LS Wave 2, Digital First, Interview 1

This is supported by the UCD research, which also found that some people do not know why the information is needed. This lack of understanding of purpose can in turn influence whether a person completes the form and the veracity and accuracy of the information provided.

This is also supported by findings in the Online JSCI Trial evaluation that some participants identified difficulties in understanding the purpose of the JSS.<sup>38</sup> They expressed concerns about whether disclosure of sensitive personal information (e.g. mental health, illicit drug use) would impact their eligibility for income support payments.

*Depends on what the purpose they're asking it for, because I'm not clear what they're asking for. If they have got an addiction on gambling that I wouldn't really actually want to divulge ... I wouldn't want an employer or people to know that ... you think if you're going to give that kind of information it's going to penalise you.*

Online JSCI Trial evaluation, Job seeker, 2018

### 4.3.2 Assessment and allocation to service

#### Job Seeker Classification Instrument/Job Seeker Snapshot

Participants' employment services pathways are initially determined by their JSCI score, which assesses their level of labour market disadvantage. The JSCI also identifies participants who:

- have multiple and/or complex barriers to employment and may need an Employment Services Assessment (ESAt)
- may benefit from the Skills for Education and Employment (SEE) training or the Adult Migrant English Program (AMEP)
- may benefit from referral to a Services Australia social worker (e.g. with domestic violence, family grief and trauma).

#### The move to a digital environment

Prior to the advent of online servicing, income support applicants typically completed the JSCI through Services Australia – either face-to-face or over the phone. An online version of the JSCI, known as the Job Seeker Snapshot (JSS) was first trialled in the Online JSCI Trial, and was adopted more broadly with the introduction of the Digital Services Gateway (Figure 4.1). The JSS captures the

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<sup>38</sup> [Online Job Seeker Classification Instrument Trial Evaluation Report – Department of Education, Skills and Employment, Australian Government \(dewr.gov.au\).](#)

same information as the interview-based JSCI, but the wording and sequencing of some questions have been adapted to the online environment.

The Online JSCI Trial was conducted from July 2018 to March 2020. As a consequence of Fast Connections, implemented in response to the first COVID-19 lockdown in April 2020, participants were not required, but were encouraged, to complete the JSS before receiving income support. The findings below are from the Online JSCI Trial evaluation and the NEST LS.

### **The JSS was easy to use and time efficient**

The Online JSCI Trial found that more than 98% of the participants who commenced the JSS completed it, and more than 90% of those who completed the JSS found that it was easy to use and navigate. However, completion of the online JSS was voluntary, and around half of the participants selected for the trial did not complete the JSS.

### **JSS completers mostly had a positive experience**

Online JSCI Trial participants who completed the JSS had a positive experience. A majority (72%) of the respondents surveyed for the 2018 Job Seeker Survey, a study designed to inform the evaluation, stated that online would be their preferred way to complete the JSCI if they made another claim for income support.

### **There are some barriers to online completion**

A descriptive analysis of the data used in the Online JSCI Trial showed that older people, Indigenous Australians, people with vocational qualifications and people with disability or unstable living situations were less likely to complete the JSS. But further analysis using statistical models found that digital literacy was the most important determinant of JSS completion and could account for most of the differences across demographic groups. Nonetheless, being younger than 20 years,<sup>39</sup> having disability and/or having an unstable living situation remained significantly correlated with failure to complete the JSS.

Systems and technical issues also impacted JSS completion rates. Participants viewed navigating different platforms within myGov between the initial claim for income support and completing the JSS as troublesome. Many non-completers reported they had problems logging in to myGov or the jobactive website or did not get around to logging in.

In the NEST LS there was low recall from participants about completing the JSS. The very few who did recall it generally reported that they thought the questions made sense and the online form was easy to use, although there was some evidence from others that assistance was required to complete the form.

*Yes, they [the questions in the JSS] were really clear. And I like the drop-down menu boxes because it gives you confidence that you're on the right track and you're not just putting in stuff that nobody wants to hear ...*

NEST LS, Wave 4, Digital Plus, Interview 1

*It was definitely the Snapshot because it was trying to get information about what kind of work experiences I had ... most of it made sense and it was pretty easy to go through, but I did*

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<sup>39</sup> Qualitative research suggests that this group may have been less likely to engage due to passive detachment.

*need a little bit of help understanding some of the questions, but I did get it done and it worked out.*

NEST LS, Wave 5, Digital Plus, Interview 1

### NEST and jobactive provider views of the JSCI/JSS

Confirming findings from the jobactive evaluation, NEST providers continued to have concerns about the appropriateness of referring participants to services using an online assessment in the absence of a face-to-face interview. These concerns were due to some participants':

- reluctance to disclose barriers to unknown interviewers, or online
- lack of understanding about the purpose of the information being collected.

*... from my experience, the ones that came into mainstream services, a lot of their JSCIs was wrong. So, we had to redo a lot of JSCIs and things like that. So, I think maybe that could just be a digital thing ... Not wanting to disclose things ... It might take a bit of, 'All right, let me sign up.' Let me see what it is. Maybe now let me go back and – I need a bit more information once I feel a bit more comfortable ...*

Stakeholder fieldwork, Provider, Tranche 4

Further, if participants have multiple periods of service, their JSCI may not be updated, and thus not reflect their most current circumstances. NEST providers reported this as an issue during the transition period.

Evaluation of the Online JSCI Trial<sup>40</sup> administrative data analysis showed that half (51%) of the participants in the trial who completed their JSS online reported changes that led to a Change of Circumstances Reassessment, resulting in a JSCI score change, which was significantly higher than for the comparison group (those who did not complete their JSCI online) (29%). These results might reflect the fact that JSS completers were able to update their JSCI responses more readily than the comparison group, who needed to contact Services Australia. However, since the Digital Gateway was introduced due to COVID-19, a substantial number of participants have not completed the JSS online. Consequently, NEST providers have reported that some participants are being referred to ES without a completed or with an incorrect JSS.

Failure to complete the JSS is likely due mainly to the pause of MORs and the lack of compulsion. Some may not have completed due to poor digital literacy or access. While this may be limited to the exigencies of the COVID-19 period and not require further examination, a few NEST providers reported that non-completion or incorrect completion of the JSCI appeared to be an ongoing problem.

*... sometimes you have someone and they've done it [the JSS], but then they're telling us about medical conditions, but then when you go to the screen and it says they don't have any [medical conditions]. So there's like a disconnect, but if you do we need to know that so we can adjust your capacity type thing. So I don't know if they always complete it [the JSS] correctly.*

Stakeholder fieldwork, Provider, Tranche 4

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<sup>40</sup> Online Job Seeker Classification Instrument Trial Evaluation Report – Department of Education, Skills and Employment, Australian Government (dewr.gov.au).

*... it depends on the depth of questions and how comfortable that client or person feels as to what they're actually going to disclose to you – because generally they won't – and when we've seen them for a little while and you work out, say, there's some depression, and you look in their JSCI and it's just not in there because at that time of that assessment – and even though I know they can go in and do it on their own at the moment through, obviously, the website, they don't tend to.*

Stakeholder fieldwork, Provider, Tranche 4

This is in contrast to the findings from the evaluation of the Online JSCI Trial.<sup>41</sup> which found that while only around half (49%) of participants referred to the trial completed the JSS, it also noted the following for completers:

*When the results from the 2018 JSCI Quality Assurance Survey (by phone) were compared with their initial responses recorded in the departmental administrative data half of the JSS completers (51%) had the same overall JSCI score. This was significantly higher than the result for the comparison group (42%).*

The Provider Survey asked all provider sites about their perception of the effectiveness of the JSCI/JSS and the ESAt.

#### **There were differing views between NEST and jobactive providers on appropriate allocation to services**

There was a clear difference between jobactive and NEST sites in relation to their perception of whether participants are allocated appropriately to services. Respondents at jobactive sites were more likely to disagree (62%) that participants are allocated appropriately, whereas those at NEST sites were more likely to be neutral – that is, neither agree nor disagree (52%) (Table 4.4). The difference is most likely a reflection of the caseload, as jobactive sites have a wider range of participants with varying levels of job readiness than NEST sites.

**Table 4.4 Extent to which participants are allocated appropriately (%) and difference (ppt)**

| Categories                   | NEST % | jobactive % | Difference ppt |
|------------------------------|--------|-------------|----------------|
| Agree / Strongly agree       | 16.7   | 16.9        | -0.3           |
| Neither agree nor disagree   | 52.4   | 21.0        | 31.2           |
| Disagree / Strongly disagree | 31.0   | 61.9        | -31.0          |

Source: Provider Survey, 2021.

Notes: Q To what extent do staff at your site agree or disagree that participants have been allocated appropriately?  
NEST n=42, jobactive n=738.

*It would be good if that was the case that JSCI was a little bit more detailed, because obviously at the moment it's very black and white. 'Do you fit in this box or not fit in the box?' ... It would be good if you could just have either a lot more detail or if you could put in your own answers, because obviously not every client fits in the boxes that are in there.*

Stakeholder fieldwork, Provider, Tranche 4

<sup>41</sup> [Online Job Seeker Classification Instrument Trial Evaluation Report – Department of Education, Skills and Employment, Australian Government \(dewr.gov.au\).](https://www.dewr.gov.au)



### There were similar views on the usefulness of JSCI/JSS information

There was no difference between NEST and jobactive sites' perception that the JSCI/JSS provides useful information about a participant's barriers to employment. Both NEST (54%) and jobactive (54%) sites agreed that the JSCI/JSS provides useful information about a participant's barriers to employment. NEST sites were more neutral (27%) than jobactive sites (20%). NEST sites were less likely to disagree (20%) compared to jobactive sites (26%) (Table 4.5).

**Table 4.5 Extent to which the Job Seeker Classification Instrument (JSCI) / Job Seeker Snapshot (JSS) provides useful information (%) and difference (ppt)**

| Categories                   | NEST % | jobactive % | Difference ppt |
|------------------------------|--------|-------------|----------------|
| Agree / Strongly agree       | 53.7   | 53.7        | 0.0            |
| Neither agree nor disagree   | 26.8   | 19.9        | 6.9            |
| Disagree / Strongly disagree | 19.5   | 26.4        | -6.9           |

Source: Provider Survey, 2021.

Notes: Q To what extent do staff at your site agree or disagree the JSCI/Job Seeker Snapshot provides useful information about a participant's barriers to employment?

NEST n=41, jobactive n=739

### Providers also agreed that the ESAt provides useful information

The Provider Survey results show that providers agree the ESAt is a more useful tool for providing information about a participant's barriers to employment compared to the JSCI. Both NEST (83%) and jobactive (80%) providers are more likely to agree the ESAt provides useful information about a participant's barriers to employment. More NEST sites strongly disagree/disagree (10%) compared to jobactive sites (6%), as jobactive sites are more neutral (Table 4.6).

**Table 4.6 Extent to which the Employment Services Assessment (ESAt) provides useful information (%) and difference (ppt)**

| Categories                   | NEST % | jobactive % | Difference ppt |
|------------------------------|--------|-------------|----------------|
| Agree / Strongly agree       | 83.3   | 80.6        | 2.8            |
| Neither agree nor disagree   | 7.1    | 13.4        | -6.2           |
| Disagree / Strongly disagree | 9.5    | 6.1         | 3.5            |

Source: Provider Survey, 2021.

Notes: Q To what extent do staff at your site agree or disagree the Employment Services Assessment (ESAt) provides useful information about a participant's barriers to employment?

NEST n=42, jobactive n=741.

### Delays in assessment times can be frustrating

While the ESAt is a useful tool, providers report that servicing is difficult and frustrating when they are waiting for assessments to be completed for specific cohorts. However, some NEST providers also reported trying to engage these participants during the waiting period due to the beneficial support they may offer.

Both NEST (63%) and jobactive (67%) sites agreed that Services Australia is the more appropriate agency to service specific cohorts (Table 4.7).



**Table 4.7 Extent to which some groups would be more appropriately serviced by Services Australia (%) and difference (ppt)**

| Categories                   | NEST % | jobactive % | Difference ppt |
|------------------------------|--------|-------------|----------------|
| Agree / Strongly agree       | 63.4   | 67.1        | -3.7           |
| Neither agree nor disagree   | 17.1   | 11.9        | 5.2            |
| Disagree / Strongly disagree | 19.5   | 21.0        | -1.5           |

Source: Provider Survey, 2021.

Notes: Q To what extent do staff at your site agree or disagree that some cohorts would be more appropriately serviced by Services Australia (e.g. self-employed)?  
NEST n=41, jobactive n=732.

*... There is also a small percentage of severely mentally ill job seekers on our caseloads that cannot be supported. These are usually stream A participants [who] will not disclose any barriers to finding employment and are not willing to engage in support services. These job seekers are impossible to get off our caseload and we cannot help them at all. We have a couple that have been with us for too long ... They also take up a lot of our time and we are not qualified to help them.*

Provider Survey 2021, jobactive provider

## Groups of participants and Services Australia

### Meeting mutual obligation requirements

In the Provider Survey, NEST providers suggested that participants who are meeting their MORs through study, work or voluntary work; mature age; and long-term employed in seasonal/casual roles (e.g. teachers or hospitality staff) could be serviced by Services Australia.

*... participants meeting activity test requirements (volunteers and part-time activity-tested customers working their minimum hours); complex needs participants that will take longer to become job ready (2+ years) that are engaged in services.*

Provider Survey 2021, NEST provider

Most NEST and jobactive sites suggested that participants who are self-employed and meeting their requirements are more suited to servicing by Services Australia.

*Self-employed customers as we can't see their P&L reports or if they are actually doing the right thing (there needs to be better transparency between ESP [Employment Services Providers] and Services Australia).*

Provider Survey 2021, NEST provider

*It is frustrating having self-employed job seekers on our caseloads when there is nothing we can do with them. They should be exempt, especially those whose job searches automatically reduce to 0. I can see why self-employed are frustrated with having to be linked with JA. It is also a waste of our time and resources.*

Provider Survey 2021, jobactive provider

*Centrelink advises participants not to declare, however this contradicts our contract as on our end there is no declared earnings. We have lost a considerable amount of claims this way. When a PR [Participation Report] or NAR [Non-Attendance Report] is submitted for not*

*meeting their MOR due to no declared earnings, these PR's or NAR's are not being held as Centrelink classifies them as self-employed. The provider is not only left at a loss but in limbo.*

Provider Survey 2021, jobactive provider

The groups below have been identified by providers as groups who may be better serviced by Services Australia, noting that many participants who are fully meeting requirements can be managed by Services Australia.

#### Other exempted participants

Respondents in the Provider Survey identified several cohorts who were considered unsuitable for provider services. Examples were participants who are terminally ill or caring for someone who is terminally ill; those with an identified and documented disability that prevents them from obtaining employment; principal carer parents; those who are undertaking drug and alcohol rehabilitation; self-employed participants; and early school leavers. Also identified were those participants with Services Australia exemptions, which may include those with medical exemptions; ex-offenders; and prisoners on remand. Although these participants cannot be actively serviced while they are exempt, they remain suspended on provider caseloads.

Interestingly, many of these cohorts were predominantly identified by jobactive providers rather than NEST providers. While there is value in considering which cohorts are most suited, and indeed not suited, to provider services in the new model, these findings may also suggest that the NEST model facilitates the policy settings required to assist participants with a broader range of barriers to employment. These comments highlight that providers need their staff to be able to manage complex barriers and have appropriate skills, and that specialist staff roles and/or access to specific services are required to manage their diverse caseloads.

### 4.3.3 Assessing digital literacy

#### Participants are confident in assessing their own digital literacy

The NEST LS indicates that participants were broadly confident in assessing their own digital literacy. Participants' assessment of their own skills and confidence using digital technology varied. However, both DS and ES participants appeared confident in using basic online services (such as job search, filling out forms online, and navigating myGov). A few ES participants in the NEST LS also reported increased confidence in their digital skills over time.

*... it has improved since, say, last year because, I mean, of course with emails and all this [video call and jobactive] sort of stuff, you had to get better.*

NEST LS Wave 4, Enhanced Services, Interview 3

#### The Digital Assessment

The JSCI does not directly assess an individual's capability to function on the internet (neither skill nor equipment). To deal with this gap in our knowledge about participants, from 30 September 2019 to 13 October 2020 a Digital Literacy Assessment (DLA) was trialled in the NEST (the Trial DLA). Participants who completed the JSS were referred to DS and given the option to complete the Trial DLA. The information gathered by those who completed the Trial DLA informed the development of the Digital Assessment (DA), which replaced the Trial DLA on 14 October 2020. As with the DLA, completion of the DA is not compulsory.

The DLA/DA contains 4 or 5<sup>42</sup> questions about a participant's ability to access and function on the internet. Data has been collected on 3 separate question sets over different periods. The completion rate for those who started the DA was very high. Table 4.8 shows the attempts and completion rates for the 3 question sets.

**Table 4.8 Digital Assessment (DA) attempts and outcomes, by question set and program (number and %)**

| Question set        | DAs attempted<br>n | DAs completed<br>% | NEST DAs<br>attempted n | NEST DAs<br>completed % |
|---------------------|--------------------|--------------------|-------------------------|-------------------------|
| First question set  | 1,834              | 99                 | 42                      | 98                      |
| Second question set | 328,470            | 96                 | 1179                    | 95                      |
| Third question set  | 74,729             | 100                | 245                     | 100                     |

Source: Departmental administrative data.

Notes: Counts are for unique periods of assistance (POAs). There may be multiple POAs per participant.

The first question set was in use from 30 September 2019 to 31 January 2020, the second from 1 February 2020 to 13 October 2020 and the third from 14 October onward.

Based on the result of the DA, participants are classified as either (1) able to continue in the digital service, or (2) likely to struggle to access or function on the internet. Those assessed as being likely to struggle in DS are recommended to opt out of DS and into provider servicing. While these participants are encouraged to opt out, whether they do is up to the individual.

#### DA outcomes – overall

Of the 405,033 DAs completed, around 1 in 5 (22%) indicated that the participant might struggle with digital servicing. Around 1 in 12 (8%) indicated that the participant did not have either the device or internet reliability to participate online. For around 1 in 7 participants (14%) the problem was with their capability to manage online (Table 4.9).

**Table 4.9 Digital Assessment (DA) outcomes, by program (%)**

| Outcome                               | NEST % | Completed DAs<br>(overall) % |
|---------------------------------------|--------|------------------------------|
| DA recommended opt-out                | 21     | 22                           |
| Access/reliability problems indicated | 8      | 8                            |
| Internet capability issues indicated  | 13     | 14                           |
| Actual opt-outs                       | 1      | <1                           |

Source: Departmental administrative data.

Notes: Percentages are of unique DAs. Some participants may have more than one DA.

Percentages are of total DAs completed.

Total NEST n=1,466.

Total completed DAs overall n=405,033.

#### DA outcomes – internet capability

Overall internet capability as determined by the number of tasks that could be, or were, performed was quite low, with around 1 in 5 participants being capable of only 1 out of the 4 tasks. Around half of the participants (51%) could complete 3 of the 4 tasks (Table 4.10).

<sup>42</sup> This has changed over time and it is also dynamic, with later questions only being asked for clarification based on earlier answers.

**Table 4.10 Internet capability, by number of tasks (%)**

| Number of tasks capable of | DAs NEST % | DAs all % |
|----------------------------|------------|-----------|
| 0 out of 4                 | 5          | 5         |
| 1 out of 4                 | 18         | 20        |
| 2 out of 4                 | 12         | 11        |
| 3 out of 4                 | 51         | 49        |
| 4 out of 4                 | 14         | 15        |

Source: Departmental administrative data.

Notes: Counts are for unique POAs. Some participants may have more than one POA.

Percentages are of people asked capability questions (i.e. those who had reliable internet access).

### The DA recommendation and leaving service

As part of this DA analysis, the outcome of leaving service was used as a proxy for gaining employment (while leaving service is not always a result of employment, there is a strong correlation). The analysis used logistic regression analysis to isolate the effect of the DA recommendation on this outcome. The strongest predictor of leaving service was the JSCI score, which is itself highly correlated ( $p < 0.0001$ ) with the DA result, despite the JSCI not directly measuring digital literacy. Once JSCI score is controlled for, the DA recommendation does not have a statistically significant impact on the likelihood of exiting service (Table 4.11).

**Table 4.11 Marginal effects of Digital Assessment (DA) recommendation on likelihood of exit (ppt and p value)**

|                   | Marginal effect (ppt) | p value |
|-------------------|-----------------------|---------|
| DA recommendation | -                     | 0.6910  |
| JSCI score        | -1.2                  | <0.0001 |
| Months in service | -1.2                  | <0.0001 |

Source: Departmental administrative data.

Note: Counts are for unique DAs. Some participants may have more than one DA.

### The Job Seeker Snapshot is a good predictor of digital literacy

An Ordinary Least Squares (OLS) regression between the respondent's 'capability' (as represented by the number of questions they answered to indicate they had capability on the internet) and their JSCI score produced a highly significant relationship.<sup>43</sup>

Of more than 400,000 DAs undertaken in 2 years, only 441 people opted out across the NEST and OES. Given this, administration of a separate DA would appear to outweigh its utility. Despite this, there may still be usefulness in building certain DA questions into the assessment framework as the safety net that it is designed to be.

These findings are supported by further analysis by the Data Policy and Analysis Section (Economics Branch) of the department. Researchers investigated the relationship between digital literacy, as measured by the DA and JSCI scores current at the time. For analysis purposes, participants were placed into one of 3 groups labelled 'strong', 'mixed' or 'weak' in relation to digital literacy, based on questionnaire responses. These groupings were then used to examine the relationship between digital literacy and JSCI score. Detail on assignment of participants is at Appendix 0. Between

<sup>43</sup>  $c = 3 - 0.03x$  (where  $c$ =capability and  $x$ =JSCI score).

February 2020, when the revised DLA was implemented, and June 2020 there were 570,000 DAs completed nationwide. Approximately 90% of respondents completed the DA following their JSS, with others completing it as a standalone assessment online following the completion of their Job Plan and a small percentage completing it over the phone via the Digital Services Contact Centre (DSCC).

The analysis found a statistically valid inverse relationship between a participant's JSCL score and their level of digital literacy (as determined by the DA). Participants with low levels of digital literacy tended to have much higher levels of disadvantage (JSCL scores). More detailed analysis was undertaken on several specific questions including frequency of internet access, number of devices used to access the internet, and regular access to the internet.

The majority of DA responses had a statistically significant relationship with the participant's JSCL score.

#### **Awareness and understanding of the DA**

The NEST evaluation has explored participant perceptions of digital literacy and the DA, and access to a digital environment.

#### **Participants have low recall of completing the DA**

Most participants in the NEST LS did not recall any kind of assessment of their digital skills. Even when shown examples of the questions they would have been asked as part of the assessment, few NEST LS participants remembered answering them. However, all participants reported that they would have found the questions easy to answer and felt that they were able to self-assess their digital skills.

*I don't remember that 'how do you use the internet?'; I never did anything like that. [...] yeah; it makes a kind of sense [...] – that one makes sense: 'do you need help with the internet?' – because there's definitely people I know who don't know how to use the internet at all.*

NEST LS Wave 5, Digital Plus, Interview 1

As this assessment was voluntary, there was some evidence of 'click through' behaviour – where participants competent in a digital environment scan pages and forms and make choices about what requires a response to get to the end as quickly as possible.

The DA question sets are at Appendix O.

## 5 Digital Services

This chapter covers Digital Services (DS) in the NEST. It examines the DS caseload, their movement through DS, and their awareness and use of the available tools and services, including the Employment Fund (EF). Safeguards such as the 4 Month Digital Services Review, activation points (e.g. the 4 month activation requirement), and compliance in the digital environment are also discussed. The Points Based Activation System (PBAS) is covered in Chapter 7. It should be noted that a separate evaluation of Online Employment Services (OES) is currently underway.

*The next generation of employment services: discussion paper*,<sup>44</sup> released in 2018, envisaged:

*... an online service [that] could give job ready job seekers greater responsibility for their job search efforts. These job seekers could be supported through improved online features and better integration with other services ... The online service could help job seekers manage their career journey by providing access to the training, information and support that they need as they move between jobs. It could also provide the platform for individuals to engage in lifelong learning throughout their working life.*

The need for an online service increased with COVID-19. From mid-March 2020 a move to online income support applications and assessment for employment services was required to deal with the resulting high caseload numbers (Figure 1.4).

### 5.1 Service offer and eligibility

This section outlines the DS offer and eligibility for participation in NEST DS. Digital participants are assisted through the jobactive/jobsearch website or app, which has a twofold function:

- to provide a simple and convenient way for participants to manage their job search and/or points for mutual obligation requirements (MORs) through a dashboard
- to provide tools and resources to help participants find work.

The website features include:

- the ability to agree to a Job Plan
- job search reporting functionality
- resources and instructional videos on topics including training and compliance, and searching and applying for jobs
- the ability to create a Career Profile
- the ability to set up job alerts
- interview and résumé advice.

Detail on the NEST DS policy is at Section 1.3.2. As DS evolved, it became apparent that Digital First (DF) participants could benefit from some of the services and assistance provided to Digital Plus (DP) participants (e.g. access to the EF and training). A decision was made to provide this assistance as required, irrespective of the initial DS allocation. Therefore, the Digital Services Contact Centre

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<sup>44</sup> *The next generation of employment services: discussion paper* – Department of Jobs and Small Business, Australian Government ([dewr.gov.au](http://dewr.gov.au)).

(DSCC) can move participants in DF who would benefit from augmented services available in DP. This means that in practice, there is now no real difference between the DF and DP service offering.

### 5.1.1 Eligibility criteria for NEST Digital Services

To be eligible for NEST DS, a participant must:

- live in a NEST trial region
- have a low to moderate Job Seeker Classification Instrument (JSCI) score
- be registered in the Employment Services System (ESS) with an email address or a mobile phone number
- be newly registered with Services Australia or transferred from their employment services provider
- be on an activity-tested income support payment.

NEST providers can also refer participants to DS based on their own assessment.

#### Maximum time in service

Under the servicing arrangements in place at the time this report was written, there is no specified period for participants to remain in DS. Participants remain in DS while the level of servicing is appropriate and suitable to their circumstances. Regular reassessments (through a range of safeguards) are designed to confirm that digital servicing remains suitable, including where there is a change in a participant's circumstances. Triggers for reassessment include when a participant:

- reaches a certain length of time in service
- is not effectively self-managing their MORs
- has a change in circumstances affecting their JSCI
- requests a reassessment.

Participants can also choose to move from DS to receive face-to-face provider servicing at any time.

## 5.2 Caseload analysis and changes over time

This section examines the DS cohort and how it has changed over time (information about the overall NEST caseload is in Chapter 3 and information about the Enhanced Services (ES) caseload is in Chapter 6. This analysis defines the DS cohort as participants who have signed a Job Plan and therefore commenced in DS.

### 5.2.1 Changes in the NEST caseload

Table 5.1 shows how the overall NEST caseload and the DS component have changed over time, following COVID-19 lockdowns and the subsequent partial recovery. The most notable changes are in the relative sizes of the DS and ES caseloads.

The COVID-19 related inflow into services peaked in June 2020. Most of these participants were previously employed. This means they are more likely to be suitable for DS than those participants who were on the NEST caseload in December 2019. As a result, the DS caseload more than doubled between December 2019 and July 2020. Other factors affected this change, including caseload transition and provider behaviour (Section 3.2).

**Table 5.1 NEST caseload, December 2019 to June 2021 (number and %)**

| Service                           | 31 December 2019 | 30 June 2020  | 31 December 2020 | 30 June 2021  |
|-----------------------------------|------------------|---------------|------------------|---------------|
| <b>All participants (number)</b>  | <b>21,960</b>    | <b>46,557</b> | <b>44,456</b>    | <b>33,784</b> |
| Digital Services (number)         | 4,452            | 25,483        | 23,191           | 15,857        |
| Digital Services (% of caseload)  | 20.3             | 54.7          | 52.2             | 46.9          |
| Enhanced Services (number)        | 17,508           | 21,074        | 21,265           | 17,927        |
| Enhanced Services (% of caseload) | 79.7             | 45.3          | 47.8             | 53.1          |

Source: Departmental administrative data.

Note: Percentages are of total NEST caseload.

As shown in Table 5.2, major DS caseload composition changes were by age, education level, prevalence of culturally and linguistically diverse (CALD) participants, principal carer parents, and participants with disability and low English proficiency.

### Age

The proportion of young people in DS was lower at the end of the study period (20.1%) than it was pre-COVID (27.7%). The opposite can be seen for older participants, who were more prevalent in the post-COVID caseload (35.6%) than the early transition caseload (27.8%) (Table 5.2).

### Highest level of education

Participants with less than Year 12 education were less prevalent in the early transition caseload (18.4%) than at the end of the study period (23.8%) (Table 5.2). These changes are not in line with overall caseload changes (down by 1.5 percentage points (ppt)) (

Table 1.8)). This is likely a result of similar assumptions by providers and participants about their capacity to self-manage online. Vocationally trained participants were less prevalent in the post-COVID caseload (4.9 ppt), (Table 5.2) but it should be noted that these participants overall may have been less affected by COVID-19, and therefore changes in the less than Year 12 cohort are reflected in these percentages. University graduates became a larger proportion of both the overall NEST caseload (from 10.3% in December 19 to 17.5% in June 2020) (

Table 1.8) and the DS caseload (from 21.7% in December 2019 to 25.4% in June 2020 (Table 5.2) with the onset of COVID-19. By the end of the study period, however, their prevalence in both the overall NEST and the DS caseloads had returned to approximately pre-COVID levels (

Table 1.8 and Table 5.2).

### Assessed levels of disadvantage

The underlying policy is that people with high levels of assessed labour market disadvantage are not automatically allocated to DS. However, if providers feel that particular participants are able to self-manage online and will be better served in DS, it is an expectation that these participants will be moved to DS. Though the level of disadvantage in the overall NEST caseload fell with the onset of COVID-19 and the subsequent inflow of job ready people (



Table 1.8), the prevalence of highly disadvantaged participants in DS slowly increased over time (**Error! Reference source not found.**Table 5.2). This may be because they are less likely to leave services as quickly as participants with lower levels of disadvantage.

## Gender

While women made up 47.1% of the overall NEST caseload (

Table 1.8) as at December 2019, they only made up 39% of the DS transition caseload (Table 5.2). This is possibly because women were more likely to be comfortable with provider servicing and therefore chose to remain in ES at transition. Interestingly though, by the end of the study period they were still under-represented in DS, making up 48.0% of the total caseload (

Table 1.8), but only 44.7% of the DS caseload (Table 5.2).

## Other cohorts

As with the assessed levels of disadvantage, while other cohorts were not highly prevalent in the transition DS caseload, and accounted for less than 10% of the caseload, they have become more prevalent in the DS caseload over time (Table 5.2). The exception to this is Aboriginal and/or Torres Strait Islander participants).

**Table 5.2 Digital Services caseload, December 2019 to June 2021 (number and %)**

|   | 31 December 2019 | 30 June 2020  | 31 December 2020 | 30 June 2021  |
|---|------------------|---------------|------------------|---------------|
| <b>Digital Services (number)</b>                    | <b>4,452</b>     | <b>25,483</b> | <b>23,191</b>    | <b>15,857</b> |
| <b>Age group %</b>                                  |                  |               |                  |               |
| Less than 25 years                                  | 27.7             | 20.0          | 21.3             | 20.1          |
| 25 to 44 years                                      | 44.5             | 45.6          | 45.5             | 44.3          |
| 45 years and older                                  | 27.8             | 34.3          | 33.2             | 35.6          |
| <b>Highest education level<sup>1</sup> %</b>        |                  |               |                  |               |
| Less than Year 12                                   | 18.4             | 20.0          | 21.1             | 23.8          |
| Year 12   | 22.0             | 21.9          | 21.8             | 21.6          |
| Vocational training                                 | 37.9             | 32.8          | 31.7             | 33.0          |
| University  | 21.7             | 25.4          | 25.4             | 21.6          |
| <b>Length of time in employment services %</b>      |                  |               |                  |               |
| Less than 1 year                                    | 91.5             | 95.7          | 86.7             | 38.6          |
| 1 to 2 years  | 7.0              | 3.9           | 12.2             | 57.0          |
| Longer than 2 years                                 | 1.5              | 0.5           | 1.2              | 4.5           |
| <b>Assessed level of disadvantage<sup>1</sup> %</b> |                  |               |                  |               |
| Low   | 60.0             | 64.2          | 59.0             | 52.8          |
| Moderate  | 38.3             | 32.2          | 34.7             | 37.0          |
| High  | 1.7              | 3.6           | 6.3              | 10.2          |
| <b>Gender %</b>                                     |                  |               |                  |               |

|   | 31 December 2019 | 30 June 2020 | 31 December 2020 | 30 June 2021 |
|---|------------------|--------------|------------------|--------------|
| Female  | 39.0             | 44.9         | 44.6             | 44.7         |
| Male  | 61.0             | 55.1         | 55.4             | 55.3         |
| <b>Remoteness<sup>1</sup> %</b>                 |                  |              |                  |              |
| Outer regional areas                            | 7.2              | 6.6          | 6.5              | 7.0          |
| Inner regional areas                            | 40.3             | 36.4         | 36.0             | 37.7         |
| Main capital cities                             | 52.5             | 57.0         | 57.6             | 55.2         |
| <b>Other demographic characteristics %</b>      |                  |              |                  |              |
| Aboriginal and/or Torres Strait Islander people | 5.0              | 3.0          | 3.4              | 4.3          |
| CALD  | 8.2              | 11.9         | 12.1             | 10.3         |
| Disability <sup>1</sup>                         | 8.3              | 7.9          | 9.2              | 11.1         |
| Low English proficiency <sup>1</sup>            | 2.0              | 2.9          | 3.2              | 3.3          |
| Principal carer parents <sup>1</sup>            | 5.8              | 10.2         | 9.2              | 10.6         |
| Homeless  | 4.8              | 3.5          | 4.2              | 4.8          |

Source: Departmental administrative data.

Notes: Percentages are of the DS caseload.

Data is as at 30 September, 2021.

1. Missing values are excluded from calculations.

### 5.3 Tools and assistance offered on the platform

This section is about awareness and use of tools and assistance available on the website. A range of tools on the jobactive/jobsearch platform are available to participants in employment services, including those in NEST DS and ES. Since the commencement of the NEST, the number and types of tools and products available has developed in keeping with development priorities.

Early user-centred design (UCD) research suggested that people using or eligible for a digital platform were looking for similar things, including:

- resources that are appropriate, easy to find and easy to use
- services that add to what they can access elsewhere
- help when they needed it.<sup>45</sup>

This section examines participant awareness, use and experiences of a range of tools and functionality, including:

- dashboard
- jobsearch/jobsboard
- Résumé Builder
- Career Profile
- blogs
- videos/links to videos
- JobSwitch

<sup>45</sup> NESM Micropolicy Final Report, internal, unpublished.

- JobsHub
- JobTrainer.<sup>46</sup>

### 5.3.1 Awareness and use of tools and functionality

#### Awareness of available tools and assistance is low

The Participant Experiences of Employment Services (PEES) Survey found that, although three-quarters (76%) of participants had used at least one tool on the jobactive website in the past 6 months, a quarter (24%) reported that they had not used any.<sup>47</sup> This is supported by feedback across all 5 waves of the NEST LS, which also indicates that participants had low awareness of website tools and did not navigate much beyond the dashboard. Reasons for low participant awareness of the tools include that the purpose of going to the website is primarily compliance (including jobsearch) rather than assistance and that the site could be more user friendly.

*When you log on, all you got was the big compliance thing, right in the middle of the screen... And considering that's what you generally log on for in the first place, you don't really scroll to the bottom of the screen to see if there's anything else down there for you.*

NEST LS, Wave 1, Digital First, Interview 1

*I find that jobactive website absolutely terrible to navigate ... you can sit there and spend time sitting there and clicking on pretty much anything that comes up on the page, because you find really helpful things in really obscure places, and a lot of the time you find things by accident.*

NEST LS, Wave 2, Digital Plus, Interview 1

Those who expressed interest were broadly curious about how these tools could add value to their job search or increase their chances of gaining employment. This suggests that participants are interested in accessing assistance if it is relevant to their needs and they know where to find it.

*I think it's pretty good ... there are quite a few additional services that I'm not quite aware of, and it's kind of nice to feel that there is that extra support ... This is kind of the first time I'm seeing some of these things that you showed me on the screen before, they might have been helpful.*

NEST LS Wave 5, Digital First, Interview 2

Those who expressed no interest were comfortable with what they were already using (on other sites) or felt that the tools would not add value to what they were already doing.

#### The jobactive/jobsearch website overall

##### **Overall DS participants rated the jobactive/jobsearch website and/or app moderately useful**

Respondents in the PEES Survey were asked to rate the usefulness of the jobactive website and/or app overall, where 0 was not at all useful and 10 was extremely useful. As shown in Figure 5.1, the most prevalent response for digital participants was 7, whereas for participants overall the most prevalent response was 5. On average, however, there was no difference between ratings from DS

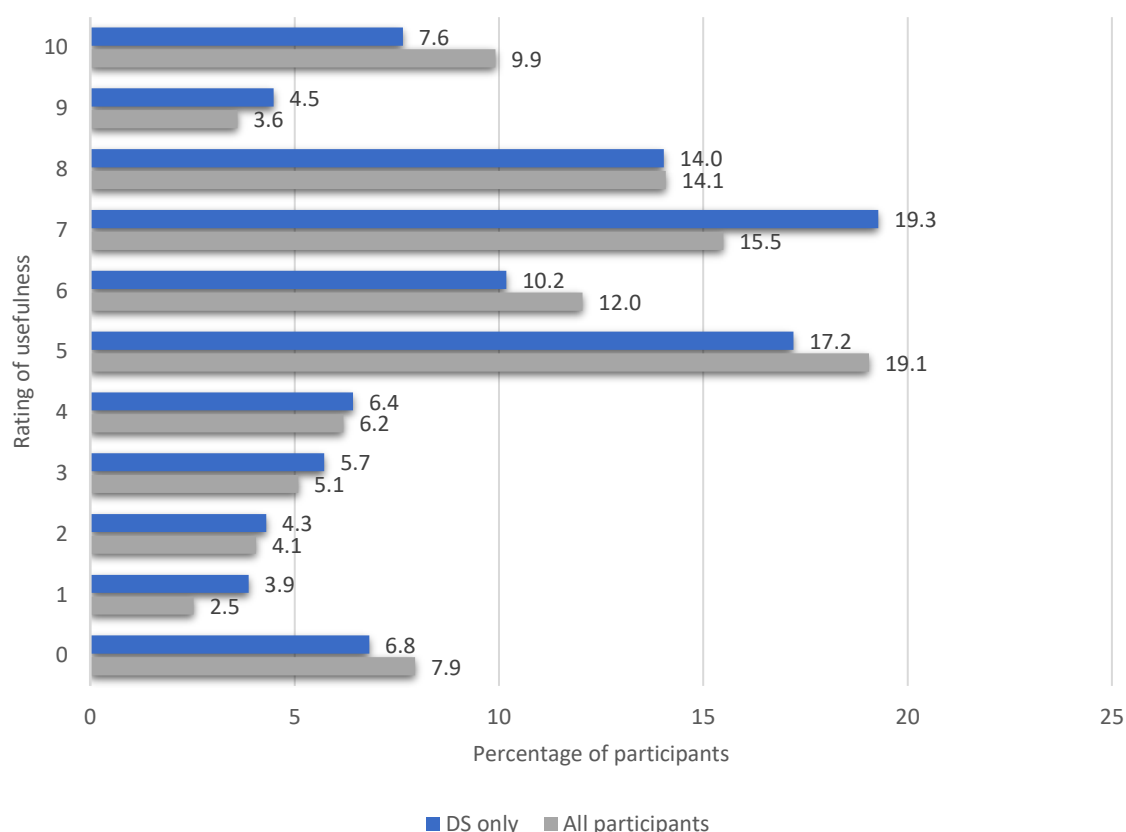
<sup>46</sup> JobTrainer is part of the MySkills website but was included in the NEST LS as something participants may have used during the COVID-19 pandemic.

<sup>47</sup> PEES Survey, 2021, all respondents except VOEST participants.

participants and participants overall, with the average rating for both groups 5.7. Notably over 5% of participants reported that the website and/or app was not at all useful.

Qualitative feedback from the Longitudinal Study of NEST Participants (NEST LS) and from PEES Survey participants suggests that highly educated, professional and experienced participants may be more likely to feel that the website and app do not conceptualise their pathways to employment, and thus do not provide information or assistance relevant to their needs. However, this gap is not limited to DS or the online platform; it is also commonly reported by the same cohort in provider services.

**Figure 5.1 Overall usefulness of the jobactive/jobsearch website (%)**



Source: PEES Survey, 2021.

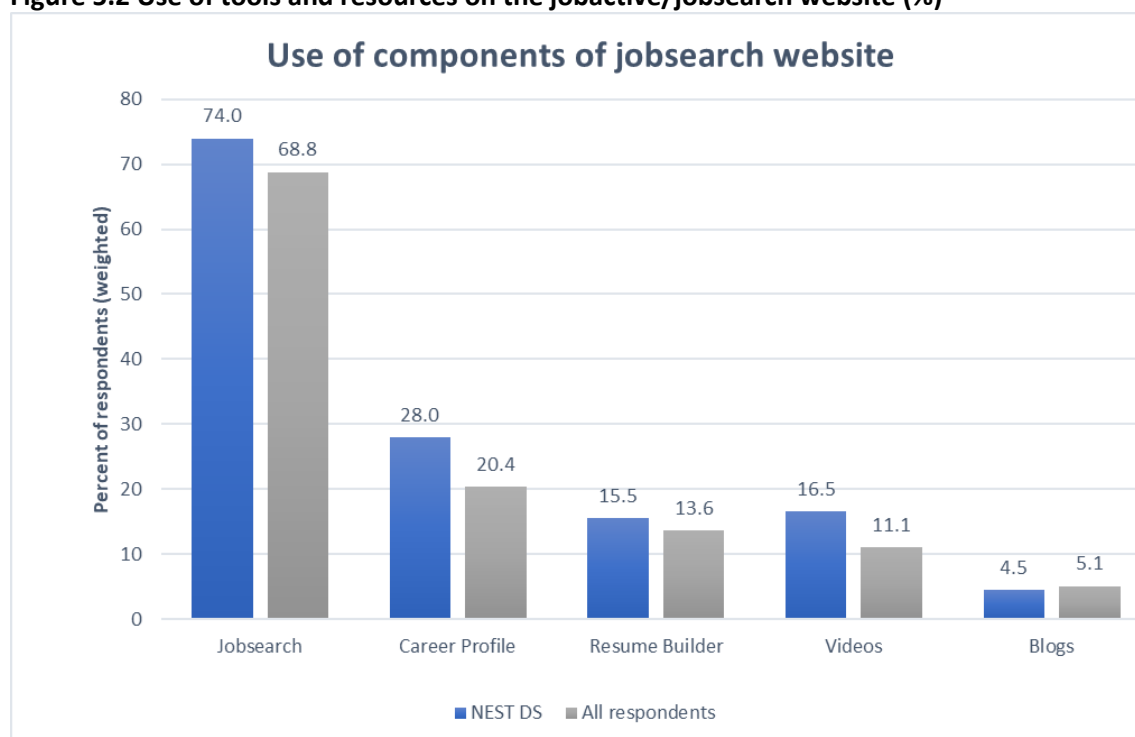
Notes: Q How would you rate the usefulness of the jobactive/jobsearch website and/or app on a scale of 0 to 10 where 0 is not at all useful, and 10 is extremely useful?

Base: All participants excluding 'Refused' (DS n=1,010, all n=4,826).

### Participants predominantly use the platform for MOR-related activity

DS participants in the PEES Survey were asked about their use of the tools and resources available on the jobactive website in the past 6 months. Figure 5.2 shows the primary uses are for job search reporting and MOR-related activity. There are some differences, broadly between DS participants and others who use the website. The main difference is the degree to which DS participants use not only jobsearch but also other aspects of the website. DS participants are more likely than respondents overall to use most tools on the website, except for blogs. It should be noted that few respondents reported using the blogs on the website, so this may be a result from a small sample.

**Figure 5.2 Use of tools and resources on the jobactive/jobsearch website (%)**



Source: PEES Survey, 2021.

Notes: Q In the last 6 months have you used any of the following tools or resources on the jobactive/jobsearch website or app?

This question is multiple response, so the column totals will not add up to 100%.

Base: All participants excluding 'Refused' (DS n=1,010, all n=4,826).

Feedback from the NEST LS and the PEES Qualitative research supports the above finding that using the dashboard to manage MORs is the **predominant** use of the jobactive/jobsearch platform. These findings are also consistent with the Online Employment Services Trial (OEST) evaluation, which found that participants mainly use the job search and reporting functionality.

Changing user mindsets about the purpose of the platform from a tool to report compliance activities to a multipurpose site will take time. Continued investment and improvement in the digital interface is required so users:

- can search for and receive tailored, personalised and localised information
- value and understand the purpose of the online tools provided and how to use them effectively to enhance their online experiences
- can seamlessly interact with local employers and be confident in the platform's job matching capabilities.

#### **DS participants like the convenience of the jobactive website to manage MORs**

The majority of all participants in the PEES Survey (68.8%) reported having used the jobsearch/jobsboard feature. Unsurprisingly, this proportion was higher among NEST DS participants (74%) (Figure 5.2).

Participants like the convenience of being able to search and apply for jobs, and have those applications automatically recorded. Similarly, they appreciate that the dashboard displays the

remaining number of applications or other requirements needed to meet their MORs, and within what time frame.

*First thing I do is go on the job seeker app and I go through the jobs listed on there and I'll apply for those jobs. And because they get automatically added to my job search, it makes it so much easier for me to apply for jobs on the app.*

NEST LS Wave 1, Digital Plus, Interview 1

*See, I really liked the pie diagram on the front page: I think it's very clear, it tells you how many days left and how many jobs you still have to apply for and stuff, I think it's very effective ... and I think that is an amazing way of just displaying very quickly how you're doing ... Yep, your progress. I think that's one of my favourite things about it.*

NEST LS, Wave 2, Digital Plus, Interview 2

There was also some indication that the website had improved over time. By Wave 4 of the NEST LS, some participants were reporting a more positive experience with the platform. Reasons included:

- the platform had a clear and uncluttered layout
- there were no screens popping up with advertisements (as opposed to alternative platforms)
- jobs from other websites were listed
- the job search feature was very easy to use.

This sentiment was supported by participants in the PEES Qualitative research.

*I prefer the jobactive website because I can report points and look for jobs on the same site. It is pretty easy; you just click around.*

PEES Qualitative

*It's definitely come a long way. It's quite simplified. Everything is all in the one place. So it's convenient, I guess.*

PEES Qualitative

### **Some DS participants lacked knowledge about how reporting MORs worked on the platform**

The NEST LS revealed that some participants did not realise that any job search conducted via jobactive could be automatically included in their job search history (and jobs applied for via this route would be automatically added to their job application record). Others believed they could only use jobs applied for through the jobsearch function on the platform to count towards their MORs.

*I must use this [jobactive jobsearch] website to apply for jobs. I don't think any of the jobs that I've applied for – like through SEEK, or through Facebook – count ... that's what I've gathered from it, is that I must apply through that, I can't apply through anything else ... It does stress me out.*

NEST LS Wave 2, Digital Plus, Interview 1

*... I've got a requirement to have so many points, right? Now, to get those points, I need to apply for jobs online because if I went down the road and apply for a job, how do I relay that to the point scheme? I can't. [...], so with SEEK and all those other people, I don't get [the points].*

NEST LS, Wave 5, Digital Plus, Interview 1

A few participants also reported they were not aware of the jobsearch function on jobactive, or had only recently learned about it, and for this reason did most of their job searches on other sites.

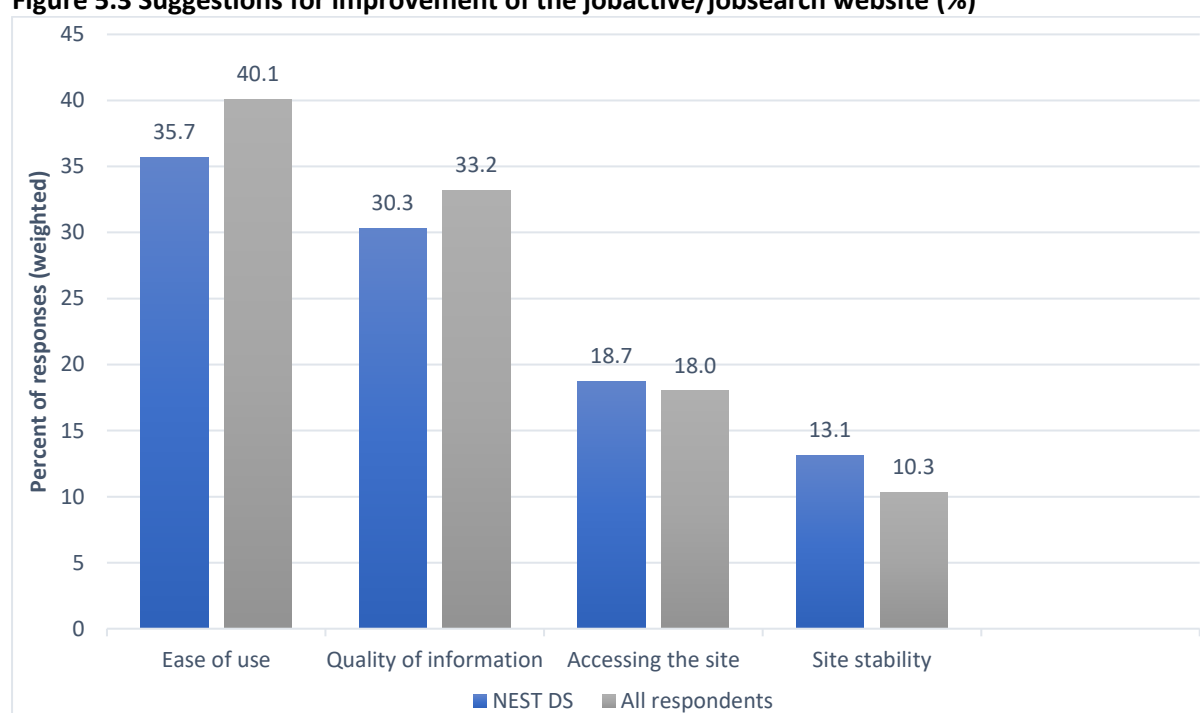
*I didn't even know that [the jobsearch function] was a thing!*

NEST LS, Wave 5, Digital Plus, Interview 1

### Suggestions from participants to improve the jobsearch website

Respondents in the PEES Survey who had reported that the jobactive/jobsearch website was not very useful were asked to make suggestions about what they thought was most in need of improvement (usefulness rating of less than 5 out of 10). As Figure 5.3 shows, the most common suggestion, particularly from DS participants, was to improve the ease of use (40.1%), followed by the quality of information available (33.2%).

**Figure 5.3 Suggestions for improvement of the jobactive/jobsearch website (%)**



Source: PEES Survey, 2021.

Notes: Q What improvements could be made?

This question is multiple response, so the column totals will not add up to 100%.

This question was not asked of participants in provider services.

Base: All participants who did not feel the website was useful (DS n=447, all n=964).

### Quality of information could be improved

Participants in the NEST LS and PEES Qualitative research suggested that the quality of information on the website could be improved by:

- clearly indicating the services that are available to them as part of the digital offering, and what sets the jobactive website apart from established commercial employment sites
- providing comprehensive information about available roles (especially professional roles) in different industries and preferred recruitment methods by industry
- classifying and better targeting career and employment information to participants in the early, mid and late stages of their working lives

- providing greater clarity about the employability training, industry skill sets, and learning, training and networking opportunities available in local areas within the website, rather than directing them to other websites.

#### Ease of use could be improved

Factors that participants thought might make the website easier to use and encourage greater engagement included:

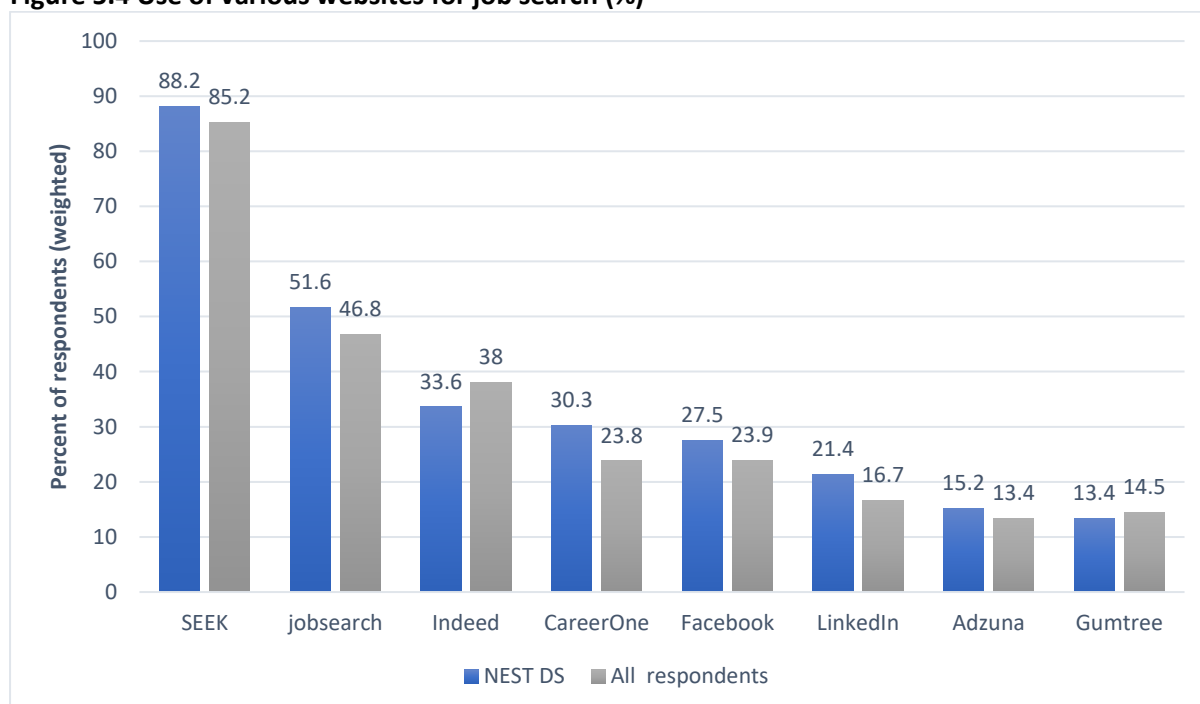
- better linkages with information supplied to Services Australia, especially changes of address, hours worked, and employment income received during the claim period
- more search functionality to allow users to undertake targeted searching rather than exploratory searching.

#### jobsearch/jobsboard function

Although 74% of DS participants reported using the jobsearch/jobsboard function in the past 6 months (Figure 5.2), results from the PEES Survey and PEES Qualitative research and the NEST LS indicates that it is not generally the preferred search engine.

When DS participants who had searched for jobs online were asked which job search websites they had used in the past 6 months, almost 9 in 10 (88.2%) reported using SEEK but just over half (51.6%) had used the jobsearch function (Figure 5.4 Use of various websites for job search (%)Figure 5.4).

**Figure 5.4 Use of various websites for job search (%)**



Source: PEES Survey, 2021.

Notes: Q In the last 6 months what websites have you used as part of your job search?

This question is multiple response, so the column totals will not add up to 100%.

Base: Those who confirmed they had looked for work online, excluding 'Refused'.



In the PEES Qualitative research, when asked about their experiences of looking for work online, most respondents agreed that the vast majority of jobs were posted on the internet. Those who reported themselves to be technologically capable were comfortable searching for jobs online.

Generally, participants preferred SEEK, Indeed, LinkedIn and private online search platforms due to their functionalities. For example, the websites kept information on file and it was easy to reformat and send applications and cover letters. Additionally, these sites kept track of applications and jobs.

*I guess I am used to the SEEK website. It has a good layout and you can keep your résumé and cover letter on it ready to go for an application.*

PEES Qualitative

Although the jobactive website also has these functions, lack of awareness, design limitations and established loyalty and satisfaction with existing job portals may be an ongoing challenge for encouraging uptake of the jobactive website.

Participants in the NEST LS reported a range of issues with the jobsearch website, primarily to do with the search function. Participants who had used the jobactive jobsearch function suggested that the search results were often not aligned with their expectations or the search terms they had used.

#### **Participants reported that jobsearch sometimes returned irrelevant results**

This included results that were not filtered to their geographic location, were too broad in scope or were not aligned with their skills and experience or their profession.

*The job match thing I found is pretty terrible. It gives pretty bad recommendations ... One of them I was looking for 'environment', and mismatched 'environment' in terms of 'work environment' and trying to recommend me an HR (Human Resources) job. Because of that, it matched it as a yes, and it kept spamming me with HR jobs. I just kept getting in my inbox: 'New HR job. New HR job.'*

NEST LS, Wave 5, Digital First transferred to ES, Interview 5

*I found that they [other platforms] were easier to do a regional look. I found the jobactive one was very wide; you might put in 'Mid North Coast' and you might have somewhere from Grafton down to Foster. So, the SEEK one I found you could concentrate on an area, which was a much smaller area.*

NEST LS, Wave 5, Digital First transferred to ES, Interview 3

#### **Other sites were perceived to have better functionality**

Other sites such as SEEK and Indeed had a direct link from the job advert to the business's website, which made the application process simpler. LinkedIn was the preferred site for networking.

*I go on the Indeed website, and a lot of their jobs, you just apply on Indeed – that's it, you don't need to go to a secondary website.*

NEST LS Wave 5, Digital Plus transferred to ES, Interview 4

#### **Some participants already had profiles set up elsewhere**

Some participants noted that they already had a profile set up somewhere else, such as on SEEK, and they were therefore in the habit of using, or preferred, those sites.

*Yeah, I think because SEEK is really popular, and it's really well known, that's where I'm going to find most of the jobs that I'm looking for. [...] it's just so much simpler, and because it already has my résumé and a lot of my other information, and any job ads on SEEK that have questions tied to them, like how many years' experience do you have in this, another job that asks the same question will automatically be answered by your previous answer, so it's just ... SEEK is really easy. It's so much easier.*

NEST LS Wave 5, Digital First, Interview 1

### **Logging in to other sites is simpler**

A few participants expressed minor frustration with having to go through myGov every time they logged in to jobactive. Despite acknowledging the security benefits of this approach, this requirement deterred them from using jobactive more frequently.

*If I go and apply for jobs, then I have to open myGov, login with my phone code, and then go onto jobactive and Centrelink and put in the job things; it's just ... it can be a little annoying*

NEST LS Wave 5, Digital First, Interview 1

### **Awareness of available jobsearch functionality is low**

Some participants indicated a preference for other job search websites they mistakenly thought offered functionality not available on the jobactive website – for example, the ability to add jobs from another website to their job search, and formatting and tracking functionality. Feedback from participants indicated low awareness that this and other functionality is available on the jobactive website.

The issues raised here indicate that it is problematic for the continued development of tools and functionality in competition with what is available on other websites. The risk of extensive investment solely in this area is that, without an imperative, participants will, on balance, continue to prefer other websites. It is possible that future proposed developments will provide that imperative, but currently it does not exist.

### **Suggestions from participants about how jobsearch could be improved**

Some DS participants offered some suggestions about how the jobsearch functionality could be improved. For example, participants in qualitative interviews stated that they would be more likely to use the job search function if it offered:

- more search fields to narrow job search results (e.g. salary, location, work conditions, employment level, skills, employer, and experience required)
- greater opportunities to opt in or out from communication materials and set preferences for delivery channel and subject matter
- more linkages to local employers and networks and the ability to interact with these connections via video and/or a direct messaging function.

### **Career Profile**

Career Profile on the jobactive platform allows a participant to create a track record of their work history, education and skills. This enables notification of suitable job vacancies which have been 'matched' to their profile and for employers registered with jobactive to search for suitable candidates (if the profile is set to public).

Around 1 in 4 (28%) DS participants in the PEES Survey had used Career Profile, while only 1 in 5 of all participants had (Figure 5.2).

Across the 5 waves of the NEST LS, awareness and reported use of Career Profile was low. Those who were aware of it did not talk about the benefits or advantages of using it and may not have understood the link to job vacancy alerts. For example, very few participants in Wave 3 of the NEST LS knew they could receive job match notifications after completing their Career Profile.

*No. I haven't [used Career Profile] Basically, I've got a career profile built up on SEEK. So, I haven't gone into the jobactive to do that.*

NEST LS Wave 2, Digital First, Interview 2

## Résumé Builder

Résumé Builder allows people to develop, alter and refine résumés based on their Career Profile.

Data from the PEES Survey shows that 15.5% of DS participants had used Résumé Builder in the past 6 months. This compares to 13.6% of the overall participant population (Figure 5.2). As with Career Profile, across the 5 waves of the NEST LS, awareness and use of Résumé Builder was low.

Participants often had résumés set up in other platforms (such as SEEK) and did not see the benefit of having multiple résumés in multiple systems.

*For example, 'click on this link for a new résumé template' and I've got 10 different résumés now. I sort of think that I've been there, and I've done that, and I've written that many résumés ...*

NEST LS Wave 5, Digital Plus, Interview 2

Participants in particular industries reported that the templates were not tailored well enough to their industry and were therefore of little use.

*No, not really ... for my industry, résumés are a bit different. They're not so professionally aimed; they're more artistically aimed. For us, art portfolios matter way more than résumés and other stuff. I can understand that could be maybe helpful for, I don't know, people who aren't in a specific field and need a general résumé, but I have my own.*

NEST LS Wave 5, Digital First, Interview 1

## Videos/links to videos

The department has a YouTube channel and links to a range of videos from the jobactive website. Some videos are instructional (e.g. how to create or link a myGov account), while others are explanatory (e.g. explaining policies such as compliance or programs such as PaTH), or informative (e.g. providing job search and interview tips and hints).

According to the PEES Survey, around 16% of DS participants had accessed a video in the past 6 months. This compared with 1 in 10 of the overall population having accessed a video (Figure 5.2).

Participants in all waves of the NEST LS were asked about their awareness and use of videos, and their responses reflected the low awareness and use. However, the few participants who had used these videos found them broadly useful.

*And I've clicked on a few of those at times and that's always helpful just seeing different tips on how to do an interview or write your résumé. I can't remember exactly which ones were most interesting, but I've definitely clicked on those.*

NEST LS, Wave 3, Digital Plus, Interview 1

## Blogs

The department runs a blog on jobactive that provides hints and tips on topics related to job search and employment. Only 1 in 20 (4.5%) of DS participants in the PEES Survey had accessed the jobactive blogs in the past 6 months (Figure 5.2).

Participants in the NEST LS also reflected this. However, once they were made aware of the blogs, some indicated that the sort of information there could be of use to them.

## JobSwitch

JobSwitch is functionality on the jobsearch website that enables participants to find new and different jobs for which they may already have skills. It also enables exploration of how similar these jobs are to previous jobs, whether they are jobs in demand, training options, and positions the participant can apply for. It was designed to help participants identify transferable skills and explore new jobs.

Very few participants in the PEES Survey (3%) had used JobSwitch,<sup>48</sup> which may partly be because it was a relatively new addition to the website at the time. However, there was greater awareness of JobSwitch among participants in Wave 5 of the NEST LS. This may be because participants in the LS are reminded about tools and assistance on the website from wave to wave. Also, the LS uses screen shots, where possible, as a memory jogger.

In the NEST LS, those who had used JobSwitch (or in one case had seen it used by a family member) reported that they did not find the tool helpful as it did not provide them with new information about careers they could switch to. They felt the parameters were too narrow for it to offer useful suggestions or that it suggested careers which were so similar that they did not learn anything new.

*The results weren't useful, they were still the exact same. So if I [am] working in aged care, oh 'you can work in disabilities'. Yes, I know I can work in disabilities.*

NEST LS Wave 5, Digital First, Interview 2

There was also little interest, among participants who had seen it, in using it, as they were not considering switching to a different field of work, particularly those who were heavily invested in the careers they had.

*I think I've seen it, but I don't really want to retrain at this stage. [...]. I've committed a lot of time and energy and money to [this field]. I don't really want to switch fields.*

NEST LS, Wave 5, Digital First transferred to ES, Interview 5

## Suggestions from participants

The lack of understanding about the benefits of the online tools was also discussed by participants in other qualitative fieldwork. However, one participant noted that these tools work best when people, both employers and applicants, are trained in how to use them and understand a shared language.

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<sup>48</sup> PEES Survey, 2021, all respondents except VOEST participants.

Further, there was a slight concern that employers could also use the tools to discriminate against candidates (e.g. based on age fields) from the outset. This concern was also shared by participants in UCD research, and it was mooted that more privacy controls may be needed to encourage greater uptake. Further, more research is needed about the focused or exploratory search methods that participants use to find information, with functionality subsequently adapted or developed to match participant behaviours.

## Complementary departmental assistance

### Jobs Hub

Jobs Hub is a page on the Department of Employment and Workplace Relations (DEWR) (formerly the Department of Education, Skills and Employment (DESE)) website that enables people to explore available job opportunities. It was created in response to COVID-19 to showcase jobs in demand. There are also tools that can identify similar jobs, matching a person's skills with a broader range of options. People can search by sector and access a range of resources available for anyone to use. Jobs Hub is available without having to log in to myGov.

Jobs Hub was added to the discussion about digital tools in the NEST LS from Wave 3 onwards. Awareness and use of Jobs Hub was low among almost all participants across Waves 3, 4 and 5. A few participants in Wave 5, however, reported that they had heard about Jobs Hub or recognised images from the website. These participants reported receiving emails that introduced them to the Jobs Hub website, but they had not used the tool being offered.

*I think when I first signed up to it [jobactive], I got an email about a Jobs Hub thing, but I never really took much notice of it.*

NEST LS Wave 5, Digital Plus transferred to ES, Interview 4

Once aware of Jobs Hub, most participants felt that the website looked useful, and some reported that they would like to try using it to find work.

*Scrolling through those images, that actually does look pretty helpful. Like browse different industries, checking your skills, and the Jobs Hub, that definitely does look like they're helpful. But I didn't go out there looking or knowing that they were there, 'cause I don't use the website.*

NEST LS Wave 5, Digital Plus, Interview 1

Some participants who were engaged in work or study at the time of the interview reported that although they would be unlikely to use Jobs Hub at present, it would potentially be useful to them when they finished their studies and/or wanted to find a better job.

*Especially I think, personally I wouldn't have taken too much notice of it because I was happy with the jobs that I had already, but had I been looking for a job, actively trying to find another job, this would have been really helpful.*

NEST LS Wave 5, Digital Plus, Interview 1

### MySkills website

The MySkills website is the national directory of vocational education and training (VET) organisations and courses. It is an Australian Government initiative to enable people to search for and compare VET courses and training providers.

Awareness of the MySkills website was slightly higher among Wave 5 participants compared to the previous wave, with some commenting that they had noticed it on jobactive or seen advertisements for it. However, overall awareness and recall of the detail remained low.

Most participants who had used the site reported that it was not helpful, as the results were not relevant to their field of work or accessible given their location. For example, one participant reported that the only suitable course identified was only available in another state through face-to-face delivery, while a participant living in a regional location noted that the only courses available were in a metropolitan city.

*Just that if the government wants people skilled up, then they need to offer more training in all states. Yeah, that's [MySkills is] what I looked on. And I had to go to Darwin, and there was only one place that offers the health practitioner stuff, and they only do intake once a year.*

NEST LS Wave 5, Enhanced Services, Interview 5

A few participants who had not been aware of MySkills believed that it might be useful for them in the future.

*Don't recognise it [MySkills]. That could be helpful, something like that; yeah. If I was changing career ...*

NEST LS Wave 5, Digital Plus, Interview 1

### **JobTrainer**

As part of the 2020–21 Budget, the Australian Government partnered with participating state and territory governments to establish JobTrainer, which funded around 300,000 free and low-fee training places for 17 to 24 year olds looking for work in jobs in demand. The places included a range of accredited diplomas, certificates and short courses in areas like health, aged and disability care, IT and trades.

Most participants were unfamiliar with the JobTrainer link, which is accessible through the MySkills website, and were hence unaware of the training opportunities it offers. The few participants who were aware of it had seen email newsletters and online advertisements or became aware through their engagement with TAFE.

*So, I don't think I've seen this particular website specifically for JobTrainer. But in saying that, when I was on the TAFE website, 'cause I was looking at what course I might want to do after I finished my accreditation I'm doing at the moment. I do remember seeing JobTrainer pop up a couple of times.*

NEST LS Wave 5, Digital Plus, Interview 1

Notably, one participant recalled receiving an email about JobTrainer; however, they did not access the website as they were afraid it was a scam. This was not attributed to the presentation or content of the email, but to their wariness of scams in general. A few participants who had heard about JobTrainer had not engaged with the initiative as the courses being offered were not relevant to their field or education level.

*Yes. I remember the free courses; there was nothing that interested me with the low fee or the free [courses] ... Most of it was building your business, if you wanted to go into a self-business, there was one of those, or business courses. I'd already done business courses, I don't know*

*how it was going to add to my résumé, and they were only just basic certificates of, statements of attainment.*

NEST LS Wave 5, Digital First, Interview 2

## 5.4 Access to assistance

This section explores use and experiences of the DSCC.

### 5.4.1 Digital Services Contact Centre

The DSCC is the service centre for DS participants, providing telephone and email assistance. When first introduced on 1 October 2019, this service was provided by the DEWR helpline – the National Customer Service Line (NCSL). The dedicated DSCC helpline began on 21 September 2020. The DSCC operates from 2 DSCC centres – one in Adelaide and one in Brisbane. The DSCC provides support to participants, including:

- information and technical support
- assistance to 'opt out' of DS
- assistance with understanding/managing MORs
- assistance to connect to complementary programs, activities, or other support services
- access to the EF for assistance.

Evidence from a range of data sources, including the NEST LS, PEES research and internal research, is used to explore participant awareness, understanding and use of, and satisfaction with, the DSCC.

#### Awareness and use

Given that many participants in employment services do not make a distinction between the department and Centrelink/Services Australia (Section 4.1), all research conducted for this evaluation tries to minimise this confusion. For example, the introductory text in the PEES Survey made it clear that the questions refer to helpline services offered by the department. Similarly, the qualitative research asked about calling the contact centre and sought to clarify details with participants to minimise the risk of confusion with Services Australia helplines. However, it is possible that some participants may still have conflated the DEWR helpline with Services Australia helplines.

#### Awareness of the NCSL/DSCC is low

Almost 2 in 5 (39.5%) DS participants in the PEES Survey were aware of at least one of the department's 1800 helpline numbers (NCSL or DSCC). This compared with 34.0% of all digital participants (Table 5.3).

**Table 5.3 Participant awareness of the Digital Services Contact Centre (DSCC) / National Customer Service Line (NCSL) (%)**

| Participants     | Aware of DSCC/NCSL % |
|------------------|----------------------|
| All respondents  | 34.0                 |
| Digital Services | 39.5                 |

Source: PEES Survey, 2021.

Notes: Q Are you aware of the department's 1800 helplines?

This question was not asked of participants in provider services.

This level of awareness is reflected for new participants in each wave of the NEST LS.

*I had no idea that number existed.*

NEST LS Wave 5, Digital Plus, Interview 1

### Use of the DSCC/NSCL is also low

The PEES Survey asked those who were aware of the 1800 numbers whether they had contacted one of the call centre services. Around half of the DS participants who were aware of the numbers had used them, equating to around 1 in 5 of all DS participants. Use among DS participants was substantially lower (Table 5.4).

**Table 5.4 Participant use of the Digital Services Contact Centre (DSCC) / National Customer Service Line (NSCL) (%)**

| Participants     | Used DSCC/NSCL (% of people who were aware) | Used DSCC/NSCL (% of all participants) |
|------------------|---|--|
| All respondents  | 39.3  | 13.3                                   |
| Digital Services | 49.8  | 19.6                                   |

Source: PEES Survey, 2021.

Notes: Q In the last 6 months have you contacted one of the Department's 1800 number helplines?

This question was not asked of participants in provider services or those who were not aware of the 1800 numbers.

### Participants largely think the helpline offers only technical assistance

The few participants across the NEST LS who were aware of the DSCC generally assumed it provided support for practical issues around digital servicing only, such as assistance with uploading documents, and not for any other type of support the participant might need.

*I didn't know that I could talk to them specifically about that [trainings or needs] sort of stuff, but I knew that I could contact them if ever I needed anymore help with not knowing how to navigate the site or anything.*

NEST LS, Wave 1 Digital Plus, Interview 1

*Well [I would call them], if I got stuck with something online.*

NEST LS, Wave 1, Digital First, Interview 1

Participants were also unaware of the option to email the DSCC.

### Participants primarily look to Services Australia/Centrelink for employment-related assistance

A quarter of DS respondents in the PEES Survey would approach Centrelink for assistance with employment services (Table 5.5). Fewer than one in 10 (9%) would look to the jobactive website for assistance. This lack of awareness was reinforced by participants in the NEST LS.

*Interviewer: In case you would have a question, would you know who to call?*

*Participant: No ... No, probably not ... So, if it was just a question, I probably wouldn't ask it, I would just, I don't know, yes, ask mum or figure it out myself.*

NEST LS, Wave 2, Digital First, Interview 1

This is confirmation of the conflation between Centrelink and the department, as discussed in Section 4.1, and may also be indicative of a preference to turn to people you know and trust for help.



**Table 5.5 Who participants contact for help with employment services (%)**

| Where participants get help    | All % | NEST DS % |
|--------------------------------|-------|-----------|
| Centrelink                     | 26.1  | 25.0      |
| Employment services provider   | 10.8  | 10.6      |
| jobactive website              | 10.4  | 9.0       |
| Other government department    | 4.4   | 2.8       |
| Online resources/search online | 4.2   | 3.8       |
| Family or friend               | 2.9   | 2.1       |
| Other helpline                 | 2.7   | 1.3       |
| I wouldn't contact anyone      | 2.5   | 2.8       |
| Recruitment agency             | 0.3   | 0.5       |

Source: PEES Survey, 2021.

Notes: Q Who would you contact if you needed help with your employment services?

This question was not asked of participants in provider services.

Base: Those who did not report using the helplines (n=629).

### Reasons for low awareness and use

Across the various waves of the NEST LS, participants provided a range of reasons why they might not be aware of, or choose not to use, the DSCC:

- lack of recall about the helpline, resulting in their calling Centrelink instead
- lack of awareness of what support the DSCC offers
- anticipated waiting time – some participants indicated that although a helpline would be useful, they assumed that wait times would be lengthy and similar to Services Australia wait times
- expectation of an impersonal standard of customer service
- poor prior experience – a few participants who reported having a poor experience reported that they were hesitant to call again, and would only call if they had any issues around reporting their MORs
- finding it difficult to ask for help more generally
- lack of after-hours availability
- preference for face-to-face assistance.

*Well, I didn't pay much attention for the number to ring because, as with Centrelink, you're normally on the phone for an hour and a half...*

NEST LS, Wave 5, Digital First, Interview 2

*... I don't feel like it would be worth my while to ring them because I don't think they offer much more and that's why I haven't rung them. Most things these days, if you can read it on the website then you're pretty well informed, because when you ring people up, they're just reading off the website and back to you. I can read and so I just read everything.*

NEST LS, Wave 5, Digital Plus, Interview 2

### Suggestions from participants for the website

Overall, several participants in the NEST LS and PEES Qualitative research thought that the department's website needed to better distinguish the frontline services and supports the

department delivered from those provided by Services Australia so participants had a better understanding of:

- which department they were dealing with and the relationship between employment services and income support
- who to contact for questions about their employment pathways, activation options and/or the service offering, or for feedback/complaints about either the website or the DSCC/NSCL.

### Reasons for calling the DSCC/NSCL

The NEST LS reveals that participants called the helpline for a range of reasons including:

- issues with compliance
- financial support
- assistance with requesting a Working with Children Check
- questions about the pause of MORs.

Later in the NEST LS, participants reported seeking help with their Job Plan or the 4 month activation requirement.

The PEES Survey asked participants who had heard of the DSCC/NSCL if they had used it and, if so, why. Just under a quarter of NEST DS participants in the survey had called one of the departmental 1800 numbers. Table 5.6 shows that by far the most common reason for contacting the helplines was to discuss their Job Plan (38%), followed by discussing the website (19%) and advising of a change of circumstances (13%). One in 10 participants called to discuss training possibilities, and all other reasons accounted for around 10% combined.

**Table 5.6 Reasons why digital participants contact the Digital Services Contact Centre (DSCC) / National Customer Service Line (NSCL) (%)**

| Reasons for calling                                  | NEST DS % | All DS/OES % |
|--|-----------|--------------|
| Discuss Job Plan/mutual obligation requirements      | 42.6      | 37.5         |
| Discuss training/activities                          | 18.2      | 10.1         |
| Discuss/get advice on using the online tools/website | 16.6      | 18.5         |
| Discuss change of circumstances                      | 8.7       | 12.9         |
| Make a complaint                                     | 4.8       | 3.2          |
| Other reason   | 3.3       | 8.0          |
| Discuss removal of demerit points                    | 1.4       | 1.0          |
| Opt out of digital/online services                   | 0.0       | 1.0          |

Source: PEES Survey, 2021.

Notes: Q Thinking about your most recent contact with either of the 1800 number helplines, what was your main reason for contacting them?

This question was not asked of participants in provider services.

Base: DS participants who had contacted a departmental 1800 number in the past 6 months (NEST n=229, all n=422).

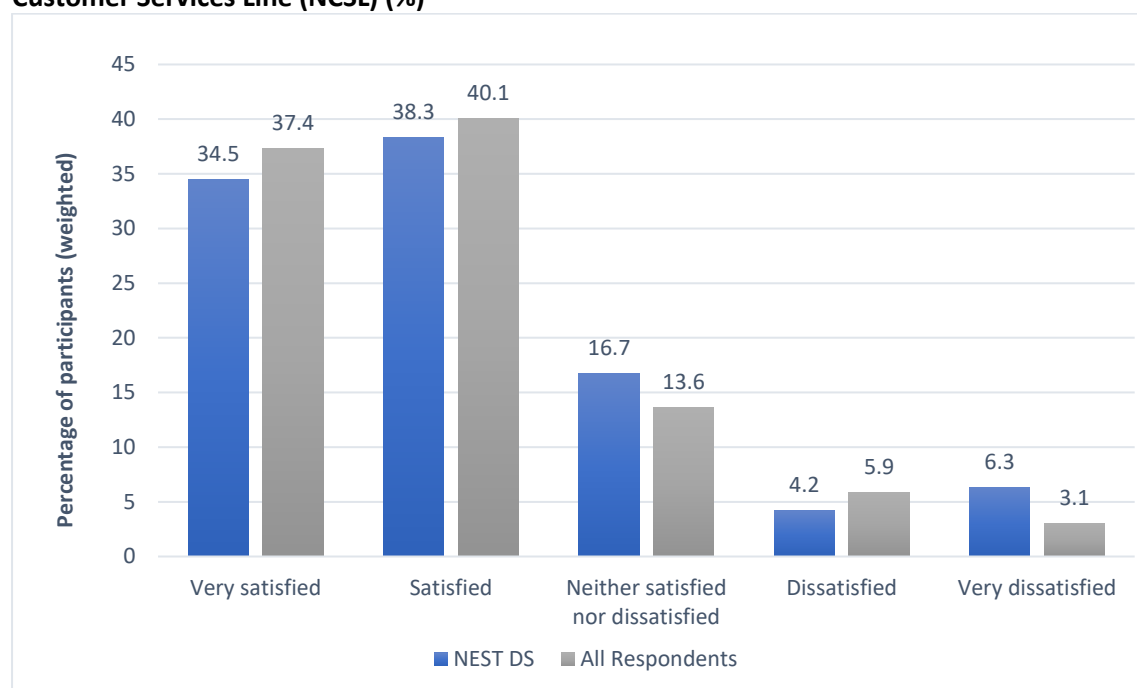
When asked whether the query was resolved, over 86.2% of DS participants and 89% of all participants who responded agreed that their query was resolved.<sup>49</sup>

<sup>49</sup> PEES Survey, 2021, Q Was your query resolved? – asked of participants who had contacted the DSCC/NSCL in the past 6 months.

## Satisfaction with the DSCC/NSCL

The PEES Survey asked online participants in both DS and OES about how satisfied they were with the service provided by the DSCC/NSCL. As shown in Figure 5.5, 72.8% of NEST DS participants who responded were either satisfied or very satisfied with their engagement with the DSCC/NSCL. Satisfaction among all participants was even higher, with 77.5% being satisfied or very satisfied. This difference may be related to the reasons why participants are contacting the numbers. NEST DS participants are much more likely than all participants to contact the 1800 numbers for things like their Job Plan/MORs or training and activities. It is likely that these issues are less likely to be easily resolved, and this may to some extent account for the difference in reported satisfaction.

**Figure 5.5 Participant satisfaction with the Digital Services Contact Centre (DSCC) / National Customer Services Line (NCSL) (%)**



Source: PEES Survey, 2021.

Notes: Q Overall how satisfied were you with the service provided by the 1800 number on this occasion?

This question was not asked of participants in provider services.

Base: DS participants who had contacted a departmental 1800 number in the past 6 months (NEST n=229, all n=422).

This high level of satisfaction is reflected in the participant research. Early in the trial, the evidence from the NEST LS indicated that people were satisfied with the assistance they received. However, it should be noted that for most of the first 3 waves, MORs were suspended to varying extents.

*I think I've only called them two or three times since. I don't remember [what for]. But I remember it was fixed after the phone calls ... Everyone I've spoken to is actually really nice there, and they're all like 'Oh quote this number if you have a problem again.'*

NEST LS, Wave 2, Digital Plus, Interview 2

In later waves (4 and 5) of the NEST LS, as MORs came back online, there was some evidence of increasing dissatisfaction, which is likely related to the reintroduction of MORs, including the 4-month activation requirement. For example, a participant who wanted to change the timing of

their 4-month activity, which did not suit their circumstances, was advised that this was not possible. This participant felt there was a lack of understanding and flexibility from the DSCC.

*... he put me on hold for about 10 minutes and then he came back and said carry on online and you don't have a choice. It felt like that was a waste of time.*

NEST LS, Wave 4, Digital Plus, Interview 1

Another was disappointed that their demerit was not cancelled.

*They were able to put my payment through, but it was put a strike against my name, even though it wasn't my fault ... I've done it [uploading job search efforts] so many times trying to get it to work, and told 'em what I was doing, and they said, 'no, you're doing everything right', and then they looked it from their end ... they just told me everything I already knew ... they were fairly short with me too, they weren't really explaining things well.*

NEST LS, Wave 4, Digital First, Interview 1

### Suggestions for improving access to help

Participants experiencing life-changing events such as sudden unemployment are more likely to engage with online services when those services are responsive to their needs at the time of use, do not contribute to their stress, and provide access to professional advice when required. Low recall of the DSCC number may be linked to users':

- preconceptions about and confidence in the ability of a national contact centre to answer calls in a timely manner, provide localised advice, and adequately record participant interactions
- primary motivation in using the digital interface as a compliance tool
- limited understanding about the learning and support functions offered by the DSCC
- confidence in sourcing their own employment with little engagement/assistance required.

Participants and the DSCC staff offered several suggestions to overcome participants' disengagement and inattentiveness to the digital service offer. For example, one participant in the LS suggested a virtual helper, such as a chat bot, that allows participants to type in a question and get a response in real time. Another suggested that the DSCC provide a letter after discussing the participant's circumstances to demonstrate understanding and confirm agreed upon actions.

*On the phone is alright but even getting an email or a letter running through what you've said. You know how you're recording this and then you'll go through the notes or something. Yes, personally if I got a piece of paper saying this is what we talked about and broke it down by letter, then that would be helpful, because when you're on the phone you forget what you spoke about.*

NEST LS, Wave 5, Digital Plus, Interview 1

In addition, DSCC staff thought that administrative data could be used to greater effect to message participants when they logged in about the availability of EF support, with hints and tips about increasing their chances of gaining employment or links to further assistance, and/or messages that increase interaction.

### 5.4.2 Digital Employment Fund

The digital EF is a funding pool that the DSCC can access on behalf of eligible participants for assistance with employment-related expenses. A \$500 notional credit is added to the EF once a participant has been in Digital Plus for 2 months. While this is technically only available to Digital

Plus participants, Digital First participants can be transferred to Digital Plus to access the EF, where appropriate.

Participants who would like to access the EF can contact the DSCC and ask for assistance. The participant must be able to identify and justify the goods or service they would like and why it will assist them to get or retain a job.

*They paid for it [the Working with Children Check] and sorted it all out. They were really good, they even paid for the first aid course, too ... So, they got me to do my Working with Children's card first. When that then came back, they then paid for the first aid course.*

NEST LS Wave 2, Digital Plus, Interview 2

## Digital Employment Fund expenditure

Over the analysis period EF expenditure for DP participants was extremely low (\$94,693). Table 5.7 shows that the majority of transactions were for work-related items (107) and for vocational tickets, cards and licensing (79). The largest average spends were for laptops, computers and tablets (\$918) and for driving lessons (\$799), although both of these occurred infrequently. The next highest average spend was on accredited training (\$768).

**Table 5.7 Digital Employment Fund (EF) expenditure, summary measures by spending category (number, \$ and number of days)**

| Spending category  | Transactions<br>n | Average spent<br>\$ | Average time in<br>service days |
|--|-------------------|---------------------|---------------------------------|
| <b>Total (all categories)</b>                              | <b>262</b>        | <b>361</b>          | <b>142</b>                      |
| Work-related items (e.g. tools, books, work boots)         | 107               | 218                 | 162                             |
| Vocational tickets, cards and licensing                    | 79                | 489                 | 112                             |
| Accredited training  | 33                | 768                 | 147                             |
| Non-accredited training                                    | <10               | 120                 | 132                             |
| Communication and technology – laptops, computers, tablets | <10               | 799                 | 181                             |
| Transport and driver's licensing – driving licences        | <10               | 261                 | 121                             |
| Transport and driver's licensing – driving lessons         | <10               | 918                 | 73                              |
| Transport and driver's licensing – other transport         | 29                | 114                 | 153                             |

Source: Departmental administrative data.

Notes: These transactions were for participants in their period of digital servicing.

Average spent is for participants who had expenditure.

Average time in service is the number of days between 4 November 2019 or the participant's first start date (as applicable) and the date of their first EF spend after that date.

Although DS commenced on 1 July, analysis is limited to commencement of ES as there is virtually no use of EF in DS between July and November 2019.

## 5.5 Safeguards

The NEST is testing options for supporting participants who have difficulty using or accessing the digital service, including:

- Digital Assessment (DA). The DA is part of the initial assessment and is covered in Section 4.3.
- Digital Services Review (DSR). DS participants are directed to a voluntary online assessment at 4 and 8 months of service (unless already in employment, study or training) to determine whether the digital platform remains appropriate for them, or if they may benefit from provider support

- the ability to opt out. Participants can opt out of DS through the DSCC and online supports.

Both the DA and the DSR are voluntary. Any participant who completes either of them, where the results indicated access or capability issues that might affect their suitability for DS, is encouraged to move to a provider. Participants in the NEST were not, however, obliged to act on the recommendations or suggestions of either the DA or the DSR.

### 5.5.1 Digital Services Review

The DSR is a short questionnaire conducted at 4-monthly intervals to help identify participants who may need more support. Originally the DSR was designed to be trialled in the NEST, however, given the early commencement of OES as a consequence of COVID-19, the DSR was applied to participants in NEST DS and OES. Changes were also made to the design and implementation of the DSR because of COVID-19.

Depending on their responses, participants who complete the DSR are provided information on services that may assist their job search and, if relevant, encouraged to opt out of DS to a provider. There are 4 possible outcomes from a DSR:

- **‘Hard’ opt-out message** – This outcome is for participants who indicate they do not have sufficient internet access to self-manage their job search using DS, or believe they require in-person support with their job search. These participants are strongly encouraged to transfer to a provider.
- **‘Soft’ opt out message** – This outcome is for participants who indicate they have internet access and do not believe they require in-person support with their job search but might not be fully aware of the resources and tools available to them. These participants are encouraged to consider opting out to a provider for additional support. They are also encouraged to explore other resources that may support them to stay in DS.
- **Information only** – This outcome is for participants who are likely to succeed in DS but have indicated they are either unsure what they need to do to improve their chances of finding work or are not confident in self-managing their job search using the online tools available to them. These participants are informed of existing online supports, such as instructional tools (e.g. guides and videos), training programs (e.g. Employment Preparation Activity (EPA), New Enterprise Incentive Scheme (NEIS), and other tools such as JobSwitch) that might assist them.
- **No action** – This outcome is for participants who have indicated a high degree of comfort in self-managing their job search. These participants are reminded that the DSCC is available if needed.

### 4 Month Digital Services Review

The 4 Month DSR commenced on 14 October 2020. It appears to eligible participants in OES and NEST DS as a pop-up/overlay on their dashboard when they log in to the system after reaching 4 months in service. Those participants engaged in employment, study or training do not receive the DSR. The participant may complete the DSR via the pop-up/overlay or dismiss it, in which case it appears as an item on their ‘Your tasks to do’ list on their dashboard, where it remains for 14 days unless the task is completed or the participant deletes it. Completion of the DSR is not compulsory.

### Findings from the review of the 4 Month DSR

An internal departmental review of the DSR was undertaken to understand how it was working. The following data is from that review. As at 31 January 2021, a total of 167,687 participants received

the 4 Month DSR notification. Overall, around half (51.7%) of all DSRs were completed, primarily via the 'Your tasks to do' item (90%) rather than the initial pop-up/overlay (10%). This suggests that the initial DSR pop-up/overlay is not resonating with participants. Almost half (44.6%) of all DSRs were automatically deleted from the to do list after 14 days, showing that many participants are not acting on the to do list prompt (Table 5.8).

**Table 5.8 Completion and non-completion rates for Digital Services Review (DSR) (%)**

| Completion or otherwise                    | % of DSRs   |
|--|-------------|
| <b>Completed – total</b>                   | <b>51.7</b> |
| Completed from to do list                  | 46.7        |
| Completed from initial pop-up              | 5.0         |
| <b>Not completed – total</b>               | <b>48.3</b> |
| To do list for more than 14 days – deleted | 44.6        |
| To do list job seeker deletion             | 1.9         |
| Pending on to do list                      | 1.8         |

Source: Departmental review of DSR, 2021.

Of those who completed the DSR, almost 9 in 10 (88.5%) were identified as suitable to self-manage their job search online. The remaining 11.5% received a message encouraging them to transfer to a provider (Table 5.9).

**Table 5.9 Outcomes from completed Digital Services Review (DSR) (%)**

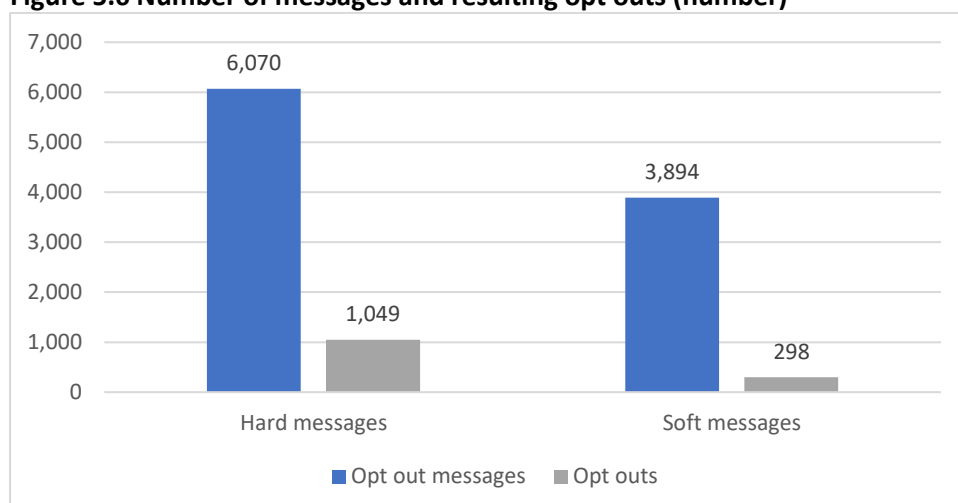
| DSR outcome                          | % of DSRs   |
|--------------------------------------|-------------|
| <b>No change recommended – total</b> | <b>88.5</b> |
| No action required                   | 75.9        |
| Information only                     | 12.6        |
| <b>Opt out messaged – total</b>      | <b>48.3</b> |
| Opt out – 'hard opt out message'     | 7.0         |
| Opt out – 'soft opt out message'     | 4.5         |

Source: Departmental review of DSR, 2021.

#### **Effectiveness of opt out messages**

There were 6,070 hard messages and 3,894 soft messages issued to participants, resulting in 1,049 (17.3%) and 298 (7.7%) opt outs to a provider (Figure 5.6). The overall opt out rate those who received messages was around 13.5%.

**Figure 5.6 Number of messages and resulting opt outs (number)**



Source: Departmental review of DSR, 2021.

These opt out rates indicate that the messages as implemented are not particularly effective. The difference in opt out rates between hard and soft messages is expected, given that the hard opt out message was intended to be firmer in its recommendation. Overall, the opt out rates are similar across the NEST (13.6 %) and the OES (13.5 %). This also holds true when considering hard and soft opt out messages separately. Research undertaken by the DSCC in December 2020 was designed to unpack the moderate rate of DSR completions and low rate of opt outs.

## Digital Services Contact Centre research

### Outbound call survey

In December 2020, the DSCC conducted an outbound survey with a small sample (266) of participants who either did not complete the DSR or completed it and received a message to transfer to a provider but chose to remain in DS.

Overall, the survey found that many participants who are not engaging with the DSR messaging are ignoring it, do not recall seeing it, or simply want to try DS for longer before making a decision. Specifically, the survey found that:

- more than half (57%) of the participants who completed the DSR and received an opt out message but chose to remain in DS did not recall the message
- of the participants who dismissed the DSR overlay/pop-up and did not complete it from the to do list, (resulting in auto-deletion after 14 days):
  - 91% did not recall seeing the DSR overlay/pop-up
  - 95% did not remember seeing the item on their 'Your tasks to do' list
- of the participants who dismissed the DSR overlay/pop-up and then deleted it from the to do list:
  - 85% did not recall seeing the original DSR overlay/pop-up
  - 95% did not remember seeing or deleting the item from their 'Your tasks to do' list.

This research, coupled with the relatively low number of transfers to providers following the DSR, suggests many participants are not engaging with the messaging. This reinforces the findings about



participant lack of awareness of services and assistance available, and is consistent with participant feedback (Section 5.3.1) that they largely engage with the platform to report MORs, which directly affect their income support.

In response to the above findings, several adjustments to the 4 Month DSR were implemented in March 2021. Designed to improve participant engagement, the changes include:

- Opt out messages which encourage participants to transfer to a provider were previously only visible while the DSR outcome screen was open. These are now visible to participants for up to 14 days. This will ensure that if a participant's responses to the DSR result in an opt out message, and the message is not immediately actioned, it will be displayed on their 'Your tasks to do' list until it is either actioned by the participant or automatically deleted after 14 days.
- Improved readability. Participant messaging has been amended to improve readability.

## 8 Month Digital Services Review

The 8 Month DSR was implemented on 31 March 2021. It follows a similar process to the 4 Month DSR, with one key difference. NEST participants who do not engage with the 8 Month DSR or are identified by the DSR as requiring additional support will be encouraged to transfer to a provider, or alternatively it was proposed they would complete an activation activity if they have not already completed the 4-month activity. Due to the delay in implementing the 4 month activation (Section 5.6) and limited IT resources, this proposal was not implemented in the NEST. It is anticipated that the functionality to link to the 4 month activation will be introduced with the implementation of Workforce Australia Employment Services in July 2022.

## 5.6 Activation

This section examines the 4 month activation requirement, which is being trialled in the NEST as part of a broader activation policy for Workforce Australia Online.

### 5.6.1 4 month activation in Digital Services

The 4 month activation requirement, which is being trialled in the NEST, was designed as a key activation component of Workforce Australia Online that aims to:

- improve participants' employment prospects by developing fundamental job search and employability skills through training activities
- incentivise early engagement and participant personal responsibility
- identify whether participants are currently employed and not declaring their income or hours
- serve as an intervention point to check if participants are capable of self-managing in DS.

There were delays implementing the 4 month activation requirement due to the pause of MORs related to COVID-19. From 16 November 2020, the compulsory 4 month activation requirement commenced for participants in DS for 4 months and not engaged in work or study.

### Activities available for the 4 month activation requirement

#### Employment Preparation Activity

The EPA is an intensive 2-week activity designed to assist participants to identify and secure employment opportunities through supported job search and application techniques. It commenced

as an online voluntary activity for DS and ES participants from 1 June 2020. It is the default activity where no other alternative is selected. The DSCC arranges placement in the EPA for participants who have not arranged this themselves.

### **Career Transition Assistance**

The CTA course is open to participants aged 45 years and older. It aims to increase motivation to look for work, resilience, and awareness of the local labour market and the skills required to enter the local labour market; identify transferable skills, provide practical assistance and build confidence to use digital technology; and help the participant to set goals. CTA is conducted over 8 weeks (75 hours), with 50 hours in a small group setting. Participants can complete the course full-time or part-time.

### **Employability Skills Training**

EST was developed for participants aged under 25 years to assist them with pre-employment skills. The course is offered in 2 parts. DS participants are able to undertake either part. The aim of Block 1 training is to understand recruitment, workplace processes and expectations of employers. Block 2 training is focused on job-hunting skills, career information and industry awareness. In Workforce Australia, EST will be the default program and participants 15 years and over will be eligible.

### **New Enterprise Incentive Scheme**

Participants aged 18 years and over are eligible for NEIS training to develop a viable business idea. Up to 3 months of business training can be undertaken. Exploring Being My Own Boss workshops provide participants with a taste of self-employment, and completion counts towards the 4 month activation requirement. In Workforce Australia, NEIS will be replaced by the Self-Employment Assistance program.

### **Skills for Education and Employment**

SEE provides language, literacy and numeracy training for eligible participants who may have poor or no English speaking, writing or reading proficiency, require an interpreter or have limited schooling (such as completing up to Year 10). Participants can undertake the accredited training full-time (more than 20 hours) or part-time (less than 20 hours).

### **Adult Migrant English Program**

AMEP is run by the Department of Home Affairs and is a free service to help eligible migrants and humanitarian entrants with low English levels to improve their English language skills and settle into Australia.

### **4 month activation statistics**

The data below covers the period from 16 November 2020, (when the 4 month activity became compulsory) to 30 June 2021. There were 2,356 participants who were notified of their 4 month activation requirement and who were expected to start an activity by 30 June 2021. These participants were tracked to establish their response to activation. Of those notified, around 2 in 10 were referred to a valid 4 month activation activity, a further half were under exemption, left services, or declared work or study. The remainder did not do any of these things within the study period (Table 5.10).

**Table 5.10 Participants notified for 4 month activation and expected to start an activity by 30 June 2021, by next event to occur (number and %)**

|   | Number       | %            |
|---|--------------|--------------|
| Referred to valid 4 month activation activity <sup>1</sup>                      | 553          | 23.5         |
| Submitted paid work or study declaration, or referred to an employment activity | 374          | 15.9         |
| Under exemption <sup>2</sup>  | 393          | 16.7         |
| Left DS <sup>3</sup>  | 314          | 13.3         |
| None of the above   | 722          | 30.6         |
| <b>Total notified</b>   | <b>2,356</b> | <b>100.1</b> |

Source: Departmental administrative data.

Notes:

1. Activities included as valid were Career Transition Assistance, Employability Skills Training, Employment Preparation Activity, Skills for Education and Employment, Adult Migrant English Program, Exploring Being My Own Boss Workshops and NEIS training.
2. This includes those who were exempt when notified and whose next activity following notification was to claim a Centrelink exemption.
3. Includes those who left service altogether and those who changed service type from DS.

Some will not have started an activity because mutual obligations were lifted periodically, and some would have been unable to be referred due to there being no local courses in the study period.

By far the most prevalent activity was EPA (noting it was the default activity) (Table 5.11).

**Table 5.11 Participants eligible (and not exempt) for 4 month activation, by commencement of selected activities (number and %)**

| Type of activity                        | Number       | %          |
|---|--------------|------------|
| Employment Preparation Activity         | 496          | 21.1       |
| Career Transition Assistance            | 28           | 1.2        |
| Employability Skills Training (1 and 2) | 29           | 1.2        |
| Skills for Education and Employment     | 0            | 0.0        |
| New Enterprise Incentive Scheme         | 0            | 0          |
| None of the above                       | 1,803        | 76.5       |
| <b>Total</b>                            | <b>2,356</b> | <b>100</b> |

Source: Departmental administrative data.

Notes: Participants who had a NEST DF or DP placement between 4 November 2019 and 30 June 2021, did not move regions within that period, had a completed JSCI assessment, had not already met requirements, received a notification from 16 November 2020, and were expected to start an activity by 30 June 2021; were referred to EPA, CTA, EST, SEE or NEIS activities at least 4 months after commencement in DS and by 30 June 2021; were placed in an activity or referred to the NEIS program at least 4 months after commencement in DS and by 30 June; and commenced. If a participant commenced in more than one activity, only the first is included.

Some types of eligible participants were more likely than others to participate in an activity. In the Mid North Coast, for example, only 16% of eligible participants commenced, whereas in Adelaide South 29% of those eligible commenced (Table 5.12).

Groups more likely to commence include:

- those who are either younger or older
- female participants
- non-Indigenous people
- those without a disability or reduced work capacity.

**Table 5.12 Commenced in 4 month activation, by selected characteristics (number and %)**

| Characteristic                                    | In scope for this analysis n | 4-month activation activity as next event n | 4-month activation activity as next event % |
|---|------------------------------|---|---|
| <b>All</b>  | <b>2,356</b>                 | <b>553</b>                                  | <b>23</b>                                   |
| <b>Region</b>                                     |                              |   |   |
| Mid North Coast                                   | 696                          | 126   | 18  |
| Adelaide South                                    | 1,660                        | 427   | 26  |
| <b>Gender</b>                                     |                              |   |   |
| Female  | 1,001                        | 239   | 24  |
| Male  | 1,355                        | 314   | 23  |
| <b>Age group</b>                                  |                              |   |   |
| Less than 25                                      | 594                          | 152   | 26  |
| 25 to 49 years                                    | 1,383                        | 298   | 22  |
| 50 years and over                                 | 379                          | 103   | 27  |
| <b>Indigenous status</b>                          |                              |   |   |
| Indigenous  | 104                          | 10  | 10  |
| Non-Indigenous                                    | 2,252                        | 543   | 24  |
| <b>Disability status*</b>                         |                              |   |   |
| Has disability or reduced work capacity           | 216                          | 48  | 22  |
| Does not have disability or reduced work capacity | 2,138                        | 504   | 24  |

Source: Departmental administrative data.

Notes: Participants who had not already met requirements, received a notification from 16 November 2020 and were expected to start an activity by 30 June 2021; were referred to EPA, CTA, EST, SEE or NEIS activities at least 4 months after commencement in DS and by 30 June 2021; were placed in an activity or referred to the NEIS program at least 4 months after commencement in DS and by 30 June 2021; and commenced in that activity or NEIS.

### Participant experiences of 4 month activity

The 4 Month Activity Survey captures the experience of DS participants who undertook CTA, EPA or EST (1 and 2) (Section 2.2.2). For the period 16 November 2020 to 30 June 2021, 550 emails were sent inviting people to participate in the survey. The survey was completed by 82 respondents (response rate 15%). Most respondents were from the Adelaide South region (79%), reflecting that most NEST participants are from this region, and undertook the EPA course (74%), as this was the default activity (Table 5.13).

**Note:** Findings in this section should be treated with caution, given the low number of responses.

**Table 5.13 Characteristics of 4 Month Activity Survey respondents (%)**

| Demographic             | EPA         | CTA         | EST 1      | EST 2      | All          |
|-------------------------|-------------|-------------|------------|------------|--------------|
| <b>All participants</b> | <b>74.4</b> | <b>19.5</b> | <b>2.4</b> | <b>3.7</b> | <b>100.0</b> |
| <b>Region</b>           |             |             |            |            |              |
| Adelaide South          | 80.3        | 15.2        | 1.5        | 3.0        | 79.5         |
| Mid North Coast         | 52.9        | 35.3        | 5.9        | 5.9        | 20.5         |
| <b>Age group</b>        |             |             |            |            |              |
| ≤ 25                    | 15.7        | 0           | 2.4        | 3.6        | 21.7         |
| 26–44                   | 15.7        | 0           | 0          | 0          | 15.7         |
| ≥ 45                    | 43.4        | 19.3        | 0          | 0          | 62.7         |

Source: 4 Month Activity Survey data.

About a quarter of respondents (24.3%) thought the activity was compulsory or thought it seemed to be the most relevant/useful (24.3%), while about 1 in 5 (19.5%) selected it because it could be done online. Only 1 in 10 (10.9%) selected it because it allowed them to meet their 4-month activity requirement (Table 5.14). Comments from participants include:

*I'm very deaf, the course I wanted to do had no non-verbal method of registering.*

Participant, EPA course

*I am pregnant and would have preferred an option for online.*

Participant, EPA course

*I chose this training activity over the others because it was the first one on the list and it was walking distance for me.*

Participant, EPA course

*It seemed to be the least repulsive of many unsuitable and inconvenient options.*

Participant, EPA course

**Table 5.14 Main reason for selecting the 4 month activity, by type of training (%)**

| Main reason for choosing activity       | EPA  | CTA  | EST  | All  |
|---|------|------|------|------|
| Most relevant/useful training available | 21.3 | 43.8 | -    | 24.3 |
| Thought was compulsory                  | 23.0 | 25.0 | 40.0 | 24.3 |
| Could do it online                      | 18.0 | 18.8 | 40.0 | 19.5 |
| Allowed me to meet requirements         | 13.1 | -    | 20.0 | 10.9 |
| Suitable location/time/hours/duration   | 8.2  | 6.3  | -    | 7.3  |
| Activity was face-to-face or group      | 6.6  | -    | -    | 4.8  |
| Other reasons                           | 9.8  | 6.3  | -    | 8.4  |

Source: 4 Month Activity Survey data.

Notes: Q What was your MAIN reason for choosing the training?

EST includes Block 1 and Block 2.

### Confidence and motivation

Overall, most respondents across the training types felt more confident and motivated to apply for jobs because of the training. However, this varied by course type and by age group. For example, those in the under-25 age group who completed EST 1 and 2 felt more confident (50%) and motivated (41%) to apply for jobs. This would suggest that the EST training is the most suitable training for younger people.

Those aged 36 to 45 felt a lot more confident (55%) and motivated (55%) having completed the EPA course. However, those in the 46 to 55 age group were only a little more confident (59%) and motivated (41%) having completed either EPA or CTA. This suggests that measuring people's confidence and motivation because of the training depends on the extent to which they already felt confident and motivated prior to the training (Appendix D, Table D.13 and Table D.14).

### Job interviews and jobs

More participants tended to find that the training had not helped them to get more job interviews (64%) and to get a job (79%). There is a strong relationship between the responses 'the training helped get more job interviews' and 'the training helped get a job' ( $p=0.000$ ). However, again this varied by course. Half of the CTA participants said the training helped them to get more interviews, whereas 66% of those doing EPA felt the training was not likely to help them get interviews and 81% felt the training was not likely to get them a job (Table 5.15 and Table 5.16).

**Table 5.15 Whether course helped to get more job interviews, by course type (%)**

| Helped to get more job interviews | EPA  | CTA  | EST   | All  |
|-----------------------------------|------|------|-------|------|
| Yes                               | 34.1 | 55.6 | 0     | 35.7 |
| No                                | 65.9 | 44.4 | 100.0 | 64.3 |

Source: 4 Month Activity Survey data.

Notes: Q Has the training helped you get more job interviews?

EST includes Block 1 and Block 2.

EPA=44, CTA=9, EST=3.

**Table 5.16 Whether course helped to get a job (%)**

| Helped to get a job | EPA  | CTA  | EST   | All  |
|---------------------|------|------|-------|------|
| Yes                 | 18.8 | 33.3 | 0     | 20.6 |
| No                  | 81.2 | 66.7 | 100.0 | 79.4 |

Source: 4 Month Activity Survey data.

Notes: Q Has the training helped you get a job?

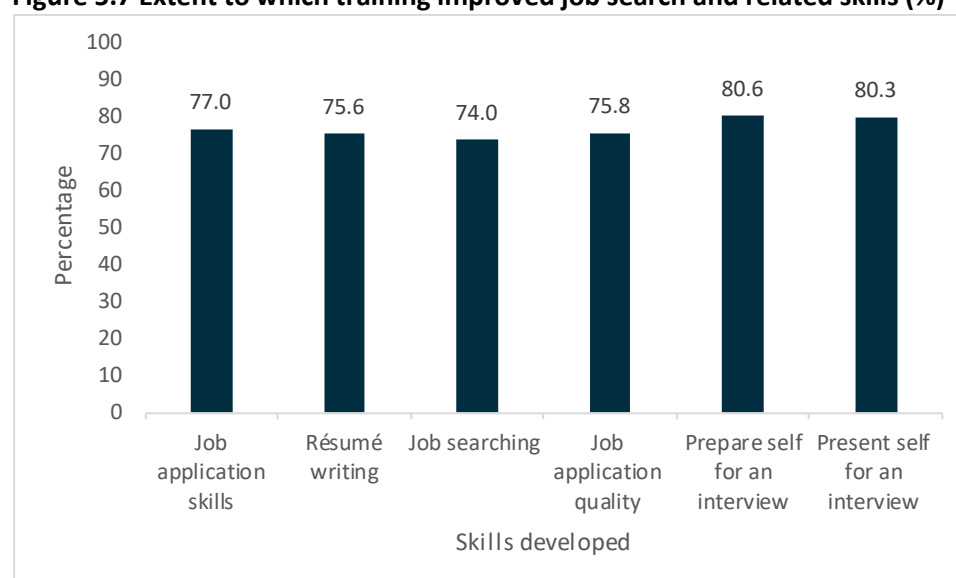
EST includes Block 1 and Block 2.

EPA=48, CTA=12, EST=3.

### Job application and search skills

Overall, around three-quarters of participants in the survey who undertook the training felt it had improved their employment-related skills, (Figure 5.7). Around two-thirds (67.1%) had updated their résumé and a quarter (24.3%) planned to (Appendix D, Table D.15).

**Figure 5.7 Extent to which training improved job search and related skills (%)**



Source: 4 Month Activity Survey data.

Note: Percentages reported include 'improved a little' and 'improved a lot'.

### Delivery method

Generally training was online, reflecting COVID-19 conditions and the pause of MORs. However, CTA training was either held face-to-face (50%) or online (44%), whereas EPA was predominantly online (78%). Of those who undertook online training, most (91%) encountered no problems (Table 5.17 Training delivery for the 4 month activity, by type of training (%)).

**Table 5.17 Training delivery for the 4 month activity, by type of training (%)**

| Training delivery                | EPA  | CTA  | EST | All  |
|----------------------------------|------|------|-----|------|
| Online                           | 78.3 | 43.8 | 100 | 72.8 |
| Face-to-face                     | 11.7 | 50.0 | 0   | 18.5 |
| A mix of online and face-to-face | 10.0 | 6.2  | 0   | 8.6  |

Source: 4 Month Activity Survey data.

Notes: Q How was the [training] delivered?

EST includes Block 1 and Block 2. EST includes Block 1 and Block 2.

Responses reflected that online training is more convenient for participants who experience transport and caring challenges.

*Allows access to courses that aren't in my immediate area and is often more flexible and not set to a strict schedule.*

Participant, EPA course

*Wasting six hours a day for three weeks face-to-face seems useless when it can be done online at my own pace.*

Participant, EST 2 course

Some participants also preferred face-to-face training for its social aspects.

*For this type of training it is better to have face-to-face delivery than to sit online at home for five hours a day.*

Participant, CTA course

But many like the convenience of a mixed delivery method.

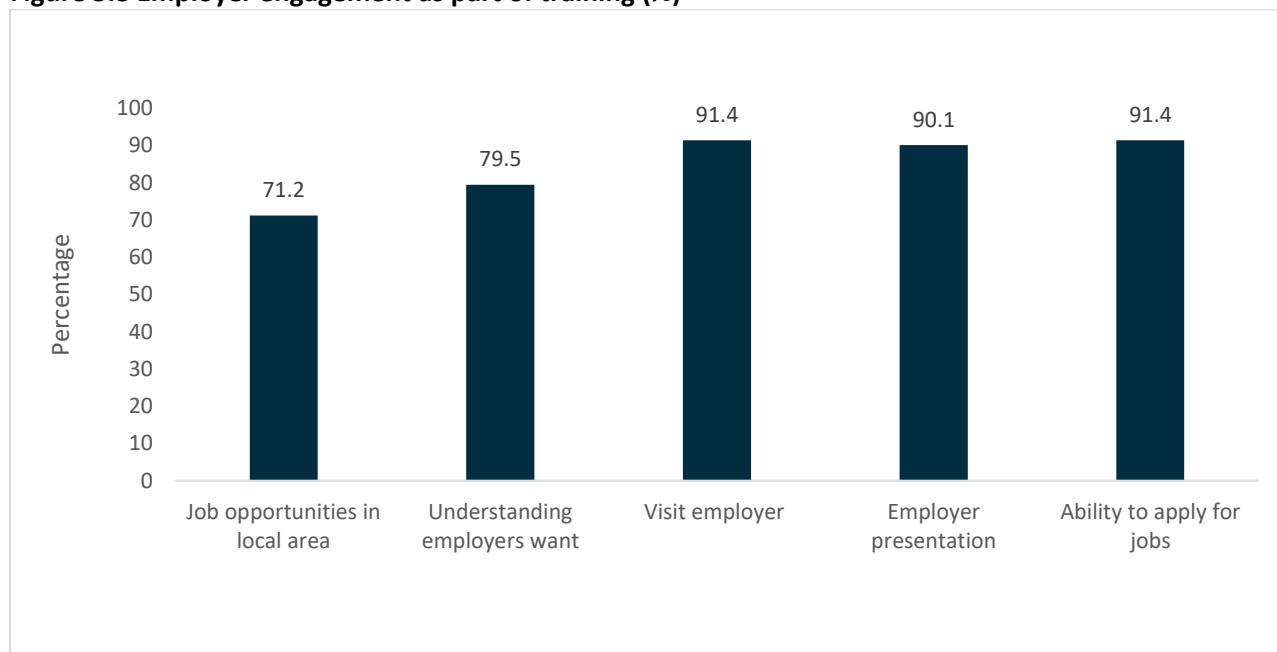
*So you can mix it up and if you are unable to attend a class for whatever reason you can continue with your course.*

Participant, CTA course

### Local job market and employers

More than two-thirds of respondents reported that the training had increased their understanding of job opportunities in their local area a lot (30%) or a little (41%). Half of all respondents reported that their understanding of what employers were looking for had improved a little because of the training. Of participants who undertook training that included a presentation or visit from an employer, 91.4% reported that information from the employers had improved their ability to apply for jobs (Figure 5.8) (Appendix D, Table D.16). Most training did not connect participants to organisations or activities.

**Figure 5.8 Employer engagement as part of training (%)**



Source: 4 Month Activity Survey data.

Notes: Q Has the training increased your understanding of job opportunities in your local area?  
Q Has your understanding of what employers are looking for improved as a result of the training?  
Q Did you visit an employer site as part of your training?  
Q Did the training include a presentation (in person or by video/phone) from an employer?  
Q Has the information from employers site visit or presentation improved your ability to apply for jobs?

### Satisfaction with and usefulness of training

Overall, almost three-quarters (71.6%) of respondents were satisfied with the quality of the training. Almost half of the respondents (48.1%) found that the training was very useful to them, and 35.8% found that the training was a little useful (Table 5.18). Levels of satisfaction varied by course. This difference may reflect the audience and length of the courses. The CTA training runs for 8 weeks and is targeted directly for age 45 plus,<sup>50</sup> whereas EPA runs for 2 weeks and is pitched at a level that is not always suitable for all attendees, as noted in the following comment.

<sup>50</sup> The department had conducted a separate evaluation of CTA.



... This training might be useful for teenagers just leaving high school, for seasoned professionals this is, however a rather humiliating experience at best.

EPA course, age 49

**Table 5.18 Satisfaction with and usefulness of the 4 month activity training (%)**

| Satisfaction and usefulness           | EPA  | CTA  | EST  | All  |
|---------------------------------------|------|------|------|------|
| <b>Satisfaction/Dissatisfaction %</b> |      |      |      |      |
| Satisfied                             | 70.0 | 81.3 | 60.0 | 71.6 |
| Neither satisfied nor dissatisfied    | 16.7 | 12.5 | 20.0 | 16.0 |
| Dissatisfied                          | 13.3 | 6.3  | 20.0 | 12.4 |
| <b>Training useful %</b>              |      |      |      |      |
| Very useful                           | 46.7 | 56.3 | 40.0 | 48.1 |
| A little useful                       | 35.0 | 37.5 | 40.0 | 35.8 |
| Not at all useful                     | 18.3 | 6.2  | 20.0 | 16.0 |

Source: 4 Month Activity Survey data.

Notes: Q Overall, were you satisfied or dissatisfied with the quality of the training?

Q Overall, how useful was training to you?

Total n=81; EPA n=60; CTA n=16; EST 1 and 2 n=5.

## 5.7 Participant satisfaction with services

This section covers participants' satisfaction with DS. The survey of Online Employment Services Trial (OEST) participants and the NEST qualitative research indicate that most participants in online services are satisfied with the service and prefer to self-manage their MORs when looking for work. For example, over 70% of OEST participants surveyed indicated that they were satisfied with the online service, and 21% were neither satisfied nor dissatisfied.

The high rate of satisfaction was also reported by DS participants across the first 5 waves of the NEST LS. In general, participants liked self-servicing online as they preferred the convenience and saved time and money by not having to attend provider appointments.

*Me personally, I would rather stay [in the Digital Services]. I like the online services because it gives you a bit of independence and with your job search and your activities. But if I ever, if I was to feel the need that I needed assistance, then I could see myself being stuck.*

NEST LS, Wave 5, Digital Plus, Interview 1

*... so it was like cool, digital, I am responsible for all of this; that was okay for me. It's not okay for everyone, but it was good for me ... if I had any issues, there were people I could contact.*

NEST LS, Wave 5, Digital Plus transferred to ES, Interview 4

Another indicator of the high rate of satisfaction is the low DS opt out rate, with less than 10% of DS participants voluntarily opting out of the service (Section 8.1). DS participants also reported high rates of satisfaction with the DSCC, although the return of MORs may be having a negative effect on these interactions (Section 5.4.1).

### 5.7.1 Reasons for dissatisfaction

The few participants who were dissatisfied in the NEST LS considered themselves better suited to ES, and some participants acknowledged the lack of social contact and personal support as a drawback

of the digital service. Administrative data also indicates that the top reason for opting out of DS is personal preference (36.9%), with less than 20% of reasons selected being 'not meeting needs', 'difficult to use', and 'confusing' (Section 8.1.2). Likewise, the OEST participants who were dissatisfied with the online service may have been better suited to provider servicing as they were older, had limited IT skills and/or access to a computer, had lower levels of English language skills, and/or experienced a lack of social connection/feelings of isolation.

To counter feelings of dissatisfaction, effective digital safeguards are an important feature of DS, along with participant awareness that they can contact the DSCC and/or opt out of digital servicing if they feel the service is not meeting their needs.

## 5.8 Measures of effectiveness

Measures of effectiveness often used in evaluations of employment programs include:

- outcome payments to providers (paid when participants achieve and maintain employment)
- exits from program (service)
- exits from income support (used as a proxy measure of employment)
- reduction in income support reliance (used as a proxy measure of increased employment).

Further detail on measures commonly used and their strengths and weaknesses is in Appendix C.3.

In the context of DS, however, outcome payments to providers are not relevant and, because of the differing policy constraints when COVID-19 occurred and since, exits from service over the analysis period are also not suitable for use in this evaluation.

While many changes were made to income support eligibility and claims processes because of COVID-19, they affected both NEST DS and other participants equally. This makes the 'off income support' measure the most appropriate proxy measure of employment outcomes for this evaluation.

### 5.8.1 Digital Services outcomes

#### Challenges

Prior to COVID-19 there would have been no comparator or control group with which to compare NEST DS participants. This is because, with the exception of OEST participants, all non-NEST participants were provider-serviced. With the onset of COVID-19, OES was introduced to ensure participants could be connected with services and income support as quickly as possible. Therefore different rules and policy drivers applied for OES than for DS (which commenced in July 2019 against a more business as usual (BAU) backdrop). Accordingly, the inflows to OES and NEST DS were not consistently applied. Therefore, direct comparisons, particularly during the COVID-19 peak, cannot be made. OES participants were, on the whole, a different cohort to NEST DS participants.

In the OEST evaluation<sup>51</sup> outcomes for OEST participants were compared to those for jobactive provider-serviced participants. That evaluation found them to have similar outcome rates over the evaluation period. Given the fact that this was a randomised trial, it provided confidence that online

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<sup>51</sup> [Online Employment Services Trial Evaluation Report – Department of Employment and Workplace Relations, Australian Government \(deewr.gov.au\)](https://www.deewr.gov.au).

servicing was a valid option for digitally literate participants who had low levels of labour market disadvantage.

Because of the differential impact of COVID-19 policy changes on jobactive participants outside NEST regions and on NEST DS participants, valid comparisons could only be made for participants entering service between 1 October 2020 and 31 December 2020. This is because prior to March 2020, NEST DS participants could only be compared to similar participants in provider servicing. After March 2020 there were differences between the policies applied for NEST DS and OES. Given that a 6-month time frame is required to measure outcome rates, and that the study period ended on 30 June 2021, there is only 3 months of inflow data that is comparable. This makes it difficult to determine significance, due to low numbers during the inflow period,<sup>52</sup> and findings should be viewed in this context. There were also differences in the levels of labour market disadvantage, with the NEST DS cohort being more disadvantaged overall. For these reasons, the comparison below uses a matched sample. For detail on the methodology used, see Appendix C.3.

These outcomes compare participants with similar levels of assessed disadvantage who are looking for work in similar labour markets. Differences reported, therefore, are not a result of differences in labour markets or participant characteristics.

### Income support exit rates

When comparing participants entering OES and those entering NEST DS between 1 October 2020 and 31 December 2020, while there is a relatively small difference (1.9 ppt), this is not statistically significant (Table 5.19 Income support exit rates within 6 months of entering service for digital participants (%) and difference (ppt)).

**Table 5.19 Income support exit rates within 6 months of entering service for digital participants (%) and difference (ppt)**

| Service type | OES exit rates % | NEST DS exit rates % | Difference ppt |
|--------------|------------------|----------------------|----------------|
| Exit rates   | 57.6             | 59.5                 | 1.9            |

Source: Departmental administrative data.

Notes: Data is for participants with low levels of assessed disadvantage only.

Inflow periods were constrained to October 2020 to December 2020 inclusive due to COVID-19 impacts.

Data is for a sample matched based on the start month of service and JSCI score.

These findings are not surprising given that the only difference in service offer between OES and DS is the availability of the EF in the NEST. This is unlikely to have affected outcomes to any measurable extent given the low use of the EF in the trial. There were only 229 transactions in the EF in DS over the evaluation analysis period (Table 5.7).

<sup>52</sup> The inflow is the number of participants entering service during that period.

## 6 Enhanced Services

This chapter explores the Enhanced Services (ES) environment, including policy settings in place in the NEST to the end of June 2021. It covers the services it was designed to provide, and assistance available, and includes analysis of the NEST ES caseload and the changes over the life of the trial.

Compliance prior to the introduction of the Points Based Activation System (PBAS) is not assessed because mutual obligation requirements (MORs) were suspended or reduced for an extended period of the trial; and, while the Targeted Compliance Framework (TCF) applied to participants' MORs in the NEST similarly to those in jobactive, there were substantial changes to NEST participants' MORs, including removal of the Annual Activity Requirement (AAR).

In this chapter, different comparisons between NEST and jobactive are used:

- For administrative data, comparisons are between NEST and jobactive comparison regions, unless otherwise stated. As jobactive comparison region selections were predominantly based on actual labour market factors, this difference was not considered significant. Further detail on the methodology of selecting comparison regions is at Appendix C.3.
- For the Participant Experiences of Employment Services (PEES) Survey data, comparisons are made between the NEST and jobactive to maintain statistical rigour.
- For the Provider Survey 2021, comparisons are between NEST providers and jobactive providers.

### 6.1 Introduction

*The next generation of employment services: discussion paper*,<sup>53</sup> released in 2018, envisaged a more intensive face-to-face service for disadvantaged participants that could provide:

- pre-employment interventions such as job readiness training
- vocational training, including training to provide skills needed for specific jobs
- employment and work experience placements, including by offering wage subsidies to employers and other forms of assistance
- post-placement support to help participants keep a job.

The exact type and mix of services provided to individual participants would be tailored to their needs and local employment opportunities. These services should also assist employers to hire and retain people with minimal administrative impact to their business.

To this end, ES providers were contracted to deliver 'intensive, individually tailored and high-quality' services to support participants to overcome vocational and non-vocational barriers and prepare for, obtain and sustain employment. This includes providing participants with:

- case management support
- post-placement support
- access/referrals to activities tailored to and chosen by the participant
- assistance to meet their MORs

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<sup>53</sup> *The next generation of employment services: discussion paper* – Department of Jobs and Small Business, Australian Government ([dese.gov.au](https://dese.gov.au)).

- support to improve their digital skills and use the reporting, search and self-help facilities available on the jobactive website (NEST Trial Deed).<sup>54</sup>

Although it is not always possible to assess the extent to which findings are a function of NEST policy settings or operating in a COVID-19 environment, this chapter will try to delineate these effects where possible.

## 6.2 Enhanced Services participants

This section examines the NEST ES caseload, including characteristics of the participants, caseload changes over time, and the differences between the jobactive and NEST ES caseloads.

### 6.2.1 Enhanced Services caseloads

#### Caseload changes over time

The composition of the ES caseload has changed over time.

#### Impact of COVID-19

The ES caseload was not as severely affected as the DS caseload, only increasing by around 2.3% (Table 6.1). This was largely the result of 3 interplaying factors. Firstly, people who entered service due to COVID-19 were mainly recently unemployed and most would have been assessed as having low or moderate levels of disadvantage. As such, these participants would have been auto-referred to DS. Secondly, providers at transition took a cautious approach in referring participants to DS, retaining many with lower levels of disadvantage who they felt were unsuited to DS. Thirdly, many of the participants at transition would have been used to provider servicing and would have opted to stay in ES.

Over the period from transition (November 2019) to the end of the study period (June 2021), the assessed level of disadvantage in the ES caseload had increased, as well as the prevalence of some specific indicators of labour market disadvantage. For example, the prevalence of participants with high assessed levels of disadvantage increased from 67.5% to 70.5%.

The following groups were also more prevalent in the ES caseload by the end of the study:

- people with less than Year 12 education levels (up 3.2 percentage points (ppt))
- people with disability (up 3.3 ppt)
- Aboriginal and/or Torres Strait Islander people (up 1.5 ppt)
- people with low English proficiency (up 1.7 ppt) (Table 6.1).

**Table 6.1 NEST ES caseload characteristics, December 2019 to June 2021 (number and %)**

| Caseload as at:                   | 31 December 2019 | 30 June 2020  | 31 December 2020 | 30 June 2021  |
|-----------------------------------|------------------|---------------|------------------|---------------|
| <b>Enhanced Services (number)</b> | <b>17,508</b>    | <b>21,074</b> | <b>21,265</b>    | <b>17,927</b> |
| <b>Age group</b>                  |                  |               |                  |               |
| Less than 25 years                | 24.1             | 22.9          | 22.5             | 22.4          |
| 25 to 44 years                    | 42.3             | 41.1          | 42.4             | 42.8          |

<sup>54</sup> New Employment Services Trial Deed 2019–2022 – Department of Education, Skills and Employment, Australian Government ([dewr.gov.au](https://www.dewr.gov.au)).

| Caseload as at:                              | 31 December 2019 | 30 June 2020 | 31 December 2020 | 30 June 2021 |
|--|------------------|--------------|------------------|--------------|
| 45 years and older                           | 33.7             | 35.9         | 35.1             | 34.8         |
| <b>Highest education level*</b>              |                  |              |                  |              |
| Less than Year 12                            | 39.8             | 40.9         | 41.3             | 43.0         |
| Year 12                                      | 17.0             | 16.7         | 16.1             | 15.5         |
| Vocational training                          | 35.9             | 34.7         | 34.4             | 34.0         |
| University                                   | 7.4              | 7.8          | 8.2              | 7.5          |
| <b>Length of time in employment services</b> |                  |              |                  |              |
| Less than 1 year                             | 29.6             | 34.7         | 30.4             | 14.5         |
| 1 to 2 years                                 | 24.5             | 22.5         | 22.4             | 28.8         |
| Longer than 2 years                          | 45.9             | 42.9         | 47.2             | 56.7         |
| <b>Assessed level of disadvantage*</b>       |                  |              |                  |              |
| Low  | 11.5             | 13.1         | 12.3             | 9.9          |
| Moderate                                     | 21.0             | 20.7         | 20.3             | 19.7         |
| High   | 67.5             | 66.2         | 67.4             | 70.4         |
| <b>Gender</b>                                |                  |              |                  |              |
| Female                                       | 49.2             | 50.0         | 50.8             | 51.0         |
| Male   | 50.8             | 50.0         | 49.2             | 49.0         |
| <b>Remoteness*</b>                           |                  |              |                  |              |
| Outer regional areas                         | 9.4              | 9.7          | 9.7              | 9.8          |
| Inner regional areas                         | 40.5             | 41.6         | 41.2             | 41.6         |
| Main capital cities                          | 50.2             | 48.7         | 49.2             | 48.6         |
| <b>Other demographic characteristics</b>     |                  |              |                  |              |
| Aboriginal and/or Torres Strait Islander     | 13.1             | 12.9         | 13.4             | 14.6         |
| Culturally and linguistically diverse (CALD) | 9.7              | 11.0         | 11.1             | 10.7         |
| Disability <sup>1</sup>                      | 19.9             | 20.7         | 22.0             | 23.2         |
| Low English proficiency <sup>1</sup>         | 7.8              | 8.6          | 9.0              | 9.5          |
| Principal carer parents <sup>1</sup>         | 18.5             | 18.5         | 19.0             | 19.4         |
| Homeless                                     | 11.9             | 11.1         | 11.6             | 12.6         |

Source: Departmental administrative data.

Notes: Percentages in this table are of NEST ES caseload.

Data is at 30 September, 2021.

1. Missing values are excluded from calculations.

## Comparison with jobactive caseload (comparison regions)

Table 6.2 compares the NEST ES and jobactive (comparison regions)<sup>55</sup> caseloads as at June 2021. Overall NEST ES providers have a much more disadvantaged caseload than jobactive providers in comparison regions. This is because in non-NEST regions participants with moderate levels of disadvantage are referred to provider services, but within NEST regions participants with the equivalent levels of disadvantage are referred to DS. Another major difference is the geography of the NEST regions. Adelaide South is mainly in a major capital city and contains more than half of the NEST caseload. The Mid North Coast is predominantly inner regional. As a result, the caseload for NEST ES is considerably more urban than that of the comparison regions.

As noted above, the level of disadvantage for ES is high when compared with jobactive: 70.4% of the ES caseload has a high level of disadvantage, compared with 47.7% of the jobactive caseload. The ES caseload also has a higher prevalence of indicators of disadvantage outside of assessed levels of disadvantage. Specifically, the ES caseload has higher proportions of people who:

- have been in service for more than 2 years (very long-term unemployed (VLTU)) (by 8.2 ppt)
- are from culturally and linguistically diverse (CALD) backgrounds (by 6.4 ppt)
- have low levels of English proficiency (by 4.2 ppt)
- are living with disability (by 3.8 ppt).

Given the lower prevalence of these indicators in the caseloads, this represents a high level of compositional difference. For example, the proportion of people from CALD backgrounds, while only 6.4 ppt higher in ES than in jobactive, represents more than double the prevalence of these people on the jobactive caseload (10.7% in ES compared to 4.3% in jobactive) (Table 6.2).

**Table 6.2 NEST ES and jobactive comparison regions caseload characteristics, June 2021 (%)**

| Characteristics                              | NEST ES | jobactive |
|--|---------|-----------|
| <b>Age group</b>                             |         |           |
| Less than 25 years                           | 22.4    | 21.0      |
| 25 to 44 years                               | 42.8    | 41.7      |
| 45 years and older                           | 34.8    | 37.3      |
| <b>Highest education level*</b>              |         |           |
| Less than Year 12                            | 43.0    | 40.5      |
| Year 12                                      | 15.5    | 16.7      |
| Vocational training                          | 34.0    | 36.3      |
| University                                   | 7.5     | 6.5       |
| <b>Length of time in employment services</b> |         |           |
| Less than 1 year                             | 14.5    | 16.9      |
| 1 to 2 years                                 | 28.8    | 34.6      |
| Longer than 2 years                          | 56.7    | 48.5      |
| <b>Assessed level of disadvantage*</b>       |         |           |

<sup>55</sup> Detail and methodology on comparison regions is at Appendix C.3.

| Characteristics                          | NEST ES | jobactive |
|--|---------|-----------|
| Low                                      | 9.9     | 22.0      |
| Moderate                                 | 19.7    | 30.4      |
| High                                     | 70.4    | 47.7      |
| <b>Gender</b>                            |         |           |
| Female                                   | 51.0    | 51.8      |
| Male                                     | 49.0    | 48.2      |
| <b>Remoteness*</b>                       |         |           |
| Outer regional areas                     | 9.8     | 16.4      |
| Inner regional areas                     | 41.6    | 58.8      |
| Main capital cities                      | 48.6    | 24.7      |
| <b>Other demographic characteristics</b> |         |           |
| Indigenous                               | 14.6    | 12.8      |
| CALD                                     | 10.7    | 4.3       |
| Disability <sup>1</sup>                  | 23.2    | 19.4      |
| Low English proficiency <sup>1</sup>     | 9.5     | 5.3       |
| Principal carer parents <sup>1</sup>     | 19.4    | 19.4      |
| Homeless                                 | 12.6    | 10.3      |

Source: Departmental administrative data.

Notes: 1. Missing values are excluded from calculations.  
Percentages are of relevant caseload.

### Caseload size per consultant

Providers noted that since lockdowns have eased, caseload sizes have been dropping. Table 6.1 supports this, with the NEST ES caseload increasing from 17,508 in December 2019 to 21,074 in June 2020 and subsequently falling to 17,927 in June 2021.

*... our caseloads haven't dropped, until now. Because we've gone through the roof with COVID and stuff. So we haven't really had the opportunity to have that lower caseload, to be able to do that. But I'm sure – we're getting runs on the board now, I can imagine when we've got more time to spend with our customers that's going to increase.*

Stakeholder fieldwork, Provider, Tranche 4

Only one provider was aiming for a caseload to consultant ratio of 80:1, with some providers reporting that 100:1 was a comfortable ratio for most staff, provided they had other supports.

*So we were juggling about 120 to 130 during the peak period of COVID and previously we were hoping to be around that 80 per FTE (full-time equivalent), so we're going to be down below 70 in the next couple of weeks ... Now that caseload numbers are dropping, it will give each employment coach the time to be able to see from end-to-end*

Stakeholder fieldwork, Provider, Tranche 4



Smaller caseloads enabled consultants to offer intensive servicing and longer appointment times when needed, improved their knowledge about and relationships with participants, and increased their ability to make quality referrals.

*[A staff member] said an interesting thing ... 'Now, when I look at names on the diary, I actually know who they are' ... You can refer quality referrals to vacancies ... before when I was a consultant, sometimes I'd have to restrict my appointments 15/20 minutes, I was like – this is what we've got to do, get it done, get out, I've got my next client ... Where now ... you can actually have a really decent conversation with a client.*

Stakeholder fieldwork, Provider, Tranche 4

This is also supported by some ES participants in the Longitudinal Study of NEST Participants (NEST LS) who reported having tailored appointments and more personal service.

*[My providers have been] marvellous ... 'cause they have gotten to know me a little bit and they'll just ring me if I'm interested ... They seem to remember me; I'm not just a number. That's encouraging. And they do encourage me; they're actually ... easy-going and ... they're personable.*

NEST LS, Wave 4, Enhanced Services Tier 1, Interview 3

## 6.3 The Enhanced Services environment

This section explores the changes in policy settings for participants from jobactive to NEST, including the removal of streams; the removal of phases and consequent AARs; and the introduction of tiers. The section also explores changes in servicing, including activities and referrals.

### 6.3.1 Removal of streams and phases and the introduction of tiers

#### Removal of streams

##### Removal of streams was welcomed by providers

In the jobactive evaluation,<sup>56</sup> provider feedback indicated that stream allocation (A, B or C) did not always see participants allocated to the stream that providers thought was most appropriate. This resulted in providers feeling unable to deliver the most appropriate service. They also noted that their capacity to move participants into a more appropriate stream was limited. In general, NEST providers reported that the removal of streams had improved flexibility of servicing and consequently participant engagement and participation.

*I think NEST has got more flexibility, like less cap pricing ... I can see why cap pricing is good for some things but there's other people that really do need the extra help and I think it's good. And yeah, more flexibility, we can claim some non-accredited training courses where in jobactive you can't, yeah.*

Stakeholder fieldwork, Provider, Tranche 4

*We like that everyone on commencement is eligible for a job placement, so we don't have those stream As, not outcome eligible. We love that everyone from day one when we*

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<sup>56</sup> The evaluation of jobactive final report (unpublished).

*commence them, we can place them into employment and it will track towards, four, 12 and 26 [week outcomes].*

Stakeholder fieldwork, Provider, Tranche 4

## Removal of phases

Detail on how phases operate in the jobactive model can be found at Appendix A.2, Table A.1. Providers considered the removal of phases (and of the resulting AAR) beneficial to providing a more tailored service, as it allowed more flexibility in the type and timing of engagement and activities they could provide.

*... to be really honest, we are really enjoying that flexibility to be able to tailor the activity to the customer rather than, 'Next week you're entering the work experience phase; you need to look at an activity and these are the activities available.'*

Stakeholder fieldwork, Provider, Tranche 3

Many providers stated that the increased flexibility enabled them to offer programs with reduced weekly and monthly requirements and/or intensive training and work experience components. Although this type of servicing is available to jobactive providers, it was rarely used.

*I think in relation to jobactive, I think it's definitely better in the sense that there is more flexibility with working with our participants. I think the employment side definitely is better in the sense that we can now do simple things too, like even barista training or something that doesn't have the little code attached to the end of it, we can assist our clients with that.*

Stakeholder fieldwork, Provider, Tranche 3

*I think one of the things that NEST has given us is flexibility ... in terms of the staff's mindset coming into this, we did a lot of change management ... [about staff] drivers and their motivation with participants ... it's allowed [staff] to ... remove a whole pile of the prescription, and get back to basics around moving people forward, and what are we here to do ... I actually met with the teams at the beginning, and they were raving about how awesome it is, and it feels like – And I went, 'Well hang on, there's nothing here you couldn't have actually done within jobactive.'*

Stakeholder fieldwork, Provider, Tranche 3

The comment above is perceptive in that much of the flexibility in the NEST was actually available in jobactive. The change in attitude and the nature of the trial has, along with relevant changes in policy settings, produced the change in provider behaviour.

Some providers have trialled a minimum hours per week model so that it is flexible for participants and hosts. Some also work with participants to determine their preference and availability and then find suitable options.

*So we're looking at partnering with some community organisations that might do – they might have the work-like experience but also have some social aspects to it as well, so for those people who are maybe a tier two who are going to really struggle or haven't done anything for 20 years, for example, you know, slow steps, five hours a week might be doing a Work for the Dole activity. But then also getting that social interaction as well ...*

Stakeholder fieldwork, Provider, Tranche 3

Some providers reported enthusiasm about being able to refer participants to activities that match their individual goals and timelines, rather than feeling constrained by the phases in jobactive.

*I wouldn't want it to go back to that format where you have to do something by a specific date. I think the way it is at the moment is a lot of more friendly and you can work to getting someone into an activity rather than having to just put them in.*

Stakeholder fieldwork, Provider, Tranche 4

### 6.3.2 Introduction of tiers

Participants referred to ES are automatically allocated to Tier 1. NEST providers can then assess the suitability of this allocation and reallocate participants to Tier 2 if appropriate. This was designed to test:

- whether the division of the caseload into tiers was helpful for making decisions about service needs, suitable activities, and EF support
- if greater provider control over assessment improves caseload management and decision-making and empowers providers to try new things.

When first implemented, Tier 1 was intended for participants with vocational barriers only, whereas Tier 2 was for participants with non-vocational barriers. The department forecast that around 85% of participants would be in Tier 1 and the remainder in Tier 2 at any one time. Movement between tiers was also used as a measure of progress toward employment. Providers were rewarded for moving participants from Tier 2 to Tier 1 with a Progress in Service Bonus (PiSB).

#### **Providers were initially confused about how to assess participants for tiers**

Some provider staff did not feel appropriately qualified to make decisions around tier allocation.

*Not many of my JAs will be changing people from Tier 1 to a Tier 2; they're just not comfortable saying this person has so many non-vocational barriers that'll let them make them Tier 2. It's just not something that sits well with them; it's not the area that they're qualified in ...*

Stakeholder fieldwork, Provider, Tranche 3

#### **Providers were initially confused about the purpose of tiers**

Providers questioned introducing a level of assessment for which there were no hard and fast rules, and felt that additional assessments and classification processes added confusion. Many participants with complex/multiple barriers still need referrals to Services Australia for an Employment Services Assessment (ESAt) to ensure they are appropriately referred, serviced and managed.

*... to be honest, it's very confusing. So it took my staff a little while to get their head around it. Progress is linked to tiers, but the outcomes are linked to the JSCL ... all the data that comes out, it's never – all of our performance data, it's got nothing to do with the tiers ...*

Stakeholder fieldwork, Provider, Tranche 3

#### **Some providers were concerned that the department would question their allocation**

Providers can claim a PiSB if a participant moves from Tier 2 to Tier 1 or from Tier 1 to DS. As a result of the departmental intention to empower providers, the guidelines for this were deliberately not prescriptive. Providers were concerned about having to justify placing participants into Tier 2 when they felt there was little clarity and direction on the criteria. Throughout the first 18 months of the

trial, most providers had continuing concerns about their compliance and evidentiary requirements, noting that the tier and PiSB guidelines lacked clarity about the department's expectations and the evidentiary requirement to underpin decisions about:

- who should be classified as Tier 2
- why someone should be classified as Tier 2
- movements between tiers.

*We asked some questions about what makes someone Tier 2 – we asked a few questions about the literacy aspect of it because we were getting mixed messages about if they're coming from a non-English speaking background they need to do L&N without justifying them as Tier 2 ... we got some mixed messages about that but we just had to make our own determination ... we struggle a little bit on how much evidence we need to provide to support this fee.*

Stakeholder fieldwork, Provider, Tranche 3

### **Other providers were more confident about their assessment and tier allocation**

*I think it's pretty straightforward ... I guess our assessment is if they have a non-vocational barrier to employment they need assistance with and we can show something, we can work with them and have something in their Job Plan that supports that, then we would support that person being in Tier 2 ...*

Stakeholder fieldwork, Provider, Tranche 3

### **Providers became increasingly ambivalent about the usefulness of tiers**

While some found tiers administratively useful for capturing an overall perspective of caseload needs, workload demands, and participants' non-vocational and vocational requirements, overall tier classifications were not influential when making individualised servicing decisions.

*What I find our top advisers are doing is they have the customer sitting in front of them and they're tailoring our service to meet that individual's needs, and that's what we've asked them to do all along. So for me, enhanced services is just enhanced services. It's not Tier 1 or Tier 2 ...*

Stakeholder fieldwork, Provider, Tranche 3

Providers noted participants' lives do not follow a linear trajectory. Vulnerable participants do not necessarily have the resources or capacity to manage or overcome setbacks to the same extent as less vulnerable people. While this was recognised in the design of tiers, as participants could move between tiers as appropriate, providers felt that a binary classification is a simplistic model and not necessarily reflective of their participants' challenges, strengths, needs, and readiness for work.

*... regardless of whether someone is in Tier 1 or Tier 2 depending on the day or the week they can show up very differently, so you can have someone that's engaged and motivated one week, but the next week something's happened ... and they've plummeted ... we've just got to move ahead and move forward and be positive, and I think that sometimes the labels of Tier 1 and Tier 2 and all that sort of thing gets in the way.*

Stakeholder fieldwork, Provider, Tranche 3

## Movement between tiers

Table 6.3 shows little movement between tiers during the trial period. This is supported by analysis of the administrative data for the study population, which shows that only around 3 in 200 participants moved between tiers during the study period (1.6%), and only 1 in 500 changed tier more than once. Correspondingly, there was little PiSB expenditure (Figure 6.4).

**Table 6.3 Tier changes over the study period, November 2019 to 30 June 2021 (number and %)**

| Tier change status          | Number of participants | % of participants |
|-----------------------------|------------------------|-------------------|
| Did not change tier         | 40,230                 | 98.4              |
| Changed tier once           | 586                    | 1.4               |
| Changed tier more than once | 71                     | 0.2               |

Source: Departmental administrative data.

Note: Only changes directly between tiers are counted.

*We're working at getting our Tier 2s back to Tier 1. We've done an assessment tool for it, we've trialled it and worked out it needs to be made a bit easier for our staff to follow. So we're working on improving that at the moment because we're not getting as many tier movements show up as what we think we should.*

Stakeholder fieldwork, Provider, Tranche 3

Providers who felt more comfortable with tier decisions were those who had:

- an internal review process to ensure the correct decision was being made
- staff with higher/specialist qualifications to support this decision-making process and refer participants to support services
- more risk appetite for trialling policies without strong guidance from the department.

## 6.4 Servicing in NEST Enhanced Services

This section provides detail on how providers are engaging with participants and servicing them in the NEST, including activities and assistance provided, as well as employer engagement. It includes comparisons with jobactive where appropriate.

### 6.4.1 Engagement with providers

#### Type of contact

Feedback from the NEST LS suggests that the type of contact with providers varies but is broadly suited to the participant's circumstances. Because of the required pivot to video and telephone assistance due to COVID-19 related lockdowns, providers had an opportunity to engage participants differently. Consequently, while providers maintained that there is a need for face-to face servicing, they generally favour a hybrid model that enables tailoring the contact.

#### Frequency of contact

One indicator of engagement or servicing intensity is the frequency of contact between the participant and the provider. The PEES Survey asked participants about the frequency of contact with their provider. Most people in provider servicing (75% or more) reported fortnightly or monthly contact. However, NEST ES participants were more likely to report more frequent interactions (once

a fortnight or more) than jobactive participants. This suggests that ES providers are engaging with their participants more regularly than jobactive providers (Table 6.4).

**Table 6.4 Frequency of engagement with provider in previous 6 months, NEST and jobactive comparison regions (%)**

| Engagement frequency     | Enhanced Services | jobactive |
|--------------------------|-------------------|-----------|
| Every day                | 1.0               | 0.2       |
| 2–3 times a week         | 4.9               | 3.3       |
| About once a week        | 9.7               | 8.0       |
| About once a fortnight   | 39.1              | 35.5      |
| About once a month       | 37.4              | 39.6      |
| Less than once a month   | 6.1               | 10.7      |
| Not in the last 6 months | 0.5               | 0.9       |

Source: PEES Survey, 2021.

Notes: Q In the last 6 months, how often have you been in contact with <Provider Name>?  
Proportions in table use weighted survey data.  
ES n=1,016; jobactive n=980.

## 6.4.2 Servicing strategies

NEST providers also appear to be more targeted in their conversations with participants. The PEES Survey data (Table 6.5) indicates that NEST ES providers are more likely to:

- talk to participants about how they will help them get a job (by 5.9 ppt)
- help participants set up or use technology (by 5.0 ppt)
- refer participants to a job (by 12.4 ppt)
- refer participants to a support service (by 1.5 ppt).

**Table 6.5 Servicing strategies in previous 6 months, NEST and jobactive comparison regions (%)**

| Service provided   | Enhanced Services | jobactive |
|--|-------------------|-----------|
| ... talked to you about how they will help you get a job | 70.5              | 64.6      |
| ... helped you set up or use technology                  | 27.0              | 22.0      |
| ... referred you to a job                                | 49.1              | 36.7      |
| ... referred you to support service                      | 15.2              | 13.7      |

Source: PEES Survey, 2021.

Notes: Q Has someone from <Provider Name> ... Time frame is last six months.  
Proportions in table use weighted survey data.  
ES n=1,016; jobactive n=980.

## Referrals to other services

Analysis of activity data reported in the Employment Services System (ESS) indicates that referrals for non-vocational assistance and interventions (the 2 most used categories to record referrals to other services) are less common in NEST regions than comparison jobactive regions. This probably reflects a reporting bias, in that activities must be reported in regions with an AAR for the hours to count. In NEST regions, as there is no AAR, it is only necessary to report referrals funded by the EF, so there may be referrals that are not reported in ESS. This reporting difference has been noted previously and survey data confirms that, while referrals and activities are not necessarily being reported in ESS, NEST participants are actually more likely to report being referred to other services

(Table 6.5). NEST participants in the PBAS are more likely to have these activities reported in ESS than non-PBAS participants, likely reflecting the ongoing tailoring of service for participants with specific non-vocational barriers who can still manage well in the PBAS (Table 6.6).

**Table 6.6 Prevalence of referral to other services, NEST and jobactive comparison regions (PBAS and non-PBAS) (number)**

| Activity type             | Comparison regions | NEST regions | NEST PBAS  | NEST Non-PBAS |
|---------------------------|--------------------|--------------|------------|---------------|
| Interventions             | 2.3                | 0.8          | 1.1        | 0.7           |
| Non-vocational assistance | 0.1                | 0.1          | 0.2        | 0.0           |
| <b>Total</b>              | <b>2.3</b>         | <b>0.9</b>   | <b>1.3</b> | <b>0.8</b>    |

Source: Departmental administrative data.

Notes: Data are for participants in the NEST regions and the comparison regions who had a commenced placement active between 4 November 2019 and 30 June 2021, did not move regions within that period, and had a completed Job Seeker Classification Instrument (JSCI) assessment. Activities for these participants were included if they began between 4 November 2019 or the participant's first start date (as applicable) and 30 June 2021. Participants who undertook more than one type of activity are counted only once in the total row; therefore the rows may not sum to the total.

*... I would say, 'Okay, can we start like a little step and say, the next time you come in, you're going to take the hoody off.' It's little steps and as they do it, you tick it off as they go. ... you wouldn't know this guy now ... we got him all work clothes and stuff like that. He was at every appointment. He's had a haircut now. We've learned so much about why he is as he is, because there's barriers that we had no idea about.*

Stakeholder fieldwork, Provider, Tranche 2

*... we actually go to a local rehab centre to service our customers, so that they don't have to come here... we have activities that we have them engaged in ... They can come in to appointments, they come in to our [name] programs ... but we're looking at ways to try and get them on to possible Cert 3's, obviously utilising our RTO, but doing digital delivery, to enhance their skill set whilst they're in rehab ... under jobactive, no that possibly wouldn't be able ... because with 150 customers ... no way.*

Stakeholder fieldwork, Provider, Tranche 4

### 6.4.3 Employment Fund expenditure

The analysis in Table 6.7 is of participants in the NEST regions and the comparison regions who had a commenced placement between 4 November 2019 and 30 June 2021, did not move regions within that period, and had a completed Job Seeker Classification Instrument (JSCI) assessment. EF spending for these participants was included if it:

- occurred on or after 4 November 2019 or their first start date (as applicable)
- occurred no more than 7 months after their last end date
- was paid by a NEST provider or the Digital Services Contact Centre (DSCC)<sup>57</sup>
- was attached to a claim that was approved, acquitted, pending or lodged.

On all measures used, NEST providers are using the EF far more than providers in comparator regions. Overall, many more NEST participants are benefiting from EF expenditure than similar

<sup>57</sup> Some participants spent time in both NEST ES and NEST DS in the study period, while only a very small proportion were only in DS. Therefore, they were not excluded from the analysis.

participants in comparison regions. This is confirmed by analysis of expenditure over the study period, which found that more than 22% of NEST participants benefited, compared with 19% of comparator region participants. The average expenditure per participant helped is also considerably higher in NEST regions (by \$876 per participant aided). NEST ES providers are also helping participants earlier in their period of service (by an average of 17 days).

Different EF policy settings in jobactive and NEST have likely influenced these results. For example, prior to the onset of COVID-19 lockdowns and resultant policy changes, jobactive providers did not receive EF credits for those with low levels of labour market disadvantage for 3 months after entering service, though they were eligible for the EF from commencement. Outcome payments were also not available for these participants, which did not incentivise early expenditure on them. NEST ES providers also had more EF money credited per participant. For example, new participants starting in NEST ES had credits of \$1,250,<sup>58</sup> whereas new participants in jobactive had EF credits of between \$300 and \$1,200, depending on the participant's level of disadvantage, the year of payment, and the participant's time in service.<sup>59</sup>

**Table 6.7 Use of Employment Fund, by demographic characteristics, NEST and jobactive comparison regions (% , \$ and days)**

| Characteristics   | Participants benefiting: comparison % | Participants benefiting: NEST % | Difference in average spend <sup>5</sup> NEST comparison \$ | Difference in average days to expenditure <sup>4</sup> NEST comparison days |
|---|---------------------------------------|---------------------------------|---|---|
| <b>All participants</b>                                 | <b>19</b>                             | <b>22</b>                       | <b>876</b>  | <b>-17</b>  |
| <b>Region</b>   |                                       |                                 |   |   |
| Adelaide South or its comparison region                 | 16                                    | 20                              | 376   | -22   |
| Mid North Coast or its comparison region                | 23                                    | 25                              | 1428  | -13   |
| <b>Service type throughout the period<sup>2,3</sup></b> |                                       |                                 |   |   |
| Both digital and provider                               | 13                                    | 37                              | 996   | 62  |
| Digital only  | 0                                     | 1                               | n/a   | n/a   |
| Provider only   | 27                                    | 42                              | 895   | -38   |
| <b>Gender<sup>1</sup></b>                               |                                       |                                 |   |   |
| Female  | 18                                    | 20                              | 595   | -27   |
| Male  | 21                                    | 23                              | 1110  | -8  |
| <b>Education<sup>1,3</sup></b>                          |                                       |                                 |   |   |
| Less than Year 12                                       | 24                                    | 29                              | 878   | -25   |
| Year 12   | 17                                    | 19                              | 930   | -8  |
| Vocational  | 19                                    | 23                              | 934   | -14   |
| University  | 9                                     | 10                              | 607   | -11   |
| <b>Remoteness<sup>1,3</sup></b>                         |                                       |                                 |   |   |

<sup>58</sup> New Employment Services Trial Deed 2019–2022 – Department of Education, Skills and Employment, Australian Government ([dewr.gov.au](http://dewr.gov.au)), Table 1, Annexure E1.

<sup>59</sup> jobactive Deed 2015–2022, Department of Education, Skills and Employment, Australian Government ([dewr.gov.au](http://dewr.gov.au)), Table 3, Annexure B2.



| Characteristics                                   | Participants benefiting: comparison % | Participants benefiting: NEST % | Difference in average spend <sup>5</sup> NEST comparison \$ | Difference in average days to expenditure <sup>4</sup> NEST comparison days |
|---|---------------------------------------|---------------------------------|---|---|
| Major Cities                                      | 15                                    | 20                              | 277   | -16   |
| Inner Regional                                    | 20                                    | 23                              | 1185  | -18   |
| Outer Regional                                    | 23                                    | 25                              | 1239  | -12   |
| <b>Age group<sup>1</sup></b>                      |                                       |                                 |   |   |
| Less than 25                                      | 24                                    | 25                              | 488   | 1   |
| 25–29   | 19                                    | 19                              | 1098  | -4  |
| 30–49   | 21                                    | 24                              | 818   | -23   |
| 50+   | 12                                    | 17                              | 1309  | -35   |
| <b>Other characteristics<sup>1,3</sup></b>        |                                       |                                 |   |   |
| Disability  | 20                                    | 25                              | 967   | -16   |
| Indigenous  | 42                                    | 45                              | 1146  | -15   |
| <b>Assessed level of disadvantage<sup>1</sup></b> |                                       |                                 |   |   |
| Low   | 12                                    | 12                              | 1057  | 1   |
| Medium  | 20                                    | 21                              | 1155  | -8  |
| High  | 30                                    | 36                              | 613   | -26   |

Source: Departmental administrative data.

- Notes:
1. For comparison region participants, status on 4 November 2019 if they had a placement in a comparison region active on that date; otherwise status at the beginning of their first commenced comparison region placement after that date. For NEST participants, status at the beginning of their first commenced NEST placement.
  2. Participants placed in digital servicing may opt to move to provider servicing or may be moved due to their allocated time in digital servicing having elapsed. In NEST, providers may move provider-serviced participants to digital servicing.
  3. Missing and invalid values are excluded.
  4. Days between 4 November 2019 or the participant's first start date (as applicable – see (1)) and the date of their first EF spend after that date.
  5. For participants with some spending.

Comparative to jobactive providers, NEST providers were using the EF to support a greater proportion of their caseload's activities. A large proportion of the spending is on vocational activities including wage subsidies (4.7%), work-related licensing (10.2%), and other vocational support such as tools and books (24.5%), and NEST providers were accessing this spending more quickly than jobactive providers. This expenditure supports NEST provider feedback that increased labour market demands in their regions have driven a greater focus on placing participants into work and may be a contributor to higher employment outcomes for ES participants compared with jobactive regions. Notwithstanding this, it appears that less funding is being applied to post-placement support activities, given that it is not a claimable category in the NEST. While this may be a cause for concern, it may also indicate that providers are spending more money up front to prepare participants for work, rather than responding to unmet needs after a participant has commenced work. This is supported by the stronger 26-week outcome rates for NEST providers, reflecting that they are focusing on jobs that will more likely be sustained (Table 6.39).

NEST providers are also enabling ES participants to undertake accredited and non-accredited training (7.1%) more readily than jobactive providers (5.5%). Although NEST participants may receive EF funding for these activities more quickly than jobactive participants (on average 21 days to 33 days sooner), it should be noted that employment services participants in both services are in service for more than 240 days on average before they receive EF assistance (Table 6.8).

**Table 6.8 Employment Fund spending by category, NEST and jobactive comparison regions (% , \$ and days)**

| Employment Fund category          | Participants benefiting: comparison <sup>1,2</sup><br>% | Participants benefiting: NEST <sup>1,2,3</sup><br>% | Difference in average spend <sup>5</sup><br>\$ | Difference in average days to expenditure <sup>4</sup><br>NEST comparison days |
|-----------------------------------|---|---|--|--|
| <b>All categories<sup>6</sup></b> | 24.0  | 47.7  | 897  | -3   |
| <b>Training</b>                   |   |   |  |  |
| Accredited training               | 5.4   | 6.0   | 390  | -21  |
| Non-accredited training           | 0.1   | 1.1   | -93  | -33  |
| Specialist training and mentoring | 0.0   | 0.7   | -1,132   | 80   |
| <b>Activity costs</b>             |   |   |  |  |
| Work experience costs             | 0.2   | 0.9   | -169   | -6   |
| Departmental activities           | 0.7   | 1.6   | 228  | 49   |
| Activity costs – other            | 0.0   | n/a   | n/a  | n/a  |
| <b>Non-vocational support</b>     |   |   |  |  |
| Interpreter services              | 0.1   | 1.1   | 86   | 44   |
| Other non-vocational support      | 9.0   | 8.4   | -18  | -5   |
| Transport                         | 2.4   | 14.3  | -71  | 0  |
| <b>Vocational support</b>         |   |   |  |  |
| Wage subsidies                    | 1.6   | 4.7   | 1324   | -26  |
| Post-placement support            | 0.0   | n/a   | n/a  | n/a  |
| Work-related licensing            | 4.8   | 10.2  | 116  | -26  |
| Other (e.g. work boots, tools)    | 13.9  | 24.5  | 72   | 4  |

Source: Departmental administrative data.

Notes: 1. Placement at time of spend.

2. Percentage of participants in the comparison region who were provider-serviced at some time in the analysis period.

3. Percentage of participants in the NEST region who were provider-serviced at some time in the analysis period.

4. Difference in the average number of days between 4 November or the participant's first start date (as applicable) and the date of their first EF spend in that category.

5. For participants with some spending in the category.

6. Participants who receive spending in more than one category are counted only once in this row; therefore the rows will not sum/average to this row.

## 6.4.4 Activities

NEST is designed to encourage engagement of participants in activities that add value on their pathway to employment. It was envisaged that this enabled more tailored servicing, increasing satisfaction and therefore engagement.

Providers generally agreed that the flexibility associated with NEST has broadened the range of activities they offer and/or refer participants to.

*... the goal that we've been set is to have each and every one of our customers in some form of activity. So, whether that's in Allied Health to develop their employability, whether that's putting them into the SEE program, whether it's putting them in CTA, whether it's job club ... Cert III courses or in any of those type of things. That's what our goal is to try and get as many customers actively doing something.*

Stakeholder fieldwork, Provider, Tranche 4

Consequently, providers have changed their approach to activity development, referral and engagement. This in turn 'changed the conversation' that they were having with participants from a compliance focus to a strengths or goal-driven conversation.

### Sourcing activities

The Provider Survey shows little difference between NEST and jobactive providers in terms of the ease or difficulty of sourcing activities for participants. Staff at both NEST (43%) and jobactive (41%) sites found it easy to source activities, such as Work for the Dole (WfD) or community-based activities, volunteering, work trials, work experience, internships or employability training (Table 6.9). NEST and jobactive sites are likely to find sourcing activities neither easy nor difficult (38% and 34% respectively).

**Table 6.9 Ease of sourcing activities – NEST and jobactive sites (% and ppt)**

| Ease/Difficulty            | NEST % | jobactive % | Difference ppt |
|----------------------------|--------|-------------|----------------|
| Easy / Very easy           | 42.8   | 40.5        | 2.3            |
| Neither easy nor difficult | 34.2   | 38.1        | -3.9           |
| Difficult / Very difficult | 23.0   | 21.4        | 1.6            |

Source: Provider Survey, 2021.

Notes: Q How easy or difficult is it for staff at your site to source activities for participants? (Activities can include Work for the Dole or community-based activities, volunteering, work trials, work experience, internships or employability training).  
NEST n=41, jobactive n=732.

### Referral to activities

#### Some factors are more important in choosing an activity

As reported in the Provider Survey, both NEST and jobactive sites suggest that when choosing activities, it is important to meet the participant's preference, although to differing degrees (28% very important, 60% important and 12% slightly important). More NEST sites report that it is very important (38%) that the activity meets the participant's preferences, compared to jobactive sites (27%) (Table 6.10). This is further evidence that NEST providers appear to be tailoring their service more to the needs of the participant than jobactive providers are.

**Table 6.10 Proportion of sites reporting importance of participant's preference (%)**

| Importance           | NEST % | jobactive % | All sites % |
|----------------------|--------|-------------|-------------|
| Very important       | 38.1   | 27.0        | 27.7        |
| Important            | 59.5   | 59.8        | 59.7        |
| Slightly important   | 2.4    | 13.0        | 12.4        |
| Not at all important | 0.0    | 0.1         | 0.1         |
| Don't know           | 0.0    | 0.1         | 0.1         |

Source: Provider Survey, 2021.

Notes: Q When staff at your site are choosing activities for a participant, how important is it that the activity meets their preferences?

jobactive sites n=749, NEST sites n=42.

### Sometimes providers are unable to refer participants

The Provider Survey also shows that all sites (NEST and jobactive) reported issues with referring participants to activities. The 2 main reasons reported were that participants were unwilling to attend and that suitable activities were not available. Over a quarter of jobactive sites (27%) reported that they did not have available activities in the local area, but only 19% of NEST sites reported this, a difference of 8.1% (Table 6.11). Some NEST sites noted that referrals were cancelled at the last minute for courses such as EST. Last-minute cancellations were also reported by NEST LS participants and NEST Stakeholder Research participants.

*EST referred JS's to activity and ready to go, not enough referrals received and activity gets cancelled. Very frustrating for job seekers as we get them ready organise metro and presentation for these sessions and to get cancelled often to only find out on the day it is meant to begin. No local CTA providers.*

Provider Survey, 2021, NEST provider

Participants being unwilling to attend activities was the main referral issue for jobactive sites (31%) and NEST sites (27%). The fact that unwillingness to attend appeared less of an issue at NEST sites suggests NEST providers may have been more comfortable using a wider range of activities than jobactive providers, possibly linked to the removal of AARs. The difference may also indicate that choice and flexibility are driving greater engagement in the NEST.

Alongside this difference between NEST and jobactive providers were structural barriers that affected participation and referral. COVID-19 restrictions were reported as a reason for being unable to refer participants to activities by both jobactive and NEST sites. The restrictions meant that participants were unwilling to attend where:

- there was no compulsion to attend
- participants feared contracting COVID-19
- border closures restricted access to training services in cross-border regions.

Transport difficulties was also a reported issue when referring participants for both NEST and jobactive sites, with only a small difference (1%) between services (Table 6.11). The reasons identified in the 'Other' category also pointed to structural issues and included:

- access to IT, internet, or computer/laptop – which was especially a problem where training was only available online

- availability of specific courses such as CTA
- not meeting drug and alcohol or Working with Children Certificate requirements
- a lack of transport.

**Table 6.11 Main reason participants could not attend activity – NEST and jobactive sites (% and ppt)**

| Main reason   | NEST % | jobactive % | Difference ppt |
|---|--------|-------------|----------------|
| Suitable activities were not available in the local area        | 18.9   | 27.1        | -8.1           |
| There were no places available in the activities                | 5.4    | 1.8         | 3.6            |
| Activities were not run frequently enough or at the time needed | 8.1    | 3.8         | 4.3            |
| Participant had transport difficulties                          | 13.5   | 12.5        | 1.0            |
| Participant was unable to attend for personal reasons           | 10.8   | 9.3         | 1.5            |
| Participant was unwilling to attend                             | 27.0   | 30.9        | -3.9           |
| Participant did not have required prerequisites                 | 5.4    | 2.4         | 3.0            |
| Participant did not have required foundation skills             | 0.0    | 1.7         | -1.7           |
| The activity did not meet Employment Fund guidelines            | 2.7    | 0.2         | 2.5            |
| Activity costs too high/no funding assistance                   | 0.0    | 0.3         | -0.3           |
| Other   | 8.1    | 9.9         | -1.8           |

Source: Provider Survey, 2021.

Notes: Q What was the MAIN reason that staff were unable to refer participants to activities?

NEST n=37, jobactive n=654.

## Activities in NEST ES and jobactive

### Providers reported that some activities are more useful at moving people into employment

Respondents in the Provider Survey broadly reported that paid activities rather than unpaid activities are more useful for moving people into employment. NEST sites were more likely to report that paid work trials (62%) and paid work experience (50%) are highly useful activities, compared to jobactive sites (51% and 46%). Employability training is also recognised as highly useful by jobactive sites (40%), as are PaTH activities/internships (31%), although for NEST sites employability training (48%) and PaTH activities/internships (55%) are useful activities.

NEST sites were less likely to see unpaid activities as highly useful and more likely to see them as useful or somewhat useful activities for moving people into employment. For instance, NEST sites saw unpaid work experience as useful (48%) and WfD as somewhat useful (43%) or not at all useful (a quarter of NEST sites), whereas jobactive sites saw WfD as useful (36%) or somewhat useful (34%) and unpaid work experience as useful (41%).

Self-employment activities, however, were likely to be viewed as not at all useful compared to the other activities at NEST sites (39%) and jobactive sites (35%), although more than half of NEST sites (59%) and a third of jobactive sites saw them as somewhat useful (Table 6.12).

**Table 6.12 Perceived usefulness of activities for moving participants into employment (% and ppt)**

| Usefulness       | NEST (%) | jobactive (%) | Difference (ppt) |
|------------------|----------|---------------|------------------|
| Paid work trials |          |               |                  |

| Usefulness                        | NEST (%) | jobactive (%) | Difference (ppt) |
|-----------------------------------|----------|---------------|------------------|
| Highly useful                     | 61.9     | 50.9          | 11.0             |
| Useful                            | 38.1     | 38.5          | -0.4             |
| Somewhat useful                   | 0.0      | 10.0          | -10.0            |
| Not at all useful                 | 0.0      | 0.5           | -0.5             |
| <b>Paid work experience</b>       |          |               |                  |
| Highly useful                     | 50.0     | 47.3          | 2.7              |
| Useful                            | 42.9     | 41.0          | 1.9              |
| Somewhat useful                   | 7.1      | 10.3          | -3.2             |
| Not at all useful                 | 0.0      | 1.4           | -1.4             |
| <b>PaTH activity/internships</b>  |          |               |                  |
| Highly useful                     | 19.0     | 30.6          | -11.5            |
| Useful                            | 54.8     | 37.5          | 17.3             |
| Somewhat useful                   | 21.4     | 25.7          | -4.3             |
| Not at all useful                 | 4.8      | 6.2           | -1.4             |
| <b>Employability training</b>     |          |               |                  |
| Highly useful                     | 31.0     | 40.0          | -9.1             |
| Useful                            | 47.6     | 37.2          | 10.4             |
| Somewhat useful                   | 19.0     | 17.8          | 1.2              |
| Not at all useful                 | 2.4      | 5.0           | -2.6             |
| <b>Industry tasters</b>           |          |               |                  |
| Highly useful                     | 14.3     | 20.3          | -6.0             |
| Useful                            | 45.7     | 44.1          | 1.6              |
| Somewhat useful                   | 37.1     | 30.5          | 6.7              |
| Not at all useful                 | 2.9      | 5.2           | -2.3             |
| <b>Unpaid work experience</b>     |          |               |                  |
| Highly useful                     | 7.1      | 17.3          | -10.1            |
| Useful                            | 47.6     | 41.4          | 6.3              |
| Somewhat useful                   | 38.1     | 33.2          | 4.9              |
| Not at all useful                 | 7.1      | 8.2           | -1.0             |
| <b>Work for the Dole</b>          |          |               |                  |
| Highly useful                     | 5.0      | 18.4          | -13.4            |
| Useful                            | 27.5     | 36.6          | -9.1             |
| Somewhat useful                   | 42.5     | 33.5          | 9.0              |
| Not at all useful                 | 25.0     | 11.6          | 13.4             |
| <b>Self-employment activities</b> |          |               |                  |

| Usefulness        | NEST (%) | jobactive (%) | Difference (ppt) |
|-------------------|----------|---------------|------------------|
| Highly useful     | 0.0      | 13.2          | -13.2            |
| Useful            | 2.4      | 15.9          | -13.5            |
| Somewhat useful   | 58.5     | 36.4          | 22.2             |
| Not at all useful | 39.0     | 34.6          | 4.5              |

Source: Provider Survey, 2021.

Notes: Q To what extent do staff at your site find the following activities useful for moving participants into employment?

jobactive sites n=741, NEST sites n=42.

Participants in the PEES Survey were asked what types of activities they had undertaken with their provider. Although there were some differences, the results broadly accord with the findings from the Provider Survey, noting that there are often differences in reported experience between providers and participants.

As shown in Table 6.13, the types of activities NEST participants reported were less about being reportable in ESS and more about pathways to employment and engagement. For example, NEST ES participants were 5.5 ppt more likely to undertake 'another type of activity with your provider' as opposed to the standard jobactive activities. ES participants were also more likely to have undertaken an activity per se (by 3.4 ppt).

**Table 6.13 Activities reported by participants in the previous 6 months, NEST and jobactive comparison regions (%)**

| Activity type                               | NEST % | jobactive % |
|---|--------|-------------|
| A Work for the Dole activity                | 4.0    | 5.9         |
| Unpaid work experience                      | 9.9    | 10.5        |
| A paid work trial                           | 10.2   | 11.6        |
| Volunteer work                              | 20.0   | 14.1        |
| Another type of activity with your provider | 16.0   | 10.5        |
| At least one activity                       | 44.1   | 40.7        |
| Prefer not to say                           | 10.4   | 13.5        |
| Don't know                                  | 43.8   | 49.2        |

Source: PEES Survey, 2021.

Notes: Q In the last six months have you done ...

Respondents select all that apply, so totals will not add to 100%.

Reported at March 2021.

NEST regions n=1,036; comparator regions n=1,007.

### Other types of activities

Respondents who had undertaken 'another type of activity with your provider' were asked about the nature of that activity. While 13.7% of NEST ES participants had engaged in at least one of the noted activities in the last 6 months, only 8.3% of jobactive participants had. Participants in ES were more likely to report attending job clubs (16.7% compared with 5.2% for jobactive) and employability training (23.8% compared with 18.6% for jobactive). ES participants were also slightly more likely to have undertaken other study or training (32.8% compared to 30.5% for jobactive).

Participants in jobactive are more likely to have participated in social networking or the New Enterprise Initiative Scheme (NEIS) program (Table 6.14).

**Table 6.14 Other activities in the previous 6 months, NEST and jobactive comparison regions (%)**

| Activity type  | NEST % | jobactive % |
|--|--------|-------------|
| Job club   | 16.7   | 5.2         |
| Social activity (e.g. walking group)                         | 2.5    | 2.3         |
| Social networking (e.g. Facebook groups)                     | 3.4    | 7.5         |
| Employability training or assistance with finding employment | 23.8   | 18.6        |
| NEIS program   | 1.0    | 4.4         |
| Other study or training                                      | 32.8   | 30.5        |
| Gained employment  | 3.9    | 3.9         |
| Volunteer/unpaid position                                    | 0.8    | 1.5         |
| Stayed in contact  | 4.6    | 3.3         |
| Other  | 5.3    | 7.5         |
| Any of the above activities                                  | 13.7   | 8.3         |

Source: PEES Survey, 2021.

Notes: Q In the last six months have you done ...  
 Respondents select all that apply, so totals will not add to 100%.  
 Reported at March 2021.  
 NEST regions n=1,036; comparator regions n=1,007.

Data from the Provider Survey also showed that both jobactive and NEST sites also use other activities, such as job club (73% and 69% respectively) and social networking (31% and 19% respectively). More NEST sites use social activities such as walking groups (Table 6.15).

**Table 6.15 Other activities being undertaken at NEST and jobactive sites (%)**

| Activity type     | NEST % | jobactive % | Total % |
|-------------------|--------|-------------|---------|
| Job club          | 69.0   | 72.8        | 72.6    |
| Social activity   | 9.5    | 6.7         | 6.9     |
| Social networking | 19.0   | 30.7        | 30.1    |
| Other             | 21.4   | 15.4        | 15.7    |
| Don't know        | 21.4   | 12.3        | 12.8    |

Source: Provider Survey, 2021.

Notes: Q Do staff at your site use any of the following activities?  
 Respondents select all that apply  
 NEST sites n=59; jobactive sites n=1,030.

### Pathway plans are commonly used as a servicing tool

Early in the trial, some providers developed or made more use of 'pathway to employment' plans as a way of capturing discussions with participants that they could then translate into actionable points. These plans tended to:

- use a strengths-based approach
- look for small 'wins' and positive reinforcement



- not be compellable or linked to MORs
- increase participant buy-in as they can see a path to employment develop
- account for the non-linear nature of participants' employment pathways.

These plans might include things such as coming to an appointment properly groomed and putting in place steps to get a birth certificate, learner's permit or medical assistance. They tended to focus on addressing barriers and making incremental progress.

### Activity development

Activity development in the NEST is driven by the appropriateness of the activity to:

- increase workplace skills and offer meaningful work experiences to participants
- improve a participant's social skills and social engagement/connectedness
- overcome non-vocational barriers.

Consequently, many providers were investing time and resources into:

- developing/organising a more extensive range of vocational and non-vocational activities
- investigating existing training and community support options, along with existing complementary programs
- using existing, or creating new, work experience and training opportunities that respond to labour market demand.

This is supported by participant feedback from the PEES Survey (Table 6.14).

### Vocational activities

PEES Survey data indicates that participants in NEST ES were slightly more likely to report being engaged in a vocational activity, such as unpaid work experience or a paid work trial, than those in jobactive regions (by 0.8 ppt overall) (Table 6.13).

### Work experience activities

NEST providers agreed that work experience activities could be an important step to sustainable employment, as they build employability skills, and provide industry-specific experience, as well as connecting participants to their local community.

*... now that we've got that flexibility, our staff tend to be leaning more towards internships or NWEF or paid work trials, to try and sort of push people into activities ... because that's the quickest, best way to get people a work-like experience is putting them in a paid work trial.*

Stakeholder fieldwork, Provider, Tranche 2

Work experience activities could include industry tasters, work trials or existing work experience or internship programs. NEST providers considered paid work experience to be more useful in moving participants into work than jobactive providers (by a difference of 11 ppt), whereas jobactive providers considered unpaid work experience more useful (by 10.1 ppt) (Table 6.12).

### Industry tasters

Industry tasters could be coupled with targeted pre-employment training with placement opportunities on successful completion, particularly in response to labour market shortages. For example, rather than running a Certificate III in Personal Care, one provider was offering 3 modules

combined with onsite work experience over a 6-week period. If suitable, the participant would then be offered ongoing employment and complete their Certificate III while working.

NEST sites were less likely to view industry tasters as highly useful (14%) for moving participants into employment compared to jobactive sites (20%). However, both NEST and jobactive were likely to see them as useful (46% and 44% respectively) or somewhat useful (37% and 31% respectively) (Table 6.12).

### **Paid work trials**

In general, NEST providers thought that paid work trials were instrumental in helping long-term unemployed (LTU) and VLTU participants back into the workforce. They reported that paid work trials were preferable for this cohort because they were targeted towards smaller businesses and were:

- covered under jurisdictional occupational health and safety laws, rather than the department's risk assessment process, so it was easier for workplaces to be aware of and meet their responsibilities
- able to be implemented quickly and developed in consultation with employers to respond to their immediate recruitment needs
- more acceptable to participants as they are being appropriately remunerated for their labour and the trial is potentially linked to an employment opportunity.

Providers noted that these trials do not necessarily lead to an outcome straightaway but can help participants and employers determine whether someone is 'the right fit' for an organisation or industry, while building the participant's confidence and exposure to work environments.

*I know from experience that sometimes it will take five or six jobs – not interviews, I mean jobs, paid work trials and opportunities – before you find the right fit.*

Stakeholder fieldwork, Provider, Tranche 3

Some employers in the NEST Stakeholder Research also thought it important to pay participants for their labour as it contributed to their motivation and effort. This may be especially beneficial for longer-term unemployed participants and/or those who had no previous paid work experience, as it gives them a taste of financial independence not previously encountered.

*... I generally pay people if they come out for a day's work. I think it's fair enough, otherwise you don't get a genuine – you know, if they say, 'Oh, I'm just going up there just to do a day's work for nothing,' I think that mentality would be that, 'Do I really put in the effort?' If they get paid for it as a trial, then there's more incentive to say, 'OK, yeah, this could work out.'*

Stakeholder fieldwork, Employer, Tranche 4

It should be noted that while providers and employers reported the benefits of paid work trials, no ES PEES Survey respondents reported that they had undertaken a paid work trial in the last 6 months (Table 6.13).

Paid work trials and paid work experience were seen by staff at NEST sites as highly useful (62% and 50%) for moving participants into employment, whereas unpaid work experience (7%) and WfD (5%) were seen as somewhat useful (38% and 43%). Additionally, both NEST sites and jobactive sites

reported that self-employment activities were not useful at all for moving participants into employment (39% and 35% respectively) (Table 6.12).

### Using existing departmental programs

Providers were not taking a one-size-fits-all approach and were developing a range of work experience and training options and using appointment times to work with participants to identify potential work experience pathways with identified outcomes. As such, providers reported that they are increasingly considering the National Work Experience Program (NWEPP), PaTH, and PaTH Industry Pilots as activity options where appropriate. However, several providers also reported that NWEPP was better targeted towards more professional and more highly skilled roles.

*We're looking at NWEPP a lot. So, something that we didn't necessarily focus on a lot on jobactive we're definitely looking at now. So, we had a couple last month. And job seekers seem to really like the idea of it and employers do as well, of getting that experience and maybe getting a reference and hopefully employment as well.*

Stakeholder fieldwork, Provider, Tranche 2

The Provider Survey indicates that nearly three-quarters of NEST sites (73.8%) see PaTH internships as highly useful or useful for moving participants into employment, compared with jobactive sites (68.1%) (Table 6.12).

### Volunteer work

In the NEST, participants can either source their own volunteer activity or take part in a provider-sourced volunteer activity. Providers in the NEST took different approaches to volunteer work. The Stakeholder Research indicates that some were helping individuals organise selected volunteer work, while others had a more hands-off approach – allowing people to find their own volunteer work, and recording it in Job Plans or pathway plans. Some providers in the Mid North Coast were facilitators of the Work Development Order, a Revenue New South Wales program for participants to clear unpaid fines through a wide range of activities or treatment programs.

However, several providers also noted that they were no longer overtly promoting voluntary work as a way for participants to meet MORs, as:

- some consultants had forgotten about the availability of volunteer work since the removal of defined activity phases and the disruption to activities as a consequence of contingencies
- their primary role was to help people into employment, not act as a recruitment agency for volunteer organisations – this was particularly evident as the labour market changed after the initial lockdown and skill and staff shortages became more prevalent
- the associated administrative burden was high and other agencies (e.g. Services Australia and state-based organisations) were more appropriately placed to make these referrals.

Despite this, providers felt that some types of participants may benefit from volunteer work – for example:

- those engaged in the Skills for Education and Employment (SEE) program who required opportunities to practise their language skills

- those for whom the activity would help them progress towards employment by providing industry experience, helping them adjust to a daily routine, or increasing their social connectedness
- those who were losing hope in, and feeling demotivated about, gaining paid employment.

*... when they're hitting that age bracket. And they're finding it hard with their job searches ... or they come in and say, 'I'm going to kick back. I'm old. They don't want to hire me.' ... you've got to give them the other options, because you don't want them to be totally deflated and go, 'I'm not going to get a job.' Retirement age is getting higher and higher, so I think once they start hitting around 62, 63, we have that discussion with them.*

Stakeholder fieldwork, Provider, Tranche 4

A significant portion of both jobactive and ES PEES Survey respondents had undertaken voluntary work, though this was much more the case for ES participants. It is also the case in both ES and jobactive that older participants and women are more likely to report voluntary work than younger participants and men. Participants from CALD backgrounds and those with low English proficiency are also more likely to undertake voluntary work, and providers noted that this is recommended so that they can improve their language skills (Table 6.16).

**Table 6.16 Prevalence of voluntary work in previous 6 months, NEST and jobactive comparison regions (%)**

| Participant demographics                 | NEST %      | jobactive % |
|--|-------------|-------------|
| <b>All participants</b>                  | <b>20.0</b> | <b>14.1</b> |
| <b>Age group</b>                         |             |             |
| Less than 25 years                       | 19.3        | 15.4        |
| 25 to 44 years                           | 17.5        | 11.7        |
| 45 years and older                       | 23.6        | 17.0        |
| <b>Gender</b>                            |             |             |
| Female                                   | 22.6        | 16.6        |
| Male                                     | 17.9        | 11.9        |
| <b>Other demographic characteristics</b> |             |             |
| Indigenous                               | 13.1        | 10.2        |
| CALD                                     | 24.0        | 17.4        |
| Disability                               | 17.1        | 13.8        |
| Low English proficiency                  | 21.3        | 13.8        |
| Principal carer parent                   | 20.5        | 16.7        |

Source: PEES Survey, 2021.

Notes: Q In the last six months have you done ...  
NEST regions n=1,036; jobactive n=1,007.

## Work for the Dole activities

### WfD-type activities can be valuable

Feedback from the jobactive evaluation and NEST Stakeholder Research found there was benefit to participants and the community when WfD-type activities were well conceived and run.

*... it's their sense of giving back to community and they own the thing that they finished off with us and they can say to their family or their friends I've been part of that. And we story board that stuff and we take pictures of them and we show community what they've achieved so that they can own it and respect it and that's important ... Most of them enjoy being here and being a part of the community and the camaraderie of working in that team.*

Stakeholder fieldwork, Host, Tranche 4

### **Work for the Dole in jobactive is often associated with AARs**

In the Stakeholder Research, NEST providers reported that in the jobactive model, the AAR obliged participants to undertake activities because of their time in service, not because the activity met their needs and/or improved their employability. Providers also reported that WfD activities were administratively burdensome and seldom contributed to participant employment outcomes. While WfD increased some participants' sense of self-worth and improved their social skills, for others it increased stress and frustration, decreased engagement and had a negative impact on consultant-participant relationships. Providers reported deep stigma associated with WfD, particularly regarding the name but also in relation to the types of WfD activities available, which were rarely tailored to participant needs or preferences.

*... it's a clear indicator to me that both from a staff perspective and from the participant perspective, Work for the Dole has been viewed as punitive. Even when we were to kick that off again, we certainly want to be very selective about what kind of activities we would be running... we could look at it and we could actually build somebody's capacity. We could use it as a tool to build capacity.*

Stakeholder fieldwork, Provider, Tranche 4

These views were supported to some extent by the jobactive evaluation, which found that although WfD activities had community benefit and participants often derived benefit from WfD activities, there was a stigma attached to WfD as a concept. This view was shared by WfD participants, and was a significant barrier to participating for some.

*... the name itself is ... awful ... got a real connotation of the useless, unemployable ... it makes it harder [to find work].*

WfD participant, WfD research, 2017

To overcome these negative perceptions in the trial, providers tended to avoid using the term 'Work for the Dole', opting instead for terms like 'work experience activity', or explained that it was vastly different from the previous model. This was facilitated by the way providers could implement WfD activities, in that they were not tied to AARs and so were not required to be the standard 25 or 15 hours per week. Providers were encouraged by the increased flexibility in WfD-type activities and the opportunities they could offer participants.

### **Work for the Dole is a less significant activity in the NEST**

The Provider Survey found that around a third (32.5%) of NEST providers considered WfD highly useful (5%) or useful (27.5%) for moving participants into employment, compared with more than half (55%) of jobactive providers (18.4% highly useful and 36.6% useful) (Table 6.12).

Given the removal of AARs, coupled with greater flexibility around how providers can engage participants, WfD has become a less important activity in the NEST activation tool kit. Providers are more discerning about how they use WfD activities and under what circumstances.

*... we've made a decision to only enter into Work for the Dole activities if it's a very suitable activity for that customer ... at NEST our mindset has changed a lot in relation to Work for the Dole, because we want it to be a suitable activity for that customer.*

Stakeholder fieldwork, Provider, Tranche 3

As well as this, providers reported that the NEST has given them the time and resources to focus on employment outcomes rather than on helping participants meet their MORs. Therefore, they were less invested in developing WfD activities, particularly given the administrative burden and perceived stigma associated with the program.

*... this is a positive around NEST, is that we don't have Work for the Dole as a compulsory requirement. And predominantly, because of the administration of the program ...*

Stakeholder fieldwork, Provider, Tranche 4,

Providers also raised concerns about the feasibility of arranging WfD activities that would have broad appeal for participants, in an environment where the focus is on individually tailored pathways to employment. Their concerns related to generating enough participant interest to make the activity feasible, and the need to collaborate with other providers to ensure a critical mass of participants to counteract this.

This was compounded by the onset of bushfire and the COVID-19 related pause in MORs, and later in the context of a stronger labour market. This is supported by PEES Survey data, which shows that WfD activities are much more prevalent in jobactive (11.8%) than they are in ES (7.8%). Men and young people in both ES and jobactive are more likely to report WfD activities than women and older participants (Table 6.17).

**Table 6.17 Prevalence of Work for the Dole in previous 6 months, NEST and jobactive comparison regions, by selected demographic characteristics (%)**

| Characteristics                       | NEST (%)   | jobactive (%) |
|---------------------------------------|------------|---------------|
| <b>All participants</b>               | <b>7.8</b> | <b>11.8</b>   |
| <b>Age group</b>                      |            |               |
| Less than 25 years                    | 5.5        | 7.5           |
| 25 to 44 years                        | 3.4        | 6.6           |
| 45 years and older                    | 4.0        | 4.1           |
| <b>Gender</b>                         |            |               |
| Female                                | 3.3        | 5.5           |
| Male                                  | 4.5        | 6.3           |
| <b>Assessed level of disadvantage</b> |            |               |
| Low                                   | 0.0        | 6.8           |
| Moderate                              | 3.7        | 5.5           |
| High                                  | 4.8        | 6.0           |

Source: PEES Survey, 2021.

Notes: Q In the last six months have you done ...

Respondents select all that apply, so totals will not add to 100%.

NEST regions n=1,036; comparator regions n=1,007.

### Some hosts share provider concerns about the limitations of WfD

During the Tranche 4 fieldwork, departmental researchers spoke to a number of organisations in the NEST regions that had previously offered WfD. These hosts supported a more flexible WfD arrangement based on participant choice and appropriateness.

*... I felt that there was a lot of time being wasted with bad choices. ... But you send me someone that actually has a little bit of retail experience or has some warehouse experience and likes to sort and is happy to do that, then yeah, that changes the dynamics. You're more likely to be more proactive with that sort of a result, rather than, you're already starting off negative. And that was a huge challenge to have that, and we found that we lost people that way, because they'd come, they'd get ticked off, and then they wouldn't show up. So you do all this work, you do the inductions, you do all the pleasantries, and then two weeks later, they're not showing up. They're all gone.*

Stakeholder fieldwork, Host, Tranche 4

A couple of smaller organisations reported that the restrictions associated with jobactive's WfD program and some negative experiences with participants contributed to their desire to look elsewhere for volunteers, such as through Volunteering Australia or other pathways.

*... we thought it was better off them going to – go through Volunteering Australia and just get other people to come that want to come ... it's better to have people like that that want to be here than to have someone that's forced to be here, and we then get burdened with the extra timekeeping, everything else, inductions ...*

Stakeholder Fieldwork, Host, Tranche 4

### However, some hosts also had concerns about the ad hoc, individual approach to voluntary work

Host agencies thought a more structured program was beneficial as it:

- offered consistency and value for time in recruitment and training
- contributed to sustainable volunteer services
- promoted the value of volunteering among younger participants.

*... on the whole I thought the scheme [WfD] was good.*

Stakeholder fieldwork, Host, Tranche 4

WfD hosts acknowledged that, irrespective of changes to the WfD program, the resourcing requirements and administrative burden for them, such as supervising, training, and providing participants with uniforms and workplace resources would not reduce, and may increase if there was a higher workforce turnover.

*... when you look at the impact of training somebody, onboarding somebody ... We still need to do all of that [administrative work] but once they are here, we still go through an induction. So, to have that repetitive person coming back for even three to six months is, quite significant for us.*

Stakeholder fieldwork, Host, Tranche 4

### Activity hosts reported low referrals from providers

Some host agencies reported that lack of engagement from providers had left them short of volunteers. However, some host agencies stated that they were still receiving volunteers who were aged over 55 but that the referrals of younger participants were lower than usual. This is likely

related to differing requirements for older participants. After 12 months on payment, participants aged 55 to 59 can satisfy their MORs if they undertake at least 30 hours per fortnight of approved voluntary work, paid work or any combination of these activities.<sup>60</sup>

*I don't know whether it's because they're employed, but we are struggling to get young volunteers.*

Stakeholder fieldwork, Host, Tranche 4

*I don't know where all the young people are, and we usually go through [providers]. So I think when you're unemployed you have a job agency and then they try and find you work. So it used to be, I think that they would do six months volunteering and six months job placement and six months learning for work.*

Stakeholder fieldwork, Host, Tranche 4

## Training

NEST providers felt that training was an essential component of responding to local labour market demands. Training methods and priorities changed significantly over the course of the trial, in terms of the types of training and delivery. COVID-19 required a move to online training, and training packages were funded by the federal and state governments. In some instances, this combination broadened training opportunities for participants, particularly in regional areas. However, both training organisations and providers agreed that online delivery is less than ideal for some ES participants who may have low digital accessibility and literacy, resulting in lower engagement.

*I think [online delivery is] not suited for all the job seekers. For example EST, so we tried to keep up our referrals for EST ... We couldn't get as many of our job seekers interested in doing the online as what we would've if it was face-to-face.*

Stakeholder fieldwork, Provider, Tranche 3

It is difficult to isolate changes attributable to the NEST policy settings. However, the flexibility of the NEST environment and the focus on innovation and trialling ideas has, at least to some extent, encouraged providers to develop more targeted training options for their participants.

*Through our own RTO we looked at doing shorter courses, so doing a course over four weeks instead of a long period of time, and it's built like a career pathway program. So that's getting them some more accredited training but as well as the soft skills in teaching them how to look for work as well, got a couple of training facilities set up for that.*

Stakeholder fieldwork, Provider, Tranche 3

NEST PEES Survey ES respondents reported a range of different types of training (Table 6.18); most prevalent among them were:

- first aid or occupational health and safety courses (Safety Card/White Card) (20.8%)
- computer/new technologies courses (15.8%)
- motivation/self-help/personal development training (14.9%)
- job search training (how to write a résumé, how to dress etc.) (13.8%).

While PEES Survey jobactive respondents were reporting similar types of training, there were some differences in prevalence. For example, 46.8% of jobactive respondents reported training; in the

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<sup>60</sup> [Social Security Guide Version 1.301 \(dss.gov.au\)](#).



NEST this was slightly higher at 48.2%. ES respondents were more likely than jobactive respondents to report training for a specific job (48.2% compared with 41.8%) and first aid or occupational health and safety courses (20.8% compared with 18.6%) (Table 6.18).

**Table 6.18 Prevalence of education or training in previous 6 months, NEST and jobactive comparison regions (%)**

| Activity   | NEST % | jobactive % |
|--|--------|-------------|
| Training for a specific job (e.g. forklift licence, hospitality courses)       | 48.2   | 41.8        |
| First aid/occupational health and safety courses (e.g. Safety Card/White Card) | 20.8   | 18.6        |
| Computer course/new technologies   | 15.8   | 16.7        |
| Motivation/self-help/personal development                                      | 14.9   | 13.6        |
| Job search training (how to write a résumé, how to dress etc.)                 | 13.8   | 13.8        |
| Reading, numeracy or literacy  | 9.0    | 7.3         |
| Certificate – other  | 5.5    | 5.5         |
| Degree/postgraduate degree at university                                       | 4.0    | 5.0         |
| Caring/community services  | 3.5    | 4.1         |
| Health/mental health   | 3.0    | 2.0         |
| Information/administration/business  | 2.2    | 3.3         |
| Diploma  | 1.6    | 1.8         |
| TAFE/technical college/business college  | 1.4    | 1.0         |
| Other  | 3.3    | 4.1         |

Source: PEES Survey, 2021.

Notes: Q What area(s) does or did this study or training cover?  
 Respondents select all that apply, so totals will not add to 100%.  
 NEST regions n=1,036; comparator regions n=1,007.

Feedback from NEST providers indicates that the training priorities shifted from what had been originally envisaged – that is, from employability skills training and a broad range of engagement-focused activities to more industry-focused training.

*... we really have to consider their barriers first. And one of the main points that we always consider is whether they'll pass a Working With Children's or a Police check. That's your priority, before you look at any activity for a customer. And obviously that's quite a large barrier for a lot of our customers. The other thing is whether that is a skills in demand would be something that I would be looking at. Are they going to get ongoing, sustainable employment by doing this course? It's as simple as that.*

Stakeholder fieldwork, Provider, Tranche 4

### Industry and vocational training

Several providers indicated that, due to the changing labour market, they developed short pre-employment training courses to help participants into areas of high demand and areas previously filled by overseas workers (e.g. hospitality, agriculture and call centres). For example, one training organisation developed industry-focused skill set training, and highlighted that their training organisation had grown throughout COVID-19.

*... we grew about 20% through COVID, just because people were considering careers.*

Stakeholder fieldwork, Training organisation, Tranche 3

Some industries, such as retail and tourism, experienced significant staff losses, while others (e.g. call centres, aged care and the agricultural sector) showed high labour demand due to closure of the international borders.

*I think it's come to light that so many businesses were reliant on our backpackers, on our overseas travellers, on the people on visas, and now when we're seeing these skill shortages in especially hospitality.*

Stakeholder fieldwork, Provider, Tranche 3

*... we also created a call centre course which obviously we said that was one of the industries that did grow. So we had some real success with that.*

Stakeholder fieldwork, Provider, Tranche 3

### **Department-funded training to develop employability skills**

This training relates to Career Transition Assistance (CTA), Employment Preparation Activity (EPA) and Employability Skills Training (EST). Training organisations reported that referrals to employability and other skills training did reduce during the initial transition period and subsequent COVID-19 lockdown period but have been increasing since face-to-face delivery recommenced.

Reasons for the lower volumes of referrals could include, but not be limited to:

- NEST providers' increased focus on organisational change during NEST transition and implementation
- greater flexibility to develop and refer participants to in-house training and activities
- increased collaboration with local employers and response to emerging local labour demands
- greater choice for participants about engaging in activities
- the lack of a defined AAR for ES participants.

Training organisations did not think that COVID-19 or the pause of MORs were the only factors in the continued low referrals from NEST providers. Most training organisations that were not NEST providers reported that neither the return of MORs nor efforts to adapt their programs had increased referrals to departmental employability programs from NEST providers.

*It's continued to decline. Irrespective of us also adapting and flexing what we deliver ... to make it more contextualised to labour market needs ... In this instance, in this particular marketplace, that makes no difference. It's still not invigorating referrals. There seems to be zero appetite for the peripheral training programs outside of their own services.*

Stakeholder fieldwork, Training organisation, Tranche 3

### **Pre-employment and soft skills training**

Many providers were delivering pre-employment training programs. This appeared to be particularly prevalent in NEST regions where 23.8% of ES participants reported undertaking employability training or assistance with finding employment. This compares to 18.6% of jobactive participants (Table 6.14).

*Our soft skills program ... one of the surprising elements out of this is we've actually had an increased proportion of interest and referrals into those programs during the COVID*

*experience and moving it online. The sense of choice, the sense of being able to connect even remotely seems to have been something desirable as well. So we actually had an increased proportion of engagement. Our groups were larger than we've ever seen them before and the need was there, which is positive.*

Stakeholder fieldwork, Provider, Tranche 3

### Self-employment activities

In the 2021 Provider Survey jobactive providers considered self-employment activities more useful for moving people into employment than did NEST providers. This is likely because of the less disadvantaged jobactive caseload when compared with NEST caseloads.

### Drivers of engagement in activities

#### Choice, flexibility and value

Many providers in the Stakeholder Research reported that both they and participants are exercising greater consideration as to what participants do, and how, to remain engaged and move towards employment. Providers reported that several factors contribute to participant engagement:

- participant choice
- capability and barriers
- employment opportunities at the end of the activity
- other benefits of participation
- business benefits – for example, cross-referring to training organisations and other entities.

*... more empowerment of the customer, job seeker, to choose their journey. That's really worked well for us. Not having the cookie cutter approach, really individualising the service for the customer. That's the highlight.*

Stakeholder fieldwork, Provider, Tranche 4

Around 60% of staff at both NEST and jobactive sites believed that when choosing an activity, it is important that it meets the participant's preferences. However, NEST sites were more likely to report that it is very important (38%) compared to jobactive sites (27%) (Table 6.19).

**Table 6.19 Importance of participant preference in activity selection, NEST and jobactive sites (% and ppt)**

| Importance           | NEST (%) | Jobactive (%) | Difference (ppt) |
|----------------------|----------|---------------|------------------|
| Very important       | 38.1     | 27.0          | 11.1             |
| Important            | 59.5     | 59.9          | -0.4             |
| Slightly important   | 2.4      | 13.0          | -10.6            |
| Not at all important | 0        | 0.1           | -0.1             |

Source: Provider Survey, 2021.

Notes: Q13.2 When staff at your site are choosing activities for a participant, how important is it that the activity meets their preferences?  
NEST n=42, jobactive n=748.

### Appropriateness of referrals to activities

In the Stakeholder Research, all stakeholders reported that an area of concern is the appropriateness of referrals, noting that there is less reliance on compliance when providers

appropriately refer participants to activities, including job interviews. There was a perception that although jobactive advocated personal responsibility, in practice it diminished participants' personal responsibility and agency by reducing their choice and increasing compulsion.

*... when jobactive came in and the big focus was personal responsibility on customers. And reminding them that it's their responsibility. However, I feel that NEST really encompasses that more ... I do think that now with NEST people can say, 'I would like to participate in this' ... I think it's more flexible. 'What would you like to do?' And I think that's a real key to the personal responsibility. Because we can have those conversations ... They're invested in it.*

Stakeholder fieldwork, Provider, Tranche 4

However, not being able to obtain the required clearances, such as working with vulnerable people and police checks, for some in-demand areas limits these opportunities for some participants.

*... for aged care and those community type roles there's a set of criteria that a lot of our job seekers won't meet and that is if they have a criminal past or won't pass their DCSI ... So we did have lots of vacancies come through but we didn't have a lot of job seekers that were able to fill them.*

Stakeholder fieldwork, Provider, Tranche 3

## Pre- and post-employment support

The Provider Survey asked about a range of pre- and post-employment assistance that providers in the NEST and jobactive provide to facilitate employment.

### Pre-employment support

Survey results indicate that NEST sites are more likely to provide pre-employment activities, such as tasters, rather than pre-employment support, which may be an indication of the preparation work required for a more disadvantaged caseload. Both NEST and jobactive providers reported providing an extensive range of pre-employment support. Some supports are more evident in jobactive than in NEST, which may simply reflect a broader range of providers in jobactive (Table 6.20 and Table 6.21).

**Table 6.20 Pre-employment support at NEST and jobactive sites (% and ppt)**

| Pre-employment support                             | NEST % | jobactive % | Difference ppt |
|--|--------|-------------|----------------|
| Pay for licences, tools, equipment or clothing     | 97.6   | 97.6        | 0.0            |
| Access to wage subsidies                           | 97.6   | 95.1        | 2.5            |
| Screening/shortlisting candidates                  | 92.9   | 95.8        | -3.0           |
| Interviewing candidates for employers              | 88.1   | 87.9        | 0.2            |
| Pre-employment qualification checks                | 81.0   | 82.7        | -1.8           |
| Pre-employment training                            | 81.0   | 82.7        | -1.8           |
| Pre-employment skills checks                       | 76.2   | 85.0        | -8.8           |
| Advertising vacancies                              | 69.0   | 77.0        | -7.9           |
| Facilitation of induction programs                 | 54.8   | 60.6        | -5.9           |
| Access to online recruitment support and resources | 54.8   | 59.3        | -4.5           |
| Other (please specify)                             | 11.9   | 8.2         | 3.7            |

Source: Provider Survey, 2021.

Notes: Q Which of the following services does your site offer to employers BEFORE placing participants?

NEST n=42, jobactive n=742.

**Table 6.21 Pre-employment activities, NEST and jobactive sites (% and ppt)**

| Pre-employment activities     | NEST % | jobactive % | Difference ppt |
|-------------------------------|--------|-------------|----------------|
| Employer/business site visits | 76.2   | 80.2        | -4.0           |
| Tasters                       | 40.5   | 34.5        | 6.0            |
| Other                         | 28.6   | 26.8        | 1.8            |
| Not applicable                | 11.9   | 5.5         | 6.4            |
| Don't know                    | 4.8    | 2.0         | 2.8            |

Source: Provider Survey, 2021.

Notes: Q What types of pre-employment activities are used by your site?

NEST n=42, jobactive n=74.

### Referring employers to DS

Engagement with employers is not likely to extend to providers referring employers to DS where the provider does not have suitable candidates, although jobactive sites (45.7%) were more likely to do this than NEST sites (33.3%) (Table 6.22).

**Table 6.22 Employer servicing – referral of employers to Digital Services to fill vacancies, NEST and jobactive sites (% and ppt)**

| Refer employers to DS to fill vacancies | NEST % | jobactive % | Difference ppt |
|---|--------|-------------|----------------|
| Yes                                     | 33.3   | 45.7        | -12.4          |
| No                                      | 66.7   | 54.3        | 12.4           |

Source: Provider Survey, 2021.

Notes: Q If your site does not have suitable candidates, do staff refer employers to the digital service to source employees?

NEST n=42, jobactive n=742.

### Post-employment support

Post-placement support was broadly similar between jobactive and NEST (Table 6.23).

**Table 6.23 Employer servicing – post-employment support, NEST and jobactive sites (% and ppt)**

| Post-employment support                           | NEST % | jobactive % | Difference ppt |
|---|--------|-------------|----------------|
| Paying for licences, tools, equipment or clothing | 100.0  | 99.1        | 0.9            |
| Post-placement support and follow-up              | 97.6   | 99.6        | -2.0           |
| Access to wage subsidies                          | 97.6   | 98.0        | -0.4           |
| Participant training                              | 88.1   | 86.4        | 1.7            |
| Other (please specify)                            | 4.8    | 9.2         | -4.4           |

Source: Provider Survey, 2021.

Notes: Q Which of the following services does your site offer to employers AFTER placing participants? Select all that apply.

NEST n=42, jobactive n=742.

## 6.4.5 Satisfaction with provider

ES participants were more satisfied with their provider than jobactive participants. Data from the PEES Survey shows that ES participants reported significantly higher satisfaction with their NEST provider than jobactive participants with their jobactive provider (net satisfaction difference of 9.6 ppt). Most of this difference is driven by the propensity of ES participants to report being 'very satisfied' with their provider (28.5% compared with 19.8% for jobactive). There is very little difference in other satisfaction ratings (less than 3 ppt) (Table 6.24).

**Table 6.24 Participants' overall satisfaction with provider services – NEST and jobactive comparison regions (%)**

|           | Very dissatisfied | Dissatisfied | Neither | Satisfied | Very satisfied | Net satisfaction |
|-----------|-------------------|--------------|---------|-----------|----------------|------------------|
| jobactive | 8.7               | 11.3         | 20.3    | 36.3      | 19.8           | 36.1             |
| ES        | 8.0               | 9.2          | 17.7    | 34.4      | 28.5           | 45.7             |

Source: PEES Survey, 2021.

Notes: Q Overall, how satisfied or dissatisfied are you with the services of <provider name>?

Proportions in table use weighted survey data.

Net satisfaction is calculated by subtracting those who are dissatisfied or very dissatisfied from those who are satisfied or very satisfied.

ES n=974; jobactive n=1,015.

This is supported by evidence from the NEST LS, which found that participants were starting to see the difference in the model and appreciate the more personalised service and assistance.

*My worker is really compassionate and really supportive and well encouraging. And just keeping in contact with that open communication, like she said, You know, give me a call anytime.'*

NEST LS Study Wave 5, Enhanced T2, Interview 2

*Initially we had a difficult start when I joined them [the provider], but I have to say that since August and September and particularly this year, they've been so patient and so understanding and that has been a huge emotional value to me because it's daunting ... If it's about [employment consultant] then I'd give it a seven [out of seven].*

NEST LS Study Wave 5, Enhanced T2, Interview 4

### Some types of participants are more satisfied with ES

The PEES Survey shows that compared with a net satisfaction rate of 45.7% for all ES participants, the following groups are more likely to be satisfied (Table 6.25):

- people in outer (64.1%) and inner (52.2%) regional areas
- Indigenous participants (56.9%) and people with low English proficiency (55.3%)
- people with low education levels – less than Year 10 (57.9%) or Year 10 only (51.5%)
- people aged over 45 years (50.7%).

Interestingly these are some of the most vulnerable cohorts to whom the ES model was targeted.

People who lived in main capital cities (33.9%), principal carer parents (35.7%) and university graduates (32.7%) were much less satisfied than the average ES participant (45.7%).

**Table 6.25 NEST participants' overall satisfaction with provider services (%)**

| Characteristics                              | Very dissatisfied | Dissatisfied | Neither | Satisfied | Very satisfied | Net satisfaction |
|--|-------------------|--------------|---------|-----------|----------------|------------------|
| <b>ES overall</b>                            | 8.0               | 9.2          | 17.7    | 34.4      | 28.5           | 45.7             |
| <b>Age group</b>                             |                   |              |         |           |                |                  |
| Less than 25 years                           | 7.1               | 8.3          | 19.6    | 39.9      | 23.3           | 47.8             |
| 25 to 44 years                               | 8.9               | 10.7         | 17.6    | 34.2      | 26.4           | 41.0             |
| 45 years and older                           | 7.4               | 7.7          | 16.9    | 31.8      | 34.0           | 50.7             |
| <b>Highest education level</b>               |                   |              |         |           |                |                  |
| Less than Year 10                            | 1.8               | 6.5          | 17.2    | 30.0      | 36.2           | 57.9             |
| Year 10 or 11                                | 9.0               | 6.8          | 15.1    | 39.6      | 27.7           | 51.5             |
| Year 12                                      | 7.5               | 14.6         | 19.0    | 31.1      | 32.1           | 41.1             |
| TAFE   | 7.7               | 8.5          | 19.2    | 31.1      | 32.1           | 47.0             |
| University                                   | 11.3              | 11.9         | 19.1    | 35.0      | 20.9           | 32.7             |
| <b>Length of time in employment services</b> |                   |              |         |           |                |                  |
| Less than 1 year                             | 11.1              | 7.9          | 17.0    | 34.1      | 27.4           | 42.5             |
| 1 to 2 years                                 | 6.6               | 7.0          | 23.2    | 31.1      | 30.8           | 48.3             |
| Longer than 2 years                          | 7.1               | 11.2         | 15.6    | 35.9      | 28.0           | 45.6             |
| <b>Gender</b>                                |                   |              |         |           |                |                  |
| Female                                       | 7.6               | 10.2         | 18.9    | 30.7      | 29.4           | 42.3             |
| Male   | 8.4               | 8.4          | 16.8    | 37.3      | 27.9           | 48.4             |
| <b>Remoteness</b>                            |                   |              |         |           |                |                  |
| Outer regional areas                         | 4.5               | 2.8          | 19.9    | 31.0      | 40.4           | 64.1             |
| Inner regional areas                         | 4.9               | 9.9          | 15.9    | 31.9      | 35.1           | 52.2             |
| Main capital cities                          | 11.3              | 11.1         | 19.3    | 34.7      | 21.6           | 33.9             |
| <b>Other demographic characteristics</b>     |                   |              |         |           |                |                  |
| Indigenous                                   | 3.3               | 7.8          | 15.1    | 29.3      | 38.7           | 56.9             |
| CALD   | 6.6               | 9.9          | 21.4    | 35.2      | 23.2           | 41.9             |
| Disability                                   | 8.5               | 9.6          | 17.8    | 32.3      | 29.8           | 44.0             |
| Low English proficiency                      | 2.1               | 4.4          | 24.9    | 25.7      | 36.1           | 55.3             |
| Principal carer parents                      | 7.7               | 13.9         | 18.7    | 37.4      | 19.9           | 35.7             |

Source: PEES Survey, 2021.

Notes: Q Overall, how satisfied or dissatisfied are you with the services of &lt;provider name&gt;?

Proportions in table use weighted survey data.

n=1,016 (ES only).

### People are dissatisfied for various reasons

For participants who were dissatisfied (or very dissatisfied) with their NEST ES provider, the main reasons (those with more than 8% of responses) were:

- Didn't get a job (15.1%)
- No or insufficient contact by provider (9.0%)
- Poor or inappropriate staff attitudes (16.5%)
- Agency offers me the wrong sort of work (10.1%).

Most other reasons for dissatisfaction were selected by only a few participants. The reasons for dissatisfaction also varied between ES and jobactive participants, though not widely (Table 6.26).

**Table 6.26 Reasons for dissatisfaction with provider – NEST and jobactive comparison regions (%)**

| Reasons  | NEST ES % | jobactive % | All  |
|--|-----------|-------------|------|
| Didn't get me a job  | 15.1      | 25.2        | 24.9 |
| No or insufficient contact from provider   | 9.0       | 11.1        | 11.0 |
| Poor or inappropriate staff attitude   | 16.5      | 12.6        | 12.8 |
| No feedback  | 3.2       | 5.4         | 5.3  |
| Agency offers me the wrong sort of work  | 10.1      | 8.3         | 8.3  |
| Service very limited or inflexible   | 6.3       | 5.4         | 5.4  |
| Insufficient experience in assisting people with disability or medical condition | 4.2       | 3.2         | 3.2  |
| Not interested in helping someone with my medical condition                      | 4.2       | 1.6         | 1.7  |
| Didn't get me training/on course   | 3.8       | 1.4         | 1.4  |
| Didn't fund things I required  | 3.4       | 3.7         | 3.7  |
| Didn't have enough time for me   | 1.3       | 1.3         | 1.3  |
| Poor or insufficient information   | 1.9       | 2.3         | 2.3  |
| Unreliable or unprofessional   | 6.2       | 7.0         | 6.9  |
| Don't listen to me   | 2.2       | 1.5         | 1.5  |
| Staff turnover   | 0.2       | 1.1         | 1.0  |
| Restricted by government policy or too bureaucratic                              | 6.1       | 2.8         | 2.9  |
| Many of the above  | 3.3       | 3.1         | 3.1  |
| Prefer not to say  | 0.5       | 0.5         | 0.5  |
| Don't know   | 0.7       | 0.2         | 0.2  |

Source: PEES Survey, 2021.

Notes: Q What is the main reason you are dissatisfied with <provider name>?

Proportions in table use weighted survey data.

ES n=185, jobactive n=210. Only asked if dissatisfied.

Notably, the most common reason for dissatisfaction given by one-quarter of jobactive participants (25.2%), was 'Didn't get me a job'. This is consistent with previous evaluations, where participants have noted that the jobactive model is more focused on compliance than assistance. The lower level of dissatisfaction for this reason among NEST ES participants may be reflective of more effective pathways to employment. This is also supported by the outcomes data (Section 6.10). While the strategies employed by NEST providers may be having a positive effect on employment and satisfaction, the dissatisfaction reason 'Agency offers me the wrong sort of work' is higher for NEST participants than jobactive participants. This may indicate that there is still some work to do around job matching.

Throughout the trial, some providers have expressed concern about the efficacy of the initial assessment and referral process, pointing out that the beginning of a participant's journey was critical to success and satisfaction.



*... as long as those customers are getting assessed properly and not just going straight into digital. Those customers that might be their first time on payment, or they're older customers that aren't really digitally savvy ... as long as they're being assessed straight up and coming to us.*

Stakeholder fieldwork, Provider, Tranche 4

Evidence to date, however, indicates that participants are largely being referred to the most appropriate service.

## 6.4.6 Employer engagement

### Relationship management

Providers in the NEST offer similar services to employers as those offered by jobactive providers.

However, the Stakeholder Research indicates that the more disadvantaged caseload and tailored approach to servicing, coupled with the impact of COVID-19, has encouraged providers to be more creative in their relationship with employers.

#### **Providers were concerned that their changing caseload would affect relationships with employers**

At the beginning of the trial, providers expressed concern about how they would maintain and manage their relationships with employers in the new model. This stemmed from the fact that they no longer had job ready participants, and potentially the 'quick win' participants that helped them maintain positive relationships with employers. Providers acknowledged that their relationship with employers, referral and vacancy filling methods, and post-placement support may need to change.

*It's probably the same to be honest, except for those roles where there are a lot of requirements where previously we might have had a Stream A initial that has just fallen out of work that may not have been outcome eligible but we would still send it to the employer because we would try to keep them happy.*

Stakeholder fieldwork, Provider, Tranche 2

*We haven't really told employers there's much difference because I guess we don't really want to. You don't really want to say to an employer, 'We've got less people to fill your needs now.' It's probably more of a detriment to us.*

Stakeholder fieldwork, Provider, Tranche 2

In addition, providers were not confident about what services would be provided to employers in DS.

#### **Some providers reported that they are exploring more innovative ways to connect with employers**

Early in the trial, providers trialled activities aimed at building participant and provider relationships with employers and creating a sense of broader community and support for unemployed people.

*Every month we have our employer of the month as well. We go out and get a happy snap... You know, takes a photo with employer of the month ... that goes on social, so we do a whole range of things where we try to take the putting the employer in the limelight, I suppose, as far as helping to generate and what they're doing to help the local community and gathering some hopefully business growth. And one local business donated their time to come in on our [group activity] day ... Now, it's residual though, it's going to be reciprocal. So all the clients then turn around and want business cards of these businesses because once they're working*

*again, they want to go – that’s the businesses they want to spend their money with. So this is really – yeah, the community piece is really quite powerful.*

Stakeholder fieldwork, Provider, Tranche 2

### **Some providers reported that they have increased reverse marketing and job brokering**

Several providers mentioned changing their service model to give greater attention to servicing employers and brokering jobs. This reported change was due to the higher needs of the caseload and the evidence that this caseload was going to encounter greater difficulty in finding and sustaining their own employment.

*... we changed our service model. So [location], for us, has changed from probably brokering less than 10% of our vacancies, to the last couple of months, we’ve brokered probably up to 40%, like 30-40% of our vacancies. So we have taught our teams, and also to individually tailor opportunities for our customers, and trying to source those employers. We’ve actually found it’s improved our brokerage. So a lot of our customers weren’t actually getting their own jobs ... And we’ve actually got some new relationships with some employers.*

Stakeholder fieldwork, Provider, Tranche 3

Increased brokerage was considered part of providing a tailored service to employers.

*So we just can’t ring any old employer and get a vacancy, we’ve got to really think about how we’re marketing that person and how we’re getting them ready and what other support we’re providing to them.*

Stakeholder fieldwork, Provider, Tranche 3

*... we’ve also had multiple times where we’ve had to say to an employer ... we’ve had to encourage considering other options and potentially probably considering applicants that they may not have previously considered ... if you can get down to the nitty gritty of what is important to an employer ... What they’re really looking for is someone who fits their business and who will show up to work and who really wants the job and will invest in them as much as they invest.*

Stakeholder fieldwork, Provider, Tranche 3

Subsequently some vacancies were difficult to fill. While some of this difficulty was likely due to the loss of job ready participants, providers also reported that they were unable to fill some vacancies as they either could not contact suitable applicants due to the pause of MORs or could not provide them with the training needed due to COVID-19 restrictions. This was partly a result of strong messaging by the government and the department that MORs were no longer in place, as well as fears among participants around COVID-19 in the community.

*... participants that we may have previously considered a really good or satisfactory level of engagement just disappear. Just disappear. Stop returning calls, stop returning doing their job search reporting, just disappear. Can’t get them on the phone. Got an employer screaming for people and I can’t find a waitress because nobody will answer the phone.*

Stakeholder fieldwork, Provider, Tranche 3

### **Some providers reported that the Career Profile is a useful tool for them**

Some providers noted that they have utilised the Career Profile when looking to refer participants to employment, particularly over the COVID-19 period where they have had higher than usual pending caseloads.

*We certainly have found value in utilising the digital – so the career summary, for example, available in ESS, and particularly when the period of time where we had a high proportion of pending lists through obviously the new referrals. We were utilising that as a means to screen participants before they commenced with us and promote the opportunities and actually found a great deal of value and opportunity afforded to people who weren't even connected with us yet and get them connected swiftly and employed swiftly.*

Stakeholder fieldwork, Provider, Tranche 3

### **Some providers reported that they are employing specialist employer relationship staff**

Several providers also stated that they employed specialist staff to develop targeted and structured marketing plans and used their internal relationship databases to engage with local businesses and employers. In addition, some providers noted that their agencies were also registered training organisations (RTOs) and that they garnered knowledge about industry trends through these sources. However, this is not unique to NEST and these types of specialist roles are also used in jobactive.

Evidence from the Provider Survey indicates that for most categories examined, the proportion of specialist staff was higher at NEST sites than at jobactive sites – for example, training specialists (by 16 ppt), disability specialists (by 6.4 ppt), business liaison specialists (by 5.5 ppt) and Indigenous Australian mentors (by 5.2 ppt) (Table 6.27).

Engagement with local businesses and employers also occurs through site visits. The Provider Survey indicates that both jobactive (80%) and NEST (76%) use site visits as part of their pre-employment activities (Table 6.21).

**Table 6.27 Specialist roles located at provider NEST and jobactive sites (% and ppt)**

| Staff site roles   | NEST % | jobactive % | Difference ppt |
|--|--------|-------------|----------------|
| Employee engagement/business liaison                             | 50.0   | 44.5        | 5.5            |
| Job seeker placement specialist/job coach                        | 47.6   | 50.4        | -2.8           |
| Post-placement support specialist                                | 40.6   | 46.9        | -6.4           |
| Disability specialist  | 40.5   | 34.1        | 6.4            |
| Training specialist  | 31.0   | 15.0        | 16.0           |
| Government program specialist (e.g. ParentsNext, TtW, NEIS, DES) | 26.2   | 24.3        | 1.9            |
| Mental health specialist/allied health/psychologist              | 26.2   | 34.5        | -8.3           |
| Specialist in supporting Indigenous participants                 | 26.2   | 23.5        | 2.7            |
| Indigenous Australian mentor                                     | 23.8   | 18.6        | 5.2            |
| Youth specialist   | 23.8   | 21.3        | 2.3            |
| Work for the Dole specialist                                     | 21.4   | 44.3        | -22.9          |
| Refugee mentor/migrant specialist                                | 14.3   | 9.7         | 4.6            |
| Multilingual staff   | 11.9   | 29.0        | -17.1          |
| Pre-release or ex-offender support specialist                    | 9.5    | 8.5         | 1.0            |
| Specialist supporting mature age participants                    | 7.1    | 13.9        | -6.7           |
| Industry specialist (e.g. construction/agriculture)              | 7.1    | 7.7         | -0.5           |

| Staff site roles      | NEST % | jobactive % | Difference ppt |
|-----------------------|--------|-------------|----------------|
| Other                 | 11.9   | 10.8        | 1.1            |
| No specialist at site | 14.3   | 13.1        | 1.2            |

Source: Provider Survey, 2021.

Note: Q Do you have any of the following roles located at your site? Please select all that apply.

## Wage subsidies

Wage subsidies were evaluated in the jobactive evaluation. As they remained relatively unchanged in the NEST model, they did not form a substantial part of the discussion with providers. In general, provider use of wage subsidies as a business-as-usual (BAU) practice did not change in the NEST.

Given that there are greater proportions of LTU and VLTU participants in NEST ES, and therefore more eligible participants (Table 6.2), higher expenditure on LTU subsidies is expected. There is obviously much less use of the Stream A wage subsidy, as Stream A equivalent (low assessed levels of labour market disadvantage) participants are much less prevalent in the ES caseload (9.9%) than in jobactive provider caseloads (22.0%). Other groups are quite similarly represented, and the use of wage subsidies appears to be consistently higher in ES (Table 6.28).

**Table 6.28 Wage subsidies, NEST and jobactive – average expenditure per participant (\$)**

| Wage subsidy type                       | NEST ES (\$) | jobactive (\$) |
|---|--------------|----------------|
| <b>All wage subsidies</b>               | <b>574</b>   | <b>426</b>     |
| Long-term unemployed wage subsidy       | 167          | 121            |
| Parents wage subsidy                    | 48           | 33             |
| Restart wage subsidy                    | 143          | 78             |
| Stream A youth bonus wage subsidy       | 9            | 13             |
| Stream B and C youth bonus wage subsidy | 147          | 151            |
| Youth wage subsidy (over 25 years)      | 59           | 29             |

Source: Departmental administrative data.

Notes: Subsidised jobs between November 2019 and June 2021. The denominator is participants who were/would have been eligible for ES at some stage during their period of assistance (PoA) based on JSCL and transition rules.

Excludes volunteers.

This is regardless of whether they are eligible for any particular type of wage subsidy.

Participants may have received more than one wage subsidy.

This is supported by other measures of wage subsidy use, including the ratio of subsidised participants per thousand serviced, which indicates that the NEST providers subsidised around one-third more participants than jobactive providers in comparison regions (Table 6.29).

**Table 6.29 Number of wage-subsidised participants per thousand participants (number)**

|  | NEST ES (number) | jobactive (number) |
|--|------------------|--------------------|
| Wage-subsidised participants per thousand participants | 79.5             | 62.3               |

Source: Departmental administrative data.

Notes: Subsidised jobs between November 2019 and June 2021. The denominator is participants who were/would have been eligible for ES at some stage during their period of assistance (PoA) based on JSCL and transition rules.

Excludes volunteers.

This is regardless of whether they are eligible for any particular type of wage subsidy.

Participants may have received more than one wage subsidy.

Data from the Provider Survey also indicates a higher use of wage subsidies in the NEST, as a form of pre-employment support, compared with jobactive (Table 6.20).

Provider feedback from the Stakeholder Research also noted that providers were ‘spending a bit more on wage subsidies’ (Stakeholder fieldwork, Provider, T2).

Some of the findings about wage subsidies in the jobactive and previous evaluations were also noted in the Stakeholder Research, including that allowing wage subsidies to be paid for only 20 hours per week is inconsistent with the policy intent to move participants off income support and in some cases denied providers an outcome.<sup>61</sup> This further introduced an employer servicing dilemma, as the participant was still expected to look for other work.

Consistent with findings in previous evaluations, employers in the Stakeholder Research characterised wage subsidies as nice to have but not a strong determinant of whether they employed someone, and in general did not consider the administration associated with wage subsidies to be burdensome, noting that the employment services providers usually attended to the administration.

## 6.5 Providers in the NEST

This section covers the policy context around the new model, and provider responses, attitudes and behaviour as part of the trial. It includes sections on staffing, the NEST payment model, IT and quality assurance.

### 6.5.1 Service model

#### NEST providers are experimenting with their business models

In the Stakeholder Research, providers reported that they are experimenting with different business models – for example, testing staffing levels and expertise with the envisaged reduced caseload numbers. They are also trying new workflow models, such as using end-to-end servicing. Others are experimenting more with different staff specialisations such as dedicated employer engagement officers, job brokers, post-placement support staff and dedicated administrative staff. They also reported looking to new ways of engaging with other services.

Some providers adapted their service model and staff skills mix and number for the trial. In many cases, providers reported that their staffing profiles changed due to:

- the distribution of cohorts across sites – for example, some sites had caseloads with higher levels of disadvantage
- the focus of their service model shifting – for example, to a greater emphasis on brokering jobs and/or facilitating training and workshops
- the skill sets required of consultants changing to focus on more intensive case management
- the pause of MORs, requiring staff to develop greater skills in engaging and communicating online and by phone.

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<sup>61</sup> A full outcome for a provider means the participant moves completely off income support. Twenty hours work at minimum wage is not enough to move the participant completely off income support.

*... we changed the model. So now we have employment coaches. So in their role it's about brokering, and it's also about case management as well ... We've probably also changed our recruitment ... So what we've done is we've been looking for highly skilled team members ... that have a minimum of a Cert 4, but we've also looked at graduate opportunities.*

Stakeholder fieldwork, Provider, Tranche 3

Providers expressed an understanding that staff will have to 'flip that mindset from maybe a police officer to a more social worker background' (Stakeholder fieldwork, Provider, Tranche 2). It was also felt that longer and more frequent appointment times, flexibility in assessment and appointment processes, and departmental recognition of the time needed to progress participants and address their non-vocational barriers will facilitate this changed perspective.

## 6.5.2 Staffing

### Staffing numbers at NEST and jobactive sites

#### Full-time equivalent staff

While the range of full-time equivalent (FTE) staff numbers is greater for jobactive (between 0.5 and 34.5) compared to NEST sites (between 1.5 and 18), the average number of FTE staff is similar for both (6.6 for NEST sites and 6.3 for jobactive sites) (Table 6.30).

**Table 6.30 Number of full-time equivalent staff, NEST and jobactive sites (number)**

| Number of FTE   | Minimum (number) | Maximum (number) | Average (number) |
|-----------------|------------------|------------------|------------------|
| NEST sites      | 1.5              | 18               | 6.6              |
| jobactive sites | 0.5              | 34.5             | 6.3              |

Source: Provider Survey, 2021.

Note: Q How many full-time equivalent (FTE) staff work at the <provider name> site?

#### Staff employed at the site for 12 months or more

The average number of staff who have worked at the site for 12 months or more is similar for both NEST (4.1) and jobactive (4.0) sites.

#### Aboriginal and/or Torres Strait Islander staff

Most sites (70%)<sup>62</sup> do not have any Aboriginal or Torres Strait Islander staff, although NEST sites have more on average (0.6) compared to jobactive sites (0.4) (Table 6.31).

**Table 6.31 Prevalence of selected staff characteristics – experience and Indigeneity, NEST and jobactive sites (number)**

| Staffing profile                               | NEST (number) | jobactive (number) | Difference (number) |
|--|---------------|--------------------|---------------------|
| Mean number employed at site 12 months or more | 4.1           | 4.0                | 0.1                 |
| Mean number of Indigenous staff                | 0.6           | 0.4                | 0.2 <sup>1</sup>    |

Source: Provider Survey, 2021.

Notes: Q How many of the staff have worked at your site for 12 months or more?

Q How many of the staff at your site identify as Indigenous or Torres Strait Islander?

1. p=0.04.

<sup>62</sup> Provider Survey, 2021.

## Staff skill sets

NEST providers had mixed views about the extent to which staff skills needed to change. This was largely contingent on the structure of the organisation. Broadly, providers agreed that the move toward a focus on engagement would have implications for how some staff did their job. Providers who had thought about the types of skill sets that would be beneficial for employment consultants stated that consultants would need to:

- engage and motivate participants
- display empathy
- have 'deeper' conversations and build rapport
- identify non-vocational barriers and plan activities that address these barriers
- case manage participants
- adapt to the new service models and activities being developed.

Providers had differing approaches including:

- end-to-end management of a person's pathway to employment by a single person
- highly specialised roles for, among other things:
  - case management
  - allied health
  - employment engagement
  - activities
- specialist staffing roles for groups such as youth and CALD
- specialist employer areas (e.g. small business).

## NEST providers are reconsidering staff skill sets

There was a broad range of views on the types of skills and qualifications that providers were looking for in the hiring process. The skills and qualifications providers mentioned included university qualifications; allied health professional qualifications; sales or service industry expertise; and community support, human resources or well-developed administrative skills. Some providers were deliberately looking for staff who did not have experience in the employment services industry.

*So, we've just done a big drive in [suburb] and we ended up with ... psych graduates, so they've started and they're going really, really well, so that's what we're looking for. We're looking for potential staff that have got certificate IV or above, that'll be the right fit.*

Stakeholder fieldwork, Provider, Tranche 2

*I wouldn't say NEST heavily influenced how we recruited ... right now I've got three different people that can bring three different ideas ... and they're going to ask different questions. And that's what we need.*

Stakeholder fieldwork, Provider, Tranche 2

## Staff recruitment and turnover

Most providers in the Stakeholder Research indicated that the increased caseloads due to COVID-19 drove recruitment. Others recruited to replace staff lost due to the pandemic or leaving the industry to pursue other opportunities. In general, providers reported that it had been difficult to recruit people with the right skill sets, particularly in regional areas.

*... we are recruiting at the moment in our NEST team, but that's due to growth and we are genuinely struggling and I know our DES colleagues have struggled to one, retain, but they're also struggling to recruit people with the right skill sets or even familiarity or even garner the interest that we would want in traditional advertisement means.*

Stakeholder fieldwork, Provider, Tranche 3

One provider stated that they were building an industry pathway to increase people's understanding of the employment services industry and skills required to work and establish a career.

*... it's difficult to get skillsets in our industry ... So, the ability to do some pre-employment stuff in that space, get them on ESS training database, so that they understand the requirements in that space, get them in and do case management 101. Get them in and do group facilitation, and some of the other things. So, that you've got a contact centre that's going to require staff, you've got jobactive and DES that are going to require staff. You've got TtW, CTA, all of these, and understanding government contracts and deeds ... it's a skillset ...*

Stakeholder fieldwork, Provider, Tranche 3

In general, while most providers trained staff in the operational and compliance changes for the NEST, they did not think that specialist skills, knowledge or training was necessary, noting that staff already had the required skill set. However, they were taking advantage of the flexibility in the NEST.

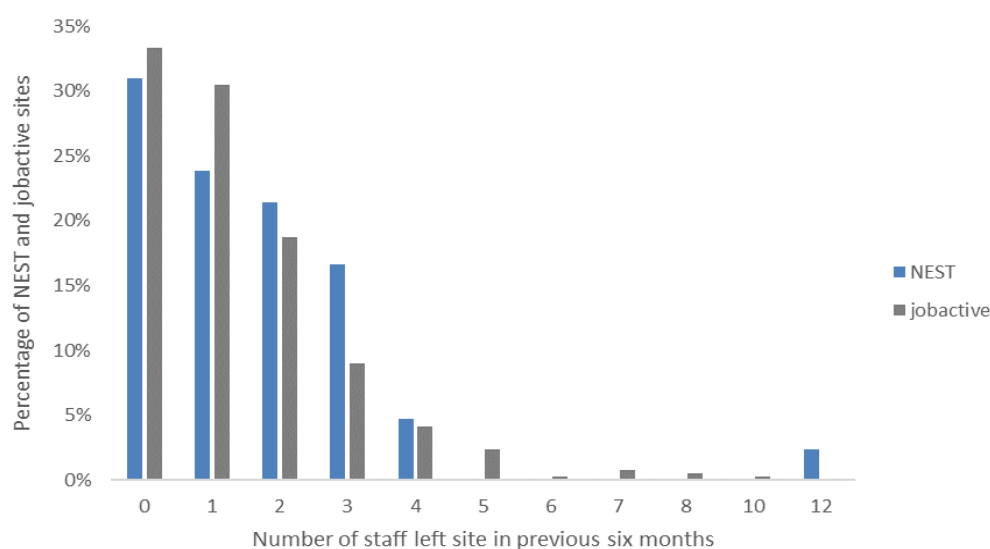
*I actually think that people have the skillset that they need. We ... have people on the ground that definitely do see the person in front of them ... they've struggled before because they've always talked about not having enough time ... to actually do with the job seeker what they want to do, the things that they need, and really if I want to make a person feel empowered, I have to give them time. I have to actually be able to sit down and keep eye contact and I can't just go like, 'Sorry mate I really have to get my comments in.'*

Stakeholder fieldwork, Provider, Tranche 2

The Provider Survey indicates that an average 1.6 staff left NEST sites and 1.4 staff left jobactive sites over the previous 6-month period as reported in August 2021 (Table 6.32). One-third of all sites had zero staff leave, another third had one staff member leave, and approximately 20% had 2 staff members leave (Figure 6.1). The main reason for staff leaving was generally to pursue career opportunities or, for NEST sites, because of changed roles within the organisation. This indicates that providers in the NEST may be better at retaining staff within organisations.



**Figure 6.1 Provider sites that lost staff within the previous 6 months, NEST and jobactive sites (%)**



Source: Provider Survey, 2021.

Note: Q How many staff have left your site over the last six months? Enter a whole number only.

**Table 6.32 Reasons for staff leaving NEST and jobactive sites (number and %)**

| Staffing   | NEST | jobactive |
|--|------|-----------|
| Average number of staff leaving (number)         | 1.6  | 1.4       |
| Main reason for leaving (%)                      |      |           |
| Remuneration                                     | 0    | 7.4       |
| Location   | 0    | 2.8       |
| Industry stigma/conflict                         | 0    | 0.9       |
| Lack of career pathways                          | 0    | 0.5       |
| Lack of career opportunities                     | 0    | 0.9       |
| Pursue career opportunities – same industry      | 0    | 2.3       |
| Pursue career opportunities – different industry | 30.0 | 35.6      |
| Contract conditions changed                      | 10.0 | 1.4       |
| Inflexible working conditions                    | 0    | 0.5       |
| High workloads                                   | 10.0 | 7.4       |
| Lack of motivation towards work                  | 0    | 3.2       |
| Personal reasons                                 | 10.0 | 19.9      |
| Changed service delivery model                   | 0    | 1.4       |
| Changed roles within your organisation           | 40.0 | 10.6      |
| Other (please specify)                           | 0    | 5.1       |

Source: Provider Survey, 2021.

Notes: Q How many staff have left your site over the last six months? Enter a whole number only.

Q What was the MAIN reason for staff leaving your site?

### Staff satisfaction

Similar to earlier findings, there is broad agreement among providers that the NEST environment has facilitated increased staff satisfaction, a more collaborative team culture, and organisational

innovation, creativity and flexibility. One provider thought that this had contributed to higher retention rates among NEST staff compared to jobactive.

*... it is certainly a whole different way for the team to feel engaged, again going back to the fact that we're attracting people to an industry who like to work with people and want to be able to help people achieve their goals. So the fact that they generally have the freedom to be able to do that ... it's the flexible approach in that, and that focus on progress is key ...*

Stakeholder fieldwork, Provider, Tranche 3

However, data from the Provider Survey shows little difference in length of employment or staff turnover (Table 6.31 and Table 6.32). In the Stakeholder Research some NEST providers noted that a more disadvantaged caseload does lead to more stress for some staff.

*I don't even know if job satisfaction is so much the reason for the staff turnover. I actually think it's the stress now ... seeing people highly disadvantaged, really see a lot of angry people and we get the brunt of their anger ... people [staff] go somewhere where they're treated nicer.*

Stakeholder fieldwork, Provider, Tranche 2

### 6.5.3 Targets, metrics and staff incentives

#### Financial incentives

Almost half of jobactive sites provide financial incentives to their staff for achieving outcomes, compared with 42% of NEST sites (Table 6.33).

**Table 6.33 Sites offering financial incentives to staff, NEST and jobactive sites (% and ppt)**

|                           | NEST (%) | jobactive (%) | Difference (ppt) |
|---------------------------|----------|---------------|------------------|
| Sites offering incentives | 42.1     | 49.1          | -7.0             |

Source: Provider Survey, 2021

Notes: Q Are staff at your site provided with financial incentives for achieving outcomes?  
NEST n=42, jobactive n=741.

#### Targets and metrics

Most sites set targets or specific metrics (such as key performance indicators (KPIs)) for performance relating to job placements and outcomes. Proportionately more jobactive sites (94%) set targets for these activities compared to NEST sites (approximately 90%). Lower proportions of sites (less than one-fifth) set targets or metrics for referrals to education services and EF expenditure or targets for compliance overall (Table 6.34).

**Table 6.34 Set targets or metrics for staff, NEST and jobactive sites (% and ppt)**

| Targets and metrics set for ... | NEST | jobactive | Difference |
|---------------------------------|------|-----------|------------|
| Outcomes                        | 88.1 | 93.5      | -5.4       |
| Job placements                  | 90.5 | 93.8      | -3.3       |
| Employment Fund expenditure     | 4.8  | 8.8       | -4.0       |
| Referral to education service   | 19.0 | 19.5      | -0.5       |
| Other                           | 11.9 | 12.0      | -0.1       |

Source: Provider Survey, 2021.

Notes: Q Does your site set targets or specific metrics for performance relating to any of the following? Select all that apply.  
NEST n=42, jobactive n=741.

However, some sites reported that they do not set any targets/KPIs as these are built into the bonus system generally set by their national office (e.g. 'Self-targeted via bonus structure' or 'No, but outcomes are rewarded through a bonus system').

The types of other targets and metrics that sites reported can be built on internal expectations and be part of ongoing monitoring within the organisation – for example, no targets are specified but performance is monitored across all areas, linked to overall organisation performance and based on department compliance parameters. Performance metrics linked to overall performance of the organisation include outcomes, referral to internal programs such as Skills for Education and Employment (SEE), and internal return on investment.

Targets or metrics not canvassed in the Provider Survey but reported in qualitative work indicate that some sites value the use of internal services rather than external ones.

*Expectations – for example, to refer to an internal CTA program and expectations that internal mental health professionals be used over external ones where possible.*

Provider Survey, 2021

In addition, some providers reported administrative metrics such as commencement rates, caseload engagement (résumés/Job Plans updated), EST performance, and engagement of WfD customers in appropriate activities. Administrative metrics can also include:

- claim and client integrity accuracy
- Indigenous outcomes
- customer service experience – employment focus/upskill to career pathway
- referral to other individual programs/health and wellbeing
- referrals to employment/vacancies/reverse marketers
- vacancies gained
- employer activation/engagement/satisfaction, such as how many employers they contact on a weekly basis for individual participants, or daily marketing KPIs
- post-placement support and wage subsidy utilisation.

## 6.6 Payment model and claims data

This section presents the findings from analysis of claims data from the department's administrative data for participants in NEST and comparison regions, both inflow and continuing participants, who met the eligibility criteria for NEST ES and were not serviced in any other region during the study period. It also explores provider attitudes to the payment model and, to the extent possible, whether and how it is driving provider behaviour.

The payment model in the NEST includes:

- an upfront engagement fee
- employment outcome payments, including a VLTU bonus
- progress fees – in recognition of the ongoing support required for a more disadvantaged caseload to progress towards employment

- a progress in service bonus (PiSB – to acknowledge progress in a participant’s pathway to employment.

More detail on the NEST payment model and how it differs from jobactive’s model is at Appendix A.2, Table A.2.

Broadly, providers welcomed the recognition of servicing the more disadvantaged caseload in the payment structure. However, there was a feeling among some providers that the payment structure still did not adequately compensate providers for the time spent servicing participants.

In addition, while providers support the concept of progress fees, the tracking process has been operationally challenging due to the restrictions of ESSWeb, given there is no equivalent payment in jobactive (Section 3.2 and Section 6.3.2). Also, because COVID-19 made it much harder to get participants into activities, it has been difficult to assess some components of the payment model.

### 6.6.1 Overall claims

The data shows that NEST ES providers were reimbursed more in claims than jobactive providers servicing like participants in the comparison regions (\$3,300 compared with \$2,841), which is in line with the intention of the NEST payment model to encourage more intensive and holistic support for more disadvantaged participants (Table 6.35).

**Table 6.35 Claims in NEST and comparison regions (number and \$)**

| Service type | Total population serviced (number) | Average claim value per participant (\$) |
|--------------|------------------------------------|--|
| NEST ES      | 27,800                             | 3,300                                    |
| jobactive    | 37,626                             | 2,841                                    |

Source: Departmental administrative data.

Notes: Estimate of claims made November 2019 to June 2021. The denominator is all participants who were/would have been eligible for ES at some stage during their period of assistance (PoA) based on JSCI and transition rules. Excludes volunteers.

Claims are included based on their creation date in administrative data being within the analysis period and within a relevant period of assistance (PoA). A small number of claims which would have been mainly accrued prior to the introduction of NEST ES are included in this analysis, both for NEST ES providers and for jobactive providers, most notably administration fees. These claims were retained because in comparison regions, it is not possible to tell if they should be attributed to the analysis period or prior to the analysis period, and they have also been retained in NEST ES regions in the interests of ensuring comparability.

### 6.6.2 Administration and engagement fees

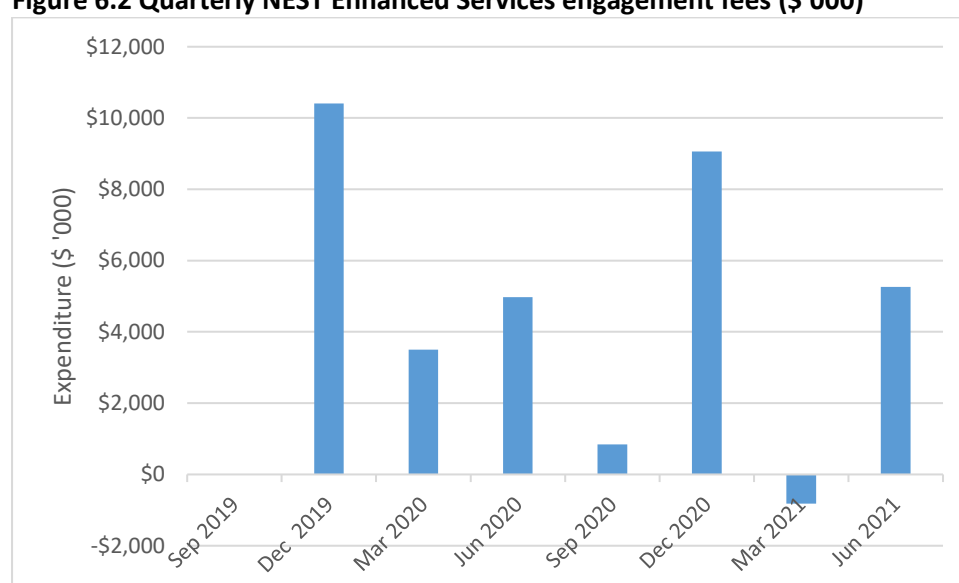
An engagement fee of \$1,000 is paid once during a participant’s period of service, following their commencement in ES. For participants who transitioned into ES from their jobactive provider when NEST ES started, providers received a one-off \$500 engagement fee instead of the \$1,000 fee described above. Providers are not required to submit a claim for either of these payments.<sup>63</sup> One of the major differences between the jobactive payment model and the NEST payment model in terms of expenditure is in administrative and engagement fees. Overall, including the one-off transition engagement fees, the value of reimbursements relating to administration and engagement fees for jobactive providers per participant serviced was similar to that for NEST ES providers (\$922 compared with \$906) (Table 6.37). The different payment structures of these fees, however – with

<sup>63</sup> New Employment Services Trial (NEST) – Enhanced Services Provider Payments and Vacancies. Version 3.0.

NEST ES providers receiving one engagement fee paid up front and jobactive providers generally receiving administration fees every 6 months a participant is in service – coupled with the fact that the smaller transition engagement fees were one-off payments and were not repeated later in the NEST program, means that this relationship is likely to change over time.

Over the first 2 financial years of the trial, to the end of June 2021, \$33.216 million was spent on engagement fees. As part of the trial design, providers were paid 100% of their forecast engagement fees 6 monthly in advance. The bulk of the engagement fees were paid in the December 2019 quarter as the jobactive caseload transitioned to NEST (\$10.4 million). In the March 2020 period, which was not hugely impacted by COVID-19, engagement fees totalled \$3.5 million, and they rose again in the June 2020 quarter (to \$4.9 million) as the impact of COVID-19 affected caseloads (Figure 6.2).

**Figure 6.2 Quarterly NEST Enhanced Services engagement fees (\$'000)**



Source: NEST program financial data.

Note: For the purpose of the trial some payments were made in advance, which is reflected in the spikes in December and June.

In the Stakeholder Research, there was little discussion at the site level about the engagement fee. Comment was made that the engagement fee rewards commencement only and, therefore, operates as an incentive to encourage participants through the door in the first instance (i.e. sales focus). It was also noted that it could be open to ‘manipulation’.

*I think the engagement fee should probably be looked at ... I think there is a lot of room for – I don't want to say the word ‘manipulation’, but just of using that to advantage ...*

Stakeholder fieldwork, Provider, Tranche 3

*[We] have had participants registered and commenced with a provider for less than an hour before transferring to us and that's not cricket.*

Stakeholder fieldwork, Provider, Tranche 3

It was noted that the one-off engagement fee could act as a disincentive for commencing participants who transferred between providers, as there was no pro rata payment for the transferee provider. Providers thought that the pro rata payment in jobactive was fairer and also

reflected the fluidity of some participants' lives and the demands of the labour force, and better supported participant choice.

*If we commenced a job seeker and we had the thousand dollar engagement fee, and then a week later they transferred to a different suburb or went to another provider, that means that the other provider would have no money coming for the engagement fee, whereas in the present [jobactive] system it's pro rata ...*

Stakeholder fieldwork, Provider, Tranche 3

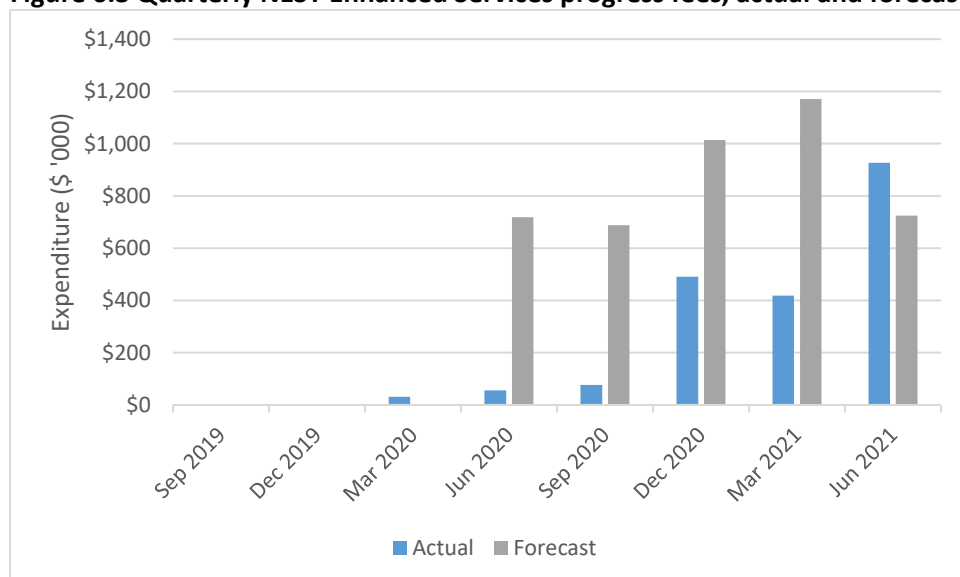
### 6.6.3 Progress fees

Progress fees are intended to recognise the investment made by NEST providers in supporting participants to progress towards employment. Progress fees are automatically triggered where participants attain an eligible 4-week employment outcome. NEST providers can also claim a progress fee where a participant's job readiness has improved due to their participation in approved activities or through paid work, including part-time or casual work or self-employment.

Progress fees can only be claimed once per trial period of service for Tier 1 participants, and once every 24 months for Tier 2 participants. The progress fee is \$500 for Tier 1 and \$750 for Tier 2.<sup>64</sup>

In the first 2 financial years of the program, to June 2021, \$2.0 million of a forecast \$4.3 million was spent on progress fees (Figure 6.3). While progress fee payments early in the program were well below forecasts, payments increased from October 2020 and by May 2021 they rose to projected levels.

**Figure 6.3 Quarterly NEST Enhanced Services progress fees, actual and forecast (\$'000)**



Source: NEST program financial data.

Providers are broadly supportive of the concept of a progress fee as recognition of progress towards employment. However, progress fees have been problematic early in the NEST, primarily for 2 reasons:

<sup>64</sup> New Employment Services Trial (NEST) – Enhanced Services Provider Payments and Vacancies. Version 3.0.

- providers were unsure about what type of activity qualified as progress
- the administrative burden around tracking and claiming the fee is very high.

Some of the administrative burden is directly related to using ESSWeb, which is designed to track activities associated with MORs, not necessarily progress to employment. Firmer guidance from the department about what constitutes 'progress' has reduced confusion.

Providers also stated that it was difficult to update Job Plans throughout the period when MORs were paused. Although activities were not enforceable throughout this period, some participants did start or complete activities, and providers had difficulty recording these achievements and claiming progress payments aligned with them.

### Administrative requirements are difficult

Providers in jobactive have continually noted that claims processes and evidentiary requirements in general are administratively burdensome. This is even more so for ES providers and progress fees, particularly early in the trial. Providers note that using the Job Plan to record voluntary activities is burdensome as any changes made need to be agreed in writing by the participant re-signing, making the use of the Job Plan for evidence to claim progress fees even more burdensome.

*Yeah. It's the evidence. You need evidence for everything. To take a claim, you need evidence. To monitor a progress fee. It's all very administrative heavy ...*

Stakeholder fieldwork, Provider, Tranche 3

Particularly early in the trial, ESSWeb was not designed to track progress, and providers were tracking activities, completions and progress manually.

*Yeah, so not having that structure I guess of the documentary requirements was making it a little bit grey as far as those progress fees go ... can I just say operationally on the ground for me it's a little bit death by spreadsheet when it comes to this concept of progress fees ...*

Stakeholder fieldwork, Provider, Tranche 3

In response to the administrative burden of measuring progress, one provider had created a new role and hired an employee to map non-vocational and vocational activities and participant progress. Some providers noted that they had concluded that the fee was not worth the administrative effort and had missed or foregone opportunities to claim progress fees.

*... we're finding it difficult to track the progress ... even when you put the activities in, and it's in their Job Plan, and the customer completes the activity, we've just found it difficult to track.*

Stakeholder fieldwork, Provider, Tranche 3

### Progress fees will be better tested when better infrastructure is in place

Although progress fees did not meet expected expenditure (Figure 6.3), several providers were reluctant to have them dropped from the trial until the administrative burden and required IT infrastructure had been addressed. Several providers noted that progress could be tracked through participant Job Plans and by ticking off when they had achieved their short- and long-term goals.

*I think if there was something auto in the system that picked up the activity results that said, 'right, you've got two. Congratulations; here's your progress fee'. That might be a better way of doing it, if it was automated, the same as it is for your four-week auto-claims.*

Stakeholder fieldwork, Provider, Tranche 3

## 6.6.4 Progress in Service Bonus

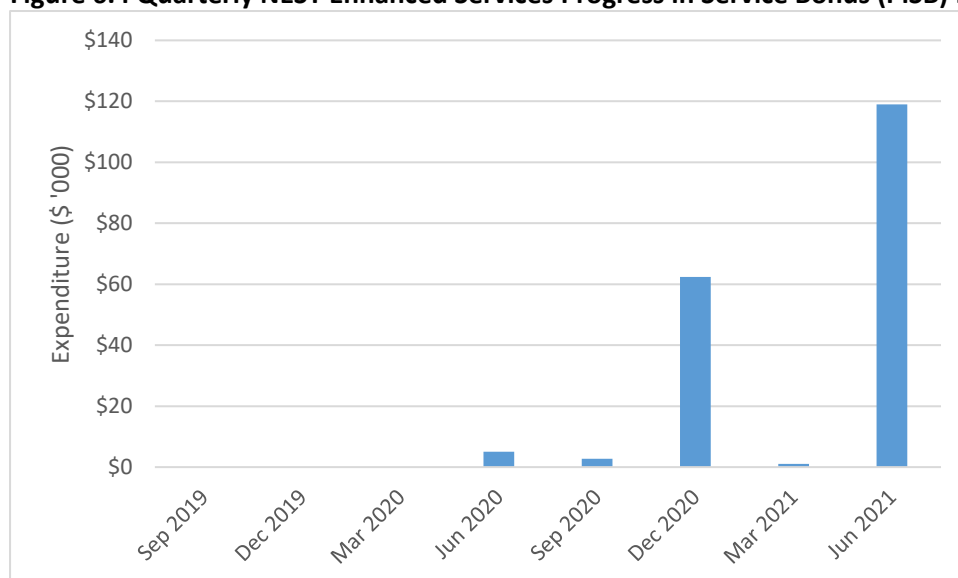
A PiSB is automatically paid where a participant:

- progresses from Tier 1 Enhanced Services to Digital Plus Services (\$400)
- progresses from Tier 2 to Tier 1 Enhanced Services (\$500).

PiSBs are payable at the time the participant changes tier or commences in service.<sup>65</sup> In the first 2 years of the trial, to the end of June 2021, \$190,273 has been spent on PiSBs. As with some of the other NEST policy settings, early guidelines were less prescriptive than jobactive providers were used to, which led to some uncertainty around aspects like changing a participant's tier. As shown in Figure 6.4, however, as providers have become more confident about the intent of the policy, they have started moving participants between tiers and to Digital Plus services.

This, coupled with provider uncertainty around the value of tiers, makes the value of PiSBs difficult to assess. Providers also noted that the PiSB does not reflect the non-linear nature of participant progress. Providers suggested that progress linked to JSCI may be a better measure, noting that JSCI scores can go up and down.

**Figure 6.4 Quarterly NEST Enhanced Services Progress in Service Bonus (PiSB) fees (\$'000)**



Source: NEST program financial data.

## 6.6.5 Outcome payments

Providers can claim an employment outcome when a participant achieves sustainable employment, unsubsidised self-employment, or an apprenticeship or traineeship. The amount that is paid reflects the participant's JSCI score. The outcome periods are 4, 12 and 26 weeks from the participant's job placement start date.

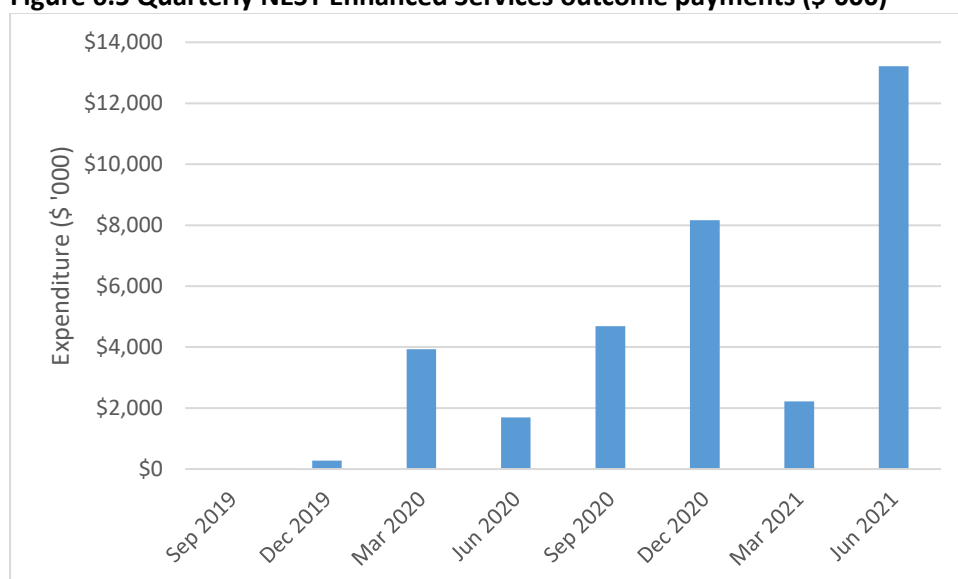
Over the first 2 financial years of the trial, to the end of June 2021, \$34.2 million was spent on outcome fees (including advanced funding). Ninety per cent of the forecast outcome fees are paid in advance every 6 months, and claims are offset from the advance payment. This payment pattern is

<sup>65</sup> New Employment Services Trial (NEST) – Enhanced Services Provider Payments and Vacancies. Version 3.0.



discernible in Figure 6.5. Overall, however, it can also be seen that outcome payments increased over time as caseloads increased, and eventually as the country emerged from lockdowns.

**Figure 6.5 Quarterly NEST Enhanced Services outcome payments (\$'000)**



Source: NEST program financial data.

Note: Includes funding advanced in the quarter minus amounts offset.

### 6.6.6 Very long-term unemployment bonus

Data timing constraints due to COVID-19 led to small numbers of outcomes in both NEST and comparable regions. This precluded a comparison of VLTU outcomes between NEST ES and jobactive for this Phase 1 report. The final evaluation report should be able to address this comparison as more, and more stable, data becomes available. It appears, however, that NEST ES providers are generally achieving strong results for VLTU participants, with over half (57%) of all participants who achieved an outcome type that can attract a bonus doing so (Table 6.36).

**Table 6.36 VLTU bonuses paid for NEST outcomes, by outcome type (number, \$ and %)**

| Outcome payment                           | Participants who achieved outcome (number) | Sum of payments (\$) | % of outcomes |
|---|--|----------------------|---------------|
| NEST 12-week full outcome – VLTU bonus    | 1,631                                      | \$3,356,453          | 44.7          |
| NEST 12-week partial outcome – VLTU bonus | 1,401                                      | \$1,484,711          | 52.3          |
| NEST 26-week full outcome – VLTU bonus    | 2,487                                      | \$10,138,587         | 59.4          |

Source: Departmental administrative data.

Notes: Percentage of outcomes is the percentage of a particular outcome type that attracted a VLTU bonus. For example, 44.7% of NEST 12-week full outcomes also attracted a bonus.  
Claims commenced between November 2019 and June 2021.

### 6.6.7 Other claims

NEST providers were reimbursed less for activities and WfD claims than jobactive providers, both overall and on a per participant basis (\$11 compared with \$46), which likely reflects differences in policy settings, in that there is no AAR in the NEST and providers are using WfD less as an activity.

## Employment Fund and wage subsidies

NEST providers were reimbursed more, both overall and on a per participant basis, for EF and wage subsidy related claims (\$331 compared with \$308 for EF, and \$574 compared with \$426 for wage subsidies) (Table 6.37). This evidence is supported by data in Table 6.13 which indicates that NEST participants are more likely to report undertaking at least one activity, but much less likely to report WfD.

**Table 6.37 Claims by claim type – NEST and jobactive providers (\$)**

|                               | NEST average value per participant (\$) | jobactive average value per participant (\$) |
|-------------------------------|---|--|
| <b>Total</b>                  | <b>3,300</b>                            | <b>2,841</b>                                 |
| Activity/WfD                  | 11                                      | 46   |
| Administration and engagement | 906 <sup>1</sup>                        | 922  |
| Employment Fund               | 331                                     | 308  |
| Outcome                       | 1,310                                   | 1,134  |
| Progress                      | 163                                     | n/a  |
| Relocation                    | 5                                       | 5  |
| Wage subsidies                | 574                                     | 426  |

Source: Departmental administrative data.

Notes: Estimate of claims made November 2019 to June 2021. The denominator is all participants who were/would have been eligible for ES at some stage during their period of assistance (PoA) based on JSCI and transition rules.

Excludes volunteers. Further detail on the calculations is at Appendix D, Table D.17.

1. NEST engagement fee calculations include one-off transition engagement fees valued at \$500 for participants who transitioned to a NEST ES provider from an existing jobactive period of assistance (POA), as well as the \$1,000 engagement fees which those providers receive for a new participant.

## 6.7 Relationship with the department

### Open and engaging dialogue with the department is appreciated

Providers appreciated the department's willingness to engage in dialogue about different ways of servicing participants. This collaborative environment gave providers the confidence and support needed to test innovative ways of working.

Early in the trial, most providers reported that they felt supported by the department's goodwill and commitment to 'learning together' and that this support facilitated their trying new initiatives even if they were slowed to generate employment outcomes. Some providers noted that the department's consultative approach also influenced their organisational change processes and increased staff enthusiasm.

*... there's a real eagerness there to go 'We get it, you're going to need to try things, you're going to need to fail.' To hear the department say to you 'Some things are not going to work.' that gives providers a bit more confidence to go 'Okay, let's take the opportunity to do things differently,' and that voices are heard amongst employers, hosts and otherwise and everyone's quite excited to do things differently, yeah.*

Stakeholder fieldwork, Provider, Tranche 2

This sentiment was reinforced by departmental staff.

*... there's two-way conversations, they're not concerned that if they try something different, that they're not going to be beaten over the head, there's more flexibility. I think one provider said to me that, 'We can go looking for solutions now rather than relying on the department to provide them.'*

Stakeholder fieldwork, Departmental staff, Tranche 2

Similarly, the responsiveness of departmental staff, particularly account and contract managers, is highly valued. Notably, providers felt that this responsiveness and willingness to engage has improved their confidence in what they are doing, allowed them more freedom and reduced their fear of 'getting it wrong'.

*... there's a genuine collaborative feel where we often will seek out guidance and input from our local contract managers and welcome the opportunity to be able to share and have department representatives be a part of the organisation somewhat ...*

Stakeholder fieldwork, Provider, Tranche 3

### **More reciprocity and information would be valued**

As the trial progressed, several providers noted that communication with the department can be one-sided. They reported a sense of response burden, indicating that they were giving a lot of information to the department and that the department was not giving information back or letting providers know how they were using the information.

*... we kept on sending stacks of information, and I'm sure that they do something with it, we're not sure where it goes after that ...*

Stakeholder fieldwork, Provider, Tranche 3

*The other thing is they ask the same question – we get lots of questions from Canberra, lots of questions from the state office, lots of questions from the contract manager, but they're all the same questions, and they ask the same questions every week ... There's been a lot of requirement on feedback and meetings. It's very, very time consuming. We love the fact that we're part of the trial, we love to give feedback and really want to do well but I feel like there's so much being asked that you don't want it to feel like we're not investing enough time into it. So that's definitely been a bit of a challenge.*

Stakeholder fieldwork, Provider, Tranche 3

In addition, by Tranche 4 of the Stakeholder Research there was a perception that the flexible, collaborative and engagement-driven relationship fostered in the NEST was weakening as performance expectations were implemented and compliance-based communication was issued. As a result, some providers thought that the engagement strategies they had fostered with participants, their ability to innovate, and the success they had in getting participants jobs in the NEST would be compromised by the department's compliance expectations and an increasing administrative burden.

### **Guidelines need to strike a balance**

Providers overwhelmingly highlighted the need for guidelines to be released well in advance so they could plan programs, develop compliant service models and staff KPIs, adapt record keeping and administrative systems, train staff, and explain service provision to participants in accordance with departmental policies and processes. Providers therefore stated that they needed information about:

- the department's performance expectations, especially around engaging and servicing Indigenous participants, developing WfD activities, and the use of the EF for non-accredited training and voluntary activities
- the evidence required to claim progress and bonus fees
- how progress will be measured, services monitored and compliance checked
- the distinctions between tier classifications to inform assessments, allocations and progress indicators.

Initially guidelines were deliberately less prescriptive than providers were used to in order to empower them to try new things. However, a few providers felt that the guidelines were ambiguous and that this hindered their confidence in developing and trialling initiatives. There is an inherent tension between the freedom to innovate and the direction needed to ensure compliance and accountability. Although they liked the reduction of red tape, they also found it challenging to move from a highly prescribed environment to a far less prescribed environment. The move away from a prescribed environment was described as a 'double edged sword': it brings creativity and innovation but also some doubt and ambiguity.

*... whereas our instinct has been to ask for guidelines and then remind ourselves, 'Hang on a second, that's what we're trying to move away from.' So I think it's a bit of a double edged sword in the sense that there were some pieces that I think we could certainly have done better but I appreciate that the department was learning at the same time.*

Stakeholder fieldwork, Provider, Tranche 2

Most organisations had business support units and/or compliance teams who played an integral role in liaising with contract managers about new guidelines and updates to existing guidelines, interpreting guideline changes, and informing teams how to implement the changes. Several organisations stated that these teams synthesised the guidelines into easy-to-use resources so that changes could be adopted quickly on the ground.

#### **When developing new IT systems it is critical to engage end users**

The department has done considerable user design work for the new ESSWeb, and there was mention that the department's IT team had come to speak with frontline provider staff about their user needs and how they use ESS in their roles. It was highlighted that a fit-for-purpose system needs to be designed and built from the bottom up, not the top down.

*Sometimes, I feel like the point in the department isn't necessarily speaking to the right point with providers. So, for example, if an IT person is talking to me, I'm going to give you a high level stuff, and I'm not going to give you the little itty-bitty ESS bits that relate to – I just feel like making sure we get the right people at the table to be able for the frontline users to be able to give good, direct feedback.*

Stakeholder fieldwork, Provider, Tranche 3

## **6.8 Performance framework**

This section examines provider attitudes to a performance framework. To facilitate an environment that supports innovation and learning through the trial, the department suspended a range of performance assessment and other measures in the NEST. These included the Quality Assurance Framework, Rolling Random Sample audits and Star Ratings.

The Stakeholder Research explored with providers the types of things that they felt were important in measuring the performance of their service. NEST providers agreed that these measures needed to be streamlined and goal orientated and should address providers' core roles of:

- helping participants into employment by measuring sustainable and temporary employment and placement outcomes
- improving employability skills by measuring progress fees resulting from appropriate referrals to education and training opportunities and non-vocational support services
- providing quality services by measuring engagement and attendance, participant and employer satisfaction, and staff satisfaction.

*... whatever you're aiming to get out of the actual structure itself is what the Performance Framework should be.*

Stakeholder fieldwork, Provider, Tranche 3

### 6.8.1 Quality service measures

Providers generally agreed that there was no simple method of measuring quality, and that both subjective and objective measures had weaknesses. However, participant, employer and staff satisfaction were all indicated as potential measures and drivers of quality, with results being made available through comparative data.

#### **Providers felt that comparative data helps drive performance**

Both providers and departmental staff felt that the department had been slow to give providers comparative data on things like outcomes. Comprehensive comparative reports were not available until November 2020.

It was noted that comparative data drives organisational and staff performance and continuous improvement. Providers want to know how they are performing comparative to other providers in their region, to better understand whether the activities and strategies they are implementing are working. Providers previously had to create their own reports to try to understand their performance outcomes.

*There's no real – there's no reporting from the department. We've got to create all that ourselves ... it's been quite difficult ... it's taking us a long while to be able to get our data on our performance, and seeing where we're sitting. And I do understand it's a pilot, but we're a business, and we need to make money. And the department needs to see that we're performance driven.*

Stakeholder fieldwork, Provider, Tranche 3

*I think it's still important to have comparative performance data because if we are innovating a training strategy we need to show whether they're working or not and it's very hard to do that if you don't know where you're sitting compared to other providers.*

Stakeholder fieldwork, Provider, Tranche 3

#### **However, they find the Star Ratings as they are used in jobactive complex**

Although the Star Ratings did not apply in the NEST, NEST providers – who all had experience of Star Ratings in the jobactive model – felt Star Ratings were complex and took the focus away from the core activity of employment services: to help people find work. There was a view that the performance framework should be simpler and try to capture the basics of what providers do.

*I guess the thing that is always a puzzle is that when they add the regression formulas and all that sort of thing it does bamboozle a bit, so we've always said to staff, 'Look, we can't control that part of it. All we can control is we've got X amount of job seekers, we've placed X amount and this is how many have stayed in work,' and that's pretty basic stuff but it works ...*

Stakeholder fieldwork, Provider, Tranche 3

It should be noted, however, that simple data can sometimes produce perverse outcomes if they do not account for variations in conditions.

### **Engagement, attendance and progress can be a useful measure**

Several providers stated that the appropriateness of activities, education and training, and work referrals could be measured by looking at engagement, attendance and completion rates.

It was noted that speed to referral KPIs can distract consultants from making the better long-term referrals. They do not encourage listening to the participant's goals and finding activities that suit these goals. KPIs based solely on the time to referral can encourage consultants to refer participants to activities that are suboptimal. Inappropriate referrals and activities contribute to attrition, disengagement, and negative provider–participant interactions.

*... we have an overlay that we've applied in our NEST, which is basically EF spend and activities, reports across the caseload ... you find consultants [in jobactive] doing that referral for the sake of the performance, and not because it's progressing the participant. Other activities could better progress the individual ...*

Stakeholder fieldwork, Provider, Tranche 3

It was also noted that with many providers diversifying their delivery approaches, it may be important to measure different engagement methods. For example, some providers highlighted that they interacted with participants via social media sites and gave participants options to attend training and courses delivered at other sites. Engagement and attendance were no longer just about face-to-face servicing; they were about offering participants choice and increasing service reach and accessibility across sites and geographic boundaries. Therefore, measuring digital engagement and accessibility may also be an important component of Workforce Australia Services.

Several providers and departmental staff discussed the possibility of measuring participant progress. A couple of providers thought that the progress payment could be an indicator of performance; however, it was thought this would be a more reliable indicator once the supporting infrastructure had been built. Addressing barriers and decreasing a participant's JSCI score was also posited as a way of measuring progress.

*I also think we need to take into consideration how we're progressing ... whether it's the progress fees or whether it's via the JSCI, or maybe a capability management tool ... I think maybe there needs to be some measurement against the progress that people are making as well. Because you know, we're working with enhanced services who are our most disadvantaged and long-term unemployed job seekers. So it's going to take a little bit of time sometimes to get these people – to get them into employment or addressing those barriers.*

Stakeholder fieldwork, Provider, Tranche 3

### Participant and employer satisfaction can also be a good measure

Several providers noted that they regularly surveyed both participants and employers to obtain feedback about customer satisfaction and service quality, and that these stakeholders' needs were the key drivers of quality. Questions asked by providers are knowledge and service based.

*We ask some questions like do you feel like the service has been explained to you? Do you know what to do if you want to lodge a complaint, has that been explained to you? We ask questions like has your consultant made ... employer calls during your appointments to make sure that we're creating those employment opportunities for our job seekers and that they can see that.*

Stakeholder fieldwork, Provider, Tranche 3

### Staff satisfaction could also be used as a measure

Another measure of quality mentioned by providers was staff satisfaction and organisational turnover and retention rates. Several providers reported that staff are happier and performing better within the NEST environment due to their increased autonomy and flexibility in servicing participants. It was noted that high rates of staff turnover can negatively impact participant and employer relationships and outcomes. Therefore, a performance measure that influences organisational recruitment and retention behaviours may be beneficial.

*... when staff are unhappy it shows in our performance results ... within NEST with the ability to have that flexibility with job seeker servicing and COVID-related contingencies and all of that sort of stuff we've seen better performance from staff because they've had a bit more flexibility and freedom, which is interesting.*

Stakeholder fieldwork, Provider, Tranche 3

## 6.8.2 Measuring outcomes in the labour market

Department staff and most providers also agreed that greater flexibility was required when measuring employment outcomes to reflect economic and labour conditions such as increased workforce casualisation and increased use of contract workforces, underemployment, low wage growth, and individual work readiness differences.

*I think maybe consider a bit more or weighing on people that are partially employed instead of just, 'No, they've got to be completely off their benefits,' that full outcome ... Yeah, especially with casual employment. A bit more flexibility in getting outcomes for people that don't come off their payments for the whole period. If you think about they change the rate of income testing and that keeps going up but people's wages aren't going up that much, and that is actually really, really challenging to get someone completely off their payments for the whole way through ... or not having any breaks in their employment with their employer particularly when they're on casual and they might not be paid except for a day here and there.*

Stakeholder fieldwork, Provider, Tranche 3

Several providers also noted that sometimes it takes time and multiple placements to find the right fit, and that measuring sustainable employment outcomes should have flexibility built in to reflect 'real' workforce conditions and employment pathways. This was well summed up by a departmental staff member.

*... it is going to be hard getting them into those sustainable outcomes, you know if you are just going to be relying on progress fees because you are really dealing with the most difficult so I*



*think that is the bit that can really deal with some tweaking and some further review and consideration.*

Stakeholder fieldwork, Departmental staff, Tranche 3

## 6.9 Administrative burden

All providers noted that NEST is administratively burdensome. This is largely due to NEST being a trial and consequently, particularly early on, operating without a fully developed system in place.

Whatever the model, reducing administrative burden is important for program efficiency. For example, one provider noted that the administrative burden associated with the NWEF, PaTH, and wage subsidy programs was off-putting for employers. It was hoped that this would be reduced by the new digital platform, which would enable providers to encourage more willing participation from employers.

*... the national work experience and the path placements and stuff, they are still extremely heavy on admin and involvement between – and I understand why ... but I think that could be – a little bit more of a digital platform or something a little bit less I suppose draining on the employers. They're wanting to engage these people and we present them with all this stuff that they have to do to get into – it just becomes time consuming and then it's a bit off-putting for probably the small to medium businesses that want to take on those programs, PaTH especially.*

Stakeholder fieldwork, Provider, Tranche 3

It will be difficult to make any further assessments around administrative burden while the NEST is operating in an IT system which is not fully developed to support the trial. To the extent possible, administrative burden will be further assessed in the final evaluation report.

## 6.10 Outcomes

These outcomes compare participants with similar levels of assessed disadvantage who are looking for work in similar labour markets. Differences reported, therefore are not a result of differences in labour markets or participant characteristics.

It should be noted that these results are preliminary, using only a short inflow/observation period. The months from April to September 2020 were excluded because of incomparability of the data due to COVID-19. The Phase 2 report will include a longer inflow/observation period (to June 2022), providing a larger sample and will therefore provide more robust results.

### 6.10.1 Labour market outcomes

Measures of labour market outcomes available for use in this evaluation are discussed in Appendix C.3.

As with measuring DS outcomes, off income support rates are used as the comparative proxy measure of employment. With provider servicing, however, paid employment outcomes are also available as an indicator of effectiveness.

#### Off income support rates

While no significant difference was found in the rate of exit from income support within 6 months for DS participants (for those with low levels of assessed disadvantage), significant differences in this



measure were found for NEST provider-serviced participants with high levels of disadvantage (by 10.3 ppt). While this represents a substantial (around 71%) difference in exit rates, this should be interpreted with extreme caution given the small population size for this analysis (n=388) (Table 6.38).

**Table 6.38 Income support exit rates within 6 months of entering service (% and ppt)**

|                           | jobactive income support exit rates (%) | NEST ES income support exit rates (%) | Difference (ppt) |
|---------------------------|---|---------------------------------------|------------------|
| Income support exit rates | 14.4                                    | 24.7                                  | 10.3             |

Source: Departmental administrative data.

Notes: Data is for participants with high levels of assessed disadvantage only.

Inflow periods were constrained to November 2019 to March 2020 and then October 2020 to December 2020 inclusive due to COVID-19 impacts.

### Provider paid outcomes

Providers can claim an employment outcome when a participant achieves sustainable employment, unsubsidised self-employment, or an apprenticeship or traineeship. The amount that is paid reflects the participant level of disadvantage as measured by their JSCI score. The outcome periods are 4, 12 and 26 weeks from the participant's start date.

#### Four week, 12 week and 26 week outcomes

Outcome rates for jobactive and NEST providers are calculated below, based on claims made for payment. They are calculated for a population of provider-serviced participants in both programs who met the eligibility criteria to enter ES between 4 November 2019 and 30 June 2021. This period and criteria are used to make as close to like-for-like comparisons as possible between groups. As these are calculated specifically to allow comparisons across programs, they will not align with published outcome rates.

For the population defined above, ES serviced participants achieved outcomes at a higher rate than their jobactive serviced counterparts in comparison regions (Table 6.39). While the difference in 4-week outcome rates is small (0.2 ppt), NEST ES participants convert these 4-week outcomes to longer-term outcomes more strongly than jobactive participants. In NEST, 12-week outcome rates are higher by 2.0 ppt, and 26-week outcome rates are higher by 4.5 ppt. This is likely to be due to the different service strategies in NEST ES, which is more in line with human capital theory<sup>66</sup> of employment servicing. These types of programs often deliver better longer-term outcomes than the 'work first' model reflected in jobactive.<sup>67</sup> This is because 'work first' type programs do not always focus as strongly on job matching or career planning.

**Table 6.39 Overall paid outcome rates – based on claims for payment (%)**

| Service type | 4 week employment outcome rate | 12 week employment outcome rate | 26 week employment outcome rate |
|--------------|--------------------------------|---------------------------------|---------------------------------|
| NEST         | 24.6                           | 22.8                            | 15.3                            |
| jobactive    | 24.4                           | 20.8                            | 10.8                            |

<sup>66</sup> Human capital theory assumes that an adequate investment in people will result in a growing economy.

<sup>67</sup> Colin Lindsay, Ute-Christine Klehe and Edwin A.J. van Hooft, eds (2014), *Work first versus human capital development in employability programs*, in *The Oxford Handbook of Job Loss and Job Search*. Oxford University Press, Oxford.

Source: Departmental administrative data.

Notes: Outcomes are per participant serviced.

Claims made November 2019 to June 2021.

Comparison is for participants with similar levels of labour market disadvantage.

## 7 Activation

This chapter covers mutual obligation requirements (MORs) and compliance behaviour in both Enhanced Services (ES) and Digital Services (DS), including attitudes towards, and operation of, the Targeted Compliance Framework (TCF) and Points Based Activation System (PBAS). It also covers activities as part of Job Plans and MORs.

### 7.1 Mutual obligation requirements and compliance

This section covers aspects of MORs and compliance in ES and DS. Data is mostly drawn from the Longitudinal Study of NEST Participants (NEST LS) and the Participant Experiences of Employment Services (PEES) Survey. The section discusses DS and ES participants' understanding of and attitudes to MORs and their compliance behaviour. A discussion on compliance behaviour during the pause in MORs is at Section 3.2.2.

#### 7.1.1 Participant attitudes to mutual obligation requirements

People are broadly comfortable with the concept of MORs

As noted in *The evaluation of jobactive final report* (DEWR, 2022), almost all participants in relevant qualitative research agreed that there should be some form of enforcement of requirements for participants 'to do something' in return for income support, and that people 'shouldn't get something for nothing'. Most participants in this research felt that there are some people who 'port the system' and that this is unfair.

The PEES Survey included several questions to gauge participants' opinions on meeting requirements for income support. More than two-thirds (70%) of respondents agreed that people on income support are generally trying their best to find employment. Just over half (52%) agreed that people receiving income support should do something in return, and more than half (57%) agreed that people receiving income support who are able to work should be penalised if they do not actively look for work (Table 7.1).

**Table 7.1 Degree to which participants agree with statements about mutual obligation requirements (%)**

| Generally unemployed people ...                       | Strongly disagree | Disagree | Neither | Agree | Strongly agree | Net agreement |
|---|-------------------|----------|---------|-------|----------------|---------------|
| are generally trying their best to find work          | 1.6               | 7.8      | 17.8    | 44.3  | 24.7           | 59.6          |
| should do something in return for income support      | 5.0               | 12.7     | 26.0    | 38.9  | 12.4           | 33.6          |
| should be penalised for not actively looking for work | 6.6               | 14.4     | 19.2    | 40.7  | 15.4           | 35.1          |

Source: PEES Survey, 2021.

Notes: Statements were rotated so one-third of participants responded to each option (total n=4,986). Net agreement is calculated by adding the 'Agree' and 'Strongly agree' percentages and subtracting the 'Disagree' and 'Strongly disagree' percentages. This results in a single summary of agreement.

*... it's a matter of keeping you honest. It's a motivation to ... it's money for jam and you have to work for it and you're doing it for your own benefit, it's keeping you honest.*

PEES Qualitative

*... job searching is really important; engaging is really important ... I think the engaging's almost more important than the searching ... engagement is really important in return for support payments ... I think that's fair and I don't think that people would disagree with that.*

PEES Qualitative

## People broadly understand their MORs

*The evaluation of jobactive final report* (DEWR, 2022) findings also suggest that providers are very good at explaining what participants need to do in return for income support and that participants typically understand their MORs. Evidence from the *Online Employment Services Trial evaluation report* (DEWR, 2021) shows that both Online Employment Services Trial (OEST) participants and the comparison group reported a high level of awareness of their MORs (around 95%). However, awareness of MORs was slightly lower among Online Employment Services (OES) participants than in the provider-serviced comparison group.

In the NEST LS there was some confusion around MORs, which typically related to the pause of MORs that changed frequently and at short notice in response to bushfires, floods, and COVID-19 lockdowns (see Chapter 8.4 for further discussion).

## People do things other than meeting MORs to find work

For some participants, MORs rarely influence job search activities. MORs, including job search, are primarily viewed as a reporting requirement that is compliance related, although further exploration of the PBAS will be required to understand how it may be better leveraged to motivate and influence participant behaviour. In general, participants understand that they need to meet MORs to ensure they do not lose income support.

*To be completely honest, I think that what's put in front of you is 'This is what you've got to do by this date and if you don't do that, then you're not going to get paid.'*

PEES Qualitative

Some participants found a minimum job search requirement motivational.

*... you know that you have to achieve this quota, and I think it's really good for when you feel like you're not getting anywhere, but you've still got to do this thing, so you're keeping engaged in the process, even though it feels like you're not getting anywhere... it really motivates you to keep trying.*

PEES Qualitative

Participants who are motivated to find work indicated they do not need this requirement to look for work.

*I would have done the job searching anyway. I wouldn't say it helped me to do it, it just felt like it was a requirement to do it. Because in the past when I've not been with an employment provider but on the old Centrelink benefits, I would be job searching anyway...*

PEES Qualitative

This sentiment is to some extent supported by feedback from participants in the NEST LS when MORs were suspended (3.2.2).

Participants who are motivated to find work undertake activities outside and beyond their MORs to increase their chances of finding work.

*I've decided to pick up a trade certificate, just to try and help myself.... I'm working in parallel [inaudible] where I'm still applying for roles that come up within my space, but I'm also trying to reskill if it so happens that I couldn't get a job and I have to step into a new industry that's kind of more active in my area...*

PEES Qualitative

## Offline job searching

Participants reported that they often use offline job search techniques, such as networking, to increase their chances of finding employment.

*I'm waiting to hear... about two jobs ... one was simply through being in the right spot at the right time ... I went to catch up with some friends at a shopping centre and a job was offered to me, so I'm waiting on a follow-up of that ... The other job that I'm waiting to hear about is through a personal friend of mine who's put me in touch with different people and it's just through word of mouth.*

PEES Qualitative

*I certainly got on the phone pretty early with my contacts ... personal and professional just to get the word out when I was looking for work...*

PEES Qualitative

## 7.2 Job Plans in the NEST

This section explores the use of Job Plans in the NEST. The Job Plan is a legal contract that stipulates the agreed items that will satisfy a participant's MORs. Job Plans are compulsory for all activity-tested income support recipients. Activities outlined in the Job Plan can be either compulsory or voluntary. There must be at least one compulsory activity code included in a Job Plan for a participant with MORs; this may be the PBAS code or other specific activity/job search codes. The Job Plan usually includes a mandatory job search requirement. The number of job searches defaults to a number determined by the department but can be changed by providers or the Digital Services Contact Centre (DSCC) where appropriate. Prior to the NEST, the default number of job searches was 20 for participants with full-time activity requirements. However, this number has changed several times during the trial, largely in response to COVID-19 and the fires and floods.

In ES, Job Plans are usually created at the initial appointment between the provider and participant. A provider has discretion to change the job search requirement to account for a participant's personal circumstances. Job Plans should be reviewed regularly and must be reviewed if there is a change in the participant's circumstances. Job Plans must include activities that take account of their circumstances and must be agreed by the participant. Participants are allowed 2 days 'think time' after the initial appointment to agree to the Job Plan.

In DS, Job Plans are generated once a referral to DS has been made. A DS participant has two days of 'think time' to agree to their plan. They can contact the DSCC during this time to discuss any aspect of their Job Plan, including the job search requirement. Since 7 December 2020, all DS Job Plans are PBAS Job Plans (Section 7.4).

### 7.2.1 Awareness and understanding of the Job Plan

Qualitative research suggests slightly differing views between providers and participants regarding Job Plans. It should be noted that there is always, to some extent, a disconnect between provider

and participant views on a range of topics. Qualitative research is designed to capture the spectrum of views rather than trying to measure the prevalence, so it is not possible to quantify the extent to which a particular view or attitude is common.

Participants across all waves of the NEST LS recalled having a Job Plan, although most viewed it as a document outlining what they must do to continue to receive income support and were generally unfamiliar with its content (other than the job search requirements). This is understandable, since without Annual Activity Requirements (AARs) the only mandatory Job Plan activities are job search and appointments.

*So far my Job Plan's pretty sparse because just my job searchers and the appointments.*

NEST LS, Wave 1, Enhanced Services Tier 1, first interview

Similarly, participants in the NEST LS reported limited involvement in or input into their Job Plan, with DS participants noting that it was populated and ready for them to sign on the portal. Most participants did not appear to consider the Job Plan as a document that they could have input into, enter into a discussion about, or ask questions about. Of those who noted recent changes in their Job Plan, none recalled asking any questions about why these changes had been made (e.g. to meet the job search requirements).

*I've never asked a question about my Job Plan.*

NEST LS, Wave 1, Enhanced Services Tier 1, Interview 1

*I personally never tried to change anything in my Job Plan.*

NEST LS, Wave 1, Digital Plus, Interview 1

*Basically, she [the employment consultant] says, 'I'll update your Job Plan.' And she just types something into the computer and goes and gets it off the printer.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 5

This is also supported by findings from the jobactive evaluation (DEWR, 2022), which suggests that participants were aware of their Job Plan but did not consider it helpful in tracking progress or leading to a job. However, there is some evidence that for DS participants who were new to employment services there was value in a Job Plan which outlined their requirements.

*I think Job Plans are great. It holds you accountable. So you're doing so many a month, it gets you looking not just where you want to go but where you could do no matter what ... it makes you re-evaluate your skills.*

NEST LS, Wave 1, Digital Services, Interview 1

*The truth is that it's actually very useful, this [Job Plan] and the reason for that is when you're looking for work, I view it as a full-time thing. So it ... structures it for you to approach different aspects of the task of searching ... it brings a certain rigour, regimen, regulates you and I think that's very useful.*

NEST LS, Wave 1 Digital First, Interview 1

Many participants who were familiar with managing their MORs, both before and after the introduction of the PBAS, reported that there was limited scope for them to have input into their Job Plan either way, as the requirement for them to fulfil their MORs was not negotiable.

*And obviously applying for jobs is a requirement, and filling out the points is a requirement, so I don't see that as a choice.*

NEST LS, Wave 5, Digital First, Interview 1

### Limitations of Job Plans as a servicing tool

Job Plans were designed as, and remain, a legally binding payment eligibility requirement and compliance tool, and providers in both jobactive and the NEST agree that they are useful for this purpose.

This design, and the legal requirement for changes to be agreed by the participant, make Job Plans a less than effective servicing tool. As noted previously, NEST providers noted that Job Plans can be difficult and time consuming to update in the online Employment Services System (ESSWeb).

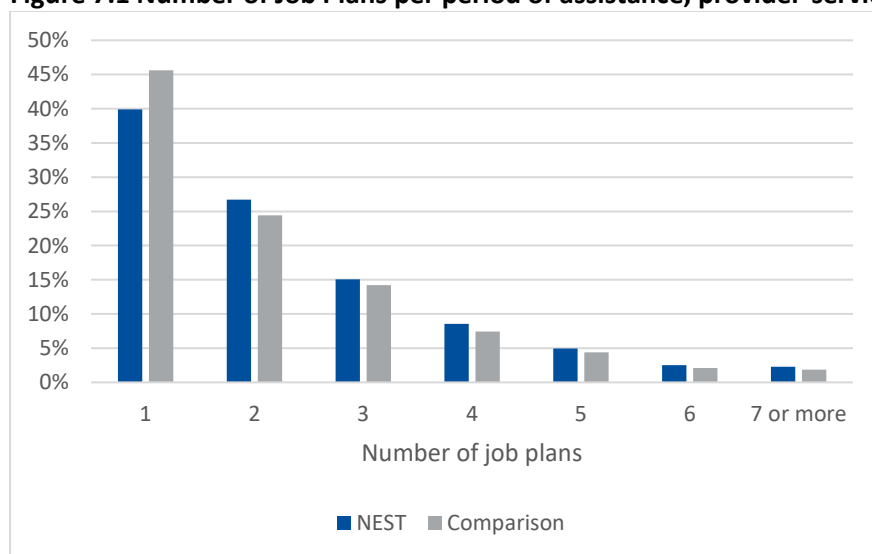
Most providers stated that although the function of Job Plans has not changed under the NEST, they are less well suited to the more flexible servicing occurring in the NEST. Providers note they are using the standard Job Plan template in new and varied ways and including more non-vocational and meaningful activities tailored to the participant's needs, interests and circumstances.

*So definitely trying to tailor it to the job seekers. So depending on what we're doing with that job seeker, we're booking them in for forklift or white card or first aid, whatever we're doing, then we're obviously updating the Job Plan to put that in there. We had to update them all for them to commence into enhanced anyway. So we were looking at what assistance codes we had in there, did we need to change them, did we need to add in non-vocational stuff in there.*

Stakeholder fieldwork, Provider, Tranche 2

This is somewhat supported by analysis of Job Plan data in ESS, which shows that participants in jobactive provider servicing were more likely to have a single Job Plan (45%) than those in NEST regions (40%). This may indicate that jobactive providers are more likely to 'set and forget', and less likely to amend Job Plans in general. This is likely related to the flexibility enabled in the NEST model, although changing and tailoring of Job Plans is encouraged in jobactive also (Figure 7.1).

**Figure 7.1 Number of Job Plans per period of assistance, provider-serviced (%)**



Source: Departmental administrative data.

Notes: Data are for periods of assistance commenced between 4 November 2019 and 30 June 2021 (excluding volunteers) for NEST Enhanced Services and jobactive comparison groups. All Job Plans (including PBAS) are included.

## 7.2.2 Varying job searches

Most providers consider external factors when setting job search requirements

The Provider Survey indicates that providers considered a range of external factors when setting job search requirements. The extent to which this happens varies between NEST and jobactive sites.

jobactive sites consider the departmental announcements (57%) and the maximum allowable job searches (50%) as very important, compared with NEST sites (51% and 44%, respectively). This may be an indication that NEST sites better tailor Job Plans to individual needs rather than policy requirements, or it may just be an effect of the trial, where NEST providers had more flexibility.

*Job search is tailored to the customer individual circumstances.*

Provider Survey, 2021, NEST provider

The most important factor for all sites when varying job search requirements in the Job Plan is a participant's capability to job search. All NEST sites reported this as either very important or important, giving a net importance of 100%. This compares with jobactive sites, with a net importance of 93.5%.

Overall NEST sites were more likely than jobactive sites to consider all factors, except participant motivation and structural barriers, as important when varying job searches. They more often consider labour market conditions (by 8.7 ppt) and participant capability (by 6.5 ppt) important than jobactive providers do (Table 7.2).

**Table 7.2 Net importance of factors considered when varying job search requirements (%)**

| How important are the following          | NEST<br>Net importance | jobactive<br>Net importance | Difference |
|--|------------------------|-----------------------------|------------|
| Participant capability to job search     | 100.0                  | 93.5                        | 6.5        |
| Participant personal barriers            | 95.3                   | 92.2                        | 3.1        |
| Labour market conditions                 | 85.8                   | 77.1                        | 8.7        |
| Departmental announcements               | 75.6                   | 74.4                        | 1.2        |
| Maximum allowable job searches           | 75.6                   | 71.9                        | 3.7        |
| Participant job readiness                | 71.5                   | 67.7                        | 3.8        |
| Structural barriers (e.g. IT, transport) | 42.8                   | 53.9                        | -11.1      |
| Participant motivation                   | -9.4                   | 7.4                         | -16.8      |

Source: Provider Survey, 2021.

Notes: Q How important are the following when varying job search requirements?

Net importance ratio is derived by adding the responses for 'Very important' and 'Important' and subtracting the 'Slightly important' and 'Not important' responses.

## Sites consider participant circumstances when varying Job Plans

The majority of NEST and jobactive sites considered other factors in relation to job search requirements (62% and 66% respectively) (Table 7.3).

**Table 7.3 Extent to which sites consider other factors when varying job search requirements (%)**

| Consideration of other factors | NEST | jobactive |
|--------------------------------|------|-----------|
| Consider other factors         | 61.9 | 66.0      |



Source: Provider Survey, 2021.

Note: Q Do staff consider any other factors when varying job search requirements?

Providers reported that these other factors may not be identified by the Job Seeker Classification Instrument (JSCI) or Employment Services Assessment (ESAt) and they reiterate the importance of the personal and structural barriers that impact job search capability, such as other activities; work; study commitments; major personal crisis; demographic factors such as age, location, English language skills and barriers; digital literacy and access; and the labour market.

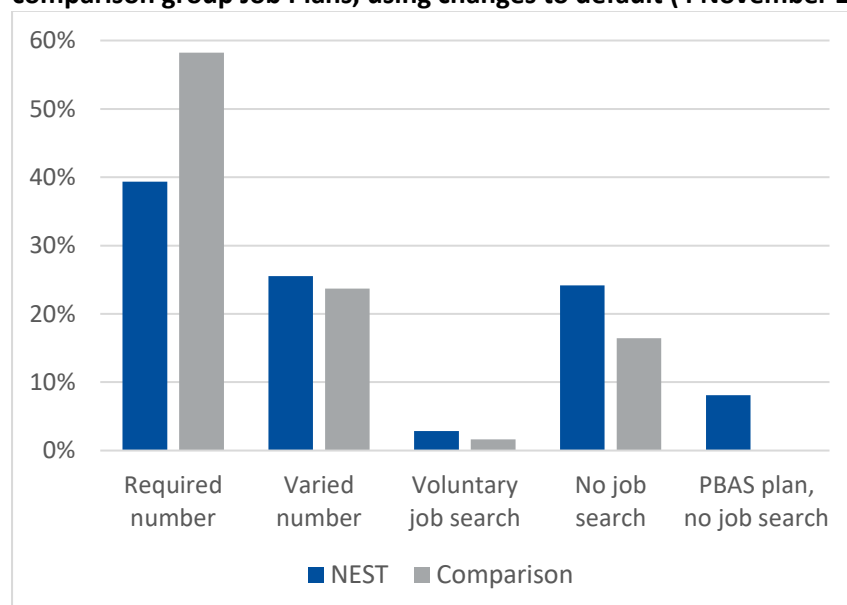
*... transport, barriers, literacy and numeracy, D & A [drugs and alcohol], homelessness, domestic violence ...*

Provider Survey, 2021, jobactive provider

### Varying job searches – administrative data

While all providers reported that they vary job searches, analysis of departmental administrative data suggests that NEST providers are generally more likely to do so. Prior to COVID-19 driven changes to MORs (from 24 March 2020), if providers did not tailor job searches, a majority of newly signed plans would include the default number of job searches per month. Figure 7.2 confirms that during this period NEST providers were more likely to tailor job searches than jobactive providers in comparison regions.

**Figure 7.2 Number of job searches in NEST Enhanced Services (ES) and jobactive provider-serviced comparison group Job Plans, using changes to default (4 November 2019 to 30 June 2021, %)**



Source: Departmental administrative data.

Notes: Data are for periods of assistance commenced between 4 November 2019 and 30 June 2021 (excluding volunteers) for NEST ES and jobactive comparison groups.

Required number of job searches is determined based on the date the Job Plan was signed and when MORs were adjusted in response to COVID-19 – 20 job searches (before March 2020), 4 job searches (24 March to 27 September 2020), 8 job searches (28 September 2020 to 5 April 2021), and 15 jobs searches (6 April 2021 to 30 June 2021).

All Job Plans (including PBAS) are included.

Data are according to when Job Plan was signed.

## 7.3 Activities

This section explores a comparison of activities undertaken in NEST and jobactive comparison regions, for both DS and ES participants, and in the context of compliance and Job Plans.

### 7.3.1 Activity types

Activities in jobactive have until recently been solely the remit of providers. That changed in April 2020, when all new participants were initially referred to the online service (Section 4.3). This helps explain why activities in the departmental administrative data differ between NEST and non-NEST regions. Table 7.4 outlines the prevalence of activity types reported in departmental systems in NEST and jobactive comparison regions. It shows that participants in NEST regions are much less likely to have an activity recorded in the department's system than those in comparison regions (by 4.5%). This is, however, likely a result of several differences in policy settings and, in particular, the recording practices of providers.

**Table 7.4 Prevalence of activity types for NEST and comparison regions (%)**

| Activity   | NEST %      | jobactive comparison regions % | Difference (ppt) |
|--|-------------|--------------------------------|------------------|
| <b>No activity recorded</b>                        | <b>59.3</b> | <b>54.8</b>                    | <b>4.5</b>       |
| Part-time/casual paid employment                   | 34.9        | 39.1                           | -4.2             |
| Accredited education and training (vocational)     | 4.1         | 6.9                            | -2.8             |
| Digital activities                                 | 1.5         | 0.0                            | 1.5              |
| Interventions                                      | 0.8         | 2.3                            | -1.5             |
| Non-vocational assistance                          | 0.1         | 0.1                            | 0.0              |
| Non-accredited education and training (vocational) | 4.0         | 0.8                            | 3.2              |
| Other government programs                          | 0.8         | 0.4                            | 0.4              |
| PaTH – Employability Skills Training               | 0.2         | 2.8                            | -2.6             |
| Career Transition Assistance                       | 0.6         | 0.5                            | 0.2              |
| Voluntary work in community/non-profit sector      | 0.0         | 0.0                            | 0.0              |
| Work for the Dole                                  | 0.2         | 1.7                            | -1.5             |
| Other activity                                     | 0.1         | 0.1                            | 0.0              |

Source: Departmental administrative data.

Notes: This table details the prevalence of activity types for the first activity for the relevant study populations. The data includes both provider and digitally serviced participants. 'Other activity' includes approved non-government programs, Defence Reserves, Launch into Work, New Enterprise Initiative Scheme (NEIS) training, National Work Experience Program (NWEPP) training, voluntary work in the community/non-profit sector and work experience (other).

In jobactive comparison regions, AARs require that participants in service for 12 months must participate in an activity, which **must** be reported in the departmental system – unlike NEST regions, where there is no AAR. Also NEST PBAS participants can gain points by undertaking activities that are not reported in departmental activity tables, including attending job interviews, workshops, and paid work. It is likely many of the activities undertaken by NEST ES and DS participants are not recorded in administrative data. This idea is supported by survey data indicating that participants in ES, for

example, are more likely to report undertaking some form of activity with their provider (Table 6.13). However, there is little difference between NEST and comparison regions in the number of people who have undertaken a system-reported activity. This is evidence that NEST providers continue to refer participants to activities to improve their job prospects, regardless of AAR requirements.

### Part-time or casual work

*The evaluation of jobactive final report* (DEWR, 2022), found that part-time or casual work was the most prevalent activity for participants in the Work for the Dole (WfD) Phase. In the NEST this is an example of activities likely being undertaken but not reported. In comparison regions, for part-time or casual work to be counted toward a participant's AAR, it needs to be reported as an approved activity in ESSWeb. NEST participants who are in the PBAS can report hours of work to claim points, but it does not need to be recorded as an activity in ESSWeb. This is likely why 39.1% of participants in jobactive comparison regions are reported as having part-time or casual work, whereas in NEST regions the percentage is 34.9% (Table 7.4).

### Accredited education and training

Accredited education and training (AET) is much less prevalent in NEST regions than in comparison regions. This may be because while digital participants have similar requirements, providers in comparison regions have been referring people to AET vocational training (AET(V)) simply to satisfy AARs. These courses tend to be of longer duration, and require more hours per week, than non-accredited training. Because there is more choice in NEST regions, it may be that the courses recommended are better targeted to the participants, though further research would be required to test this. The lower prevalence of AET(V) courses in NEST regions (-2.8%) is more than offset by the higher prevalence of non-accredited education and training (vocational) (+3.2%). Again, this is likely related to there being AARs in NEST regions. It may also be related to the fact that jobactive providers have a less disadvantaged caseload, who are more likely to be able to complete and benefit from AET (Table 7.4).

### Digital activities

The differences in the prevalence of digital activities may reflect the differing proportions of digital participants in NEST and comparison regions. Whereas 2 in 5 NEST participants are in DS (39.1%), only 1 in 5 (18.0%) is in OES in comparison regions. It could be that providers have been keen to engage participants in digital activities to help their clients self-report and job search online. This is something participants in DS are already able to do.

### Voluntary activities

Data from the Provider Survey indicates that over three-quarters of sites sometimes (42%) or often (37%) use voluntary activities in the Job Plan. A very small proportion of jobactive sites always use voluntary activities in the Job Plan (3%). There are no NEST sites that always use voluntary activities, suggesting that NEST providers are less reliant on recording voluntary activities in the Job Plan (Table 7.5). It may also indicate that NEST providers are choosing not to record some voluntary activities in Job Plans, perhaps using other types of pathway plans (Section 6.4.4).

**Table 7.5 Proportion of sites that use voluntary activities in the Job Plan (%)**

| Use voluntary activities | NEST (%) | jobactive (%) |
|--------------------------|----------|---------------|
| Always                   | 0.0      | 2.6           |
| Often                    | 35.7     | 36.7          |
| Sometimes                | 40.5     | 42.2          |
| Occasionally             | 21.4     | 18.2          |
| Never                    | 0.0      | 0.0           |
| Don't know               | 2.4      | 0.4           |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site use voluntary activities in the Job Plan?

### Qualitative and survey results support these findings

Evidence that NEST providers are undertaking other activities outside of those reported in administrative system is supported by findings from the PEES Survey. NEST ES participants are much more likely to report having undertaken an activity in the last 6 months (by 3.4 ppt) (Table 6.13).

This is also supported by feedback from the NEST Stakeholder Research which reported that, notwithstanding the restrictions on participating in activities due to COVID-19, providers were developing activities that varied from those traditionally undertaken to meet AARs (e.g. WfD). (Section 6.4.4 and Table 6.13 to Table 6.15).

### 7.3.2 Time to activity participation

Administrative data analysis of how long people are in service before they begin an activity shows that NEST participants are more likely than participants in jobactive comparison regions to begin activities earlier in their period of service. Table 7.6 shows that around 6% more participants in NEST regions have reported an activity before 4 months in service. This is surprising given that a higher proportion of participants in NEST regions are in DS, compared with jobactive regions. This, again, indicates that providers in NEST regions are encouraging activities earlier in service. Participants in comparison regions are much more likely to have their first reported activity at around 12 months than participants in NEST regions. This is likely a result of the AAR in these regions, which occurs at 12 months in service, and consequential activities being reported.

**Table 7.6 Time from commencement to first activity (% of all activities)**

| Time to first activity   | NEST (%) | jobactive comparison % |
|--------------------------|----------|------------------------|
| Less than 4 months       | 58.3     | 52.9                   |
| 4 to less than 6 months  | 12.4     | 12.4                   |
| 6 to less than 12 months | 19.8     | 22.2                   |
| 1 year or more           | 9.5      | 12.5                   |

Source: Departmental administrative data.

## 7.4 Points Based Activation System

This section explores the implementation and application of the PBAS in both DS and ES, including provider and participant attitudes to the PBAS and issues that have been raised. Initially scheduled for release on 1 July 2020, but delayed because of COVID-19, the PBAS was implemented for new DS participants from 7 December 2020. Existing DS and ES participants can opt in or out of the PBAS by discussing it with the DSCC or their provider.

### 7.4.1 Policy rationale for the Points Based Activation System

In response to the *I want to work* report, the PBAS was designed to give participants more control over how they meet their MORs, and the range of activities that can count towards meeting their MORs. Participants' points are tailored based on local labour market characteristics and personal circumstances. Participants can bank points (up to half their target for use in the following month), providing them with additional flexibility and reward for engaging more.

The NEST has a light touch re-engagement requirement for PBAS participants which applies for the first points-based demerit accrued. The payment suspension is incurred and the participant is required to re-engage; however, there is no need to complete their points for that period. The participant is required to contact either the DSCC or their provider and acknowledge their non-compliance. This requirement was designed to facilitate a better understanding of the PBAS and aid the department in developing clear messaging around PBAS requirements. This light touch re-engagement also acknowledges that most participants do the right thing, with most only accruing a demerit due to misunderstanding as opposed to deliberate non-compliance.

#### Points value

Table 7.7 shows the points allocated for different activities in the trial.

**Table 7.7 Points Based Activation System activity values in the NEST**

| Activity                                  | Points value | Frequency                                       |
|---|--------------|---|
| Completing a quality job application      | 5            | per application                                 |
| Attending a job interview                 | 10           | per interview                                   |
| Starting a job                            | 10           | per job   |
| Education and training                    | 30           | per month while studying                        |
| Paid work                                 | 5            | per 10 hours worked                             |
| Work for the Dole                         | 30           | per month while participating                   |
| Creating or updating their career profile | 5            | once per month only                             |
| Participant sourced voluntary work        | 5            | per 10 hours worked (up to 10 points per month) |

Source: PBAS NEST Guidelines.

More detail on the PBAS policy is at Appendix A.6.

#### Impact of COVID-19 on implementation

When the PBAS commenced, the department reduced the points targets from the initially planned 100 point target per month for all participants to a maximum of 40 points in both trial regions, to recognise that the economy was impacted by COVID-19 (consistent with job search reduction).

In line with the government's strengthening of MORs, the points target for participants gradually increased throughout 2021. From 1 July 2021, the points targets returned to the pre-COVID-19 arrangements (Table 7.8).

**Table 7.8 Points target for the Points Based Activation System during the trial**

| Region | Base setting | 7 December 2020 to<br>31 March 2021 | 1 April 2021 to<br>30 June 2021 | Current (from 1 July<br>2021) |
|--------|--------------|-------------------------------------|---------------------------------|-------------------------------|
| Points |              | 100 points per month                |                                 |                               |

| Region          | Base setting  | 7 December 2020 to 31 March 2021                           | 1 April 2021 to 30 June 2021                                  | Current (from 1 July 2021)                                   |
|-----------------|---|--|---|--|
| Adelaide South  | 80 points per month – to match job search requirement of 16 | 40 points per month – to match job search requirement of 8 | 60 points per month – to match job search in the region of 12 | 80 points per month – in line with pre-COVID-19 arrangements |
| Mid North Coast | 70 points per month – to match job search requirement of 14 | 40 points per month – to match job search requirement of 8 | 50 points per month – to match job search in the region of 10 | 70 points per month – in line with pre-COVID-19 arrangements |

Source: Departmental administrative data.

Notes: For the PBAS trial, a labour market credit was applied in both regions (20 points in Adelaide South and 30 points in Mid North Coast).

These credits are a calculation created by the department based on local labour market conditions.

## 7.4.2 How the Points Based Activation System worked

### Analysis of evaluation dataset

Administrative data analysis shows that a total of 60,999 participants commenced in the NEST. Of these, 14,497 were in the PBAS. PBAS participants were either in DS only or in ES only, or had periods in both DS and ES. Participants who had placements in both services were more likely to have been in the PBAS, which may reflect that they began as DS participants (where PBAS is automatic) and were then moved to ES (where, it should be noted, PBAS is encouraged). While this may indicate that some people in DS are not suited to the PBAS, it also indicates that the safety nets in place to move these participants to providers are working (Table 7.9).

**Table 7.9 Points Based Activation System participants, by service type (number and %)**

| Service type   | Participants (number) | PBAS (number) | PBAS (%)    |
|----------------|-----------------------|---------------|-------------|
| Both DS and ES | 7,088                 | 3,225         | 45.5        |
| DS only        | 28,942                | 5,945         | 20.5        |
| ES only        | 24,969                | 5,327         | 21.3        |
| Total          | <b>60,999</b>         | <b>14,497</b> | <b>23.8</b> |

Source: Departmental administrative data.

Note: Data is for participants in the NEST regions who had a commenced placement active between 4 November 2019 and 30 June 2021, who did not move regions within that period and who had a completed JSCI assessment.

### Supplementary analysis of reporting data

As at 31 August 2021, there were 9,227 participants in the PBAS, of whom 4,048 (43.8%) were in DS and 5,179 (56.2%) were in ES. The main activities reported were job applications (82.0%), job interviews (6.3%) and paid work (5.2%). Banking of points was common, with 31.1% of the PBAS caseload having banked points from their last reporting period into their next reporting period. Of these, 24.5% had banked 10 points and 9.7% had banked 20 points.

## 7.4.3 Attitudes to the PBAS

### There is broad support for the PBAS among participants and providers

Participants in both the NEST LS and the PEES Qualitative research were broadly supportive of the PBAS, as were providers interviewed in the NEST Stakeholder Research. All felt that it was more flexible and gave participants greater choice and recognition regarding how they managed their

MORs. Participants thought that the PBAS more accurately recorded fluctuations in employment and that it reduced the number of job applications submitted purely for compliance reasons, with participants reporting that they were better able to target more suitable jobs.

*[Before PBAS] Sometimes there weren't any suitable jobs and so I had to apply for jobs that weren't appropriate where they knew I wasn't experienced or qualified or wouldn't be suitable and I still had to apply for those and hope I didn't get the call back ... It felt like I was just searching and applying for jobs for the sake of it rather than that's a good job that I should go for, it was more like here are eight jobs that popped up and I have to apply for all of them. It didn't feel as sincere. And it didn't feel truthful to my future or career development really.*

PEES Qualitative

*... the biggest sell is taking their own ownership of their mutual obligations.*

Stakeholder fieldwork, Provider, Tranche 4

### **Providers and participants felt that the PBAS gave participants a sense of agency and control**

Participants felt that the PBAS acknowledged their job-seeking efforts through other activities besides applying for a certain number of jobs. They liked that a range of activities, such as attending interviews, or hours of paid work, volunteering and training completed, were acknowledged. They believed that this was fairer and more flexible compared with the previous MORs.

*I would say [I prefer] the point system ... The point system feels a bit fairer.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 1

*Before I only had to do a certain amount of jobs and now I have more of a choice with meeting the mutual obligations ... it's much easier to meet the requirements because you have a few more options to complete your mutual obligation requirements.*

PEES Qualitative

Providers used the idea of flexibility, ownership and agency around MOR activities, and a broader recognition of activities undertaken to find work, as a way of encouraging participants to consider the PBAS.

*... I say to people, 'It's all about your journey. And now what you want from it. We're just here to facilitate that.'*

Stakeholder fieldwork, Provider, Tranche 4

*... We love the idea around PBAS, that a customer can do multiple activities to meet their mutual obligations, not just solely job search. And our customers can be recognised for interviews they go to, starting work, attending workshops, attending any online forums.*

Stakeholder fieldwork, Provider, Tranche 4

Some participants found that the PBAS made it much easier to juggle paid work because of the variety of options to gain points. This meant they were no longer under the stress of having to apply for jobs just for compliance.

*Love it; love the points system ... this actually takes into account that I physically work and with those hours I actually meet my obligations. And also, if I do apply for a job, that adds to the points and I can bank them. If I go to an interview, that's more points and I bank them ... So, something may happen ... and my hours were down, the points that I had banked up then take – they'll cover me for the points that I miss for that period and then I can bank them back*

*up again ... The requirements from beforehand, you were limited; it was only down to – everything was on your job search.*

PEES Qualitative

### Providers suggested that the PBAS improves flexibility of servicing

The Provider Survey found that providers from 93% of sites agreed that the PBAS provides flexibility for participants to manage their MORs. Fewer sites (71%) agreed that PBAS activities support a tailored approach to servicing (Table 7.10).

**Table 7.10 Extent of agreement that the Points Based Activation System improves flexibility and tailored servicing (%)**

| Sites agree/disagree that   | Agree % | Neither % | Disagree % |
|---|---------|-----------|------------|
| PBAS provides flexibility for participants to manage mutual obligation requirements | 92.9    | 7.1       | 0          |
| PBAS activities support a tailored approach to servicing                            | 70.7    | 24.4      | 4.9        |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site agree or disagree with the following statements about PBAS – PBAS provides flexibility for participants to manage mutual obligation requirements? / PBAS activities support a tailored approach to servicing?

Several providers in the Stakeholder Research thought that the PBAS had contributed to improved servicing as they could clearly see what actions participants were taking to find work, and because it provided an opportunity to broaden conversations beyond job search.

*... It's such a good communication tool between customer and provider.*

Stakeholder fieldwork, Provider, Tranche 4

However, providers were less sure that the PBAS was a stepping stone to progressing ES participants towards DS (43% agreed; 48% were neutral) (Table 7.11).

**Table 7.11 Extent of agreement that the Points Based Activation System is a stepping stone to Digital Services (%)**

| Sites agree/disagree that                                  | Agree | Neither | Disagree |
|--|-------|---------|----------|
| PBAS is a stepping stone to progressing participants to DS | 42.9  | 47.6    | 9.5      |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site agree or disagree with the following statements about PBAS – PBAS is a stepping stone to progressing participants to digital services?

### Participant understanding of the PBAS

Around two-thirds (62%) of providers from NEST sites think that ES participants have a good understanding of the points target for the PBAS (Table 7.12).

**Table 7.12 Enhanced Services provider perceptions about participants' understanding of the Points Based Activation System (%)**

| Sites agree/disagree that   | Agree | Neither | Disagree |
|---|-------|---------|----------|
| Provider perception of whether participants have a good understanding of PBAS points target | 61.9  | 33.3    | 4.8      |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site agree or disagree with the following statements about PBAS – Generally, participants have a good understanding of the points target for PBAS?



Qualitative research with both ES and DS participants explored their understanding of the PBAS.

### **Most participants broadly understood PBAS**

Most PBAS participants in Wave 5 of the NEST LS broadly understood how the PBAS worked.

*Yeah, it was relatively easy. It probably took me a couple of minutes just to have a look around the web page and sort of get a feel for it, and then it was fine.*

NEST LS, Wave 5, Digital Plus, Interview 1

### **Some participants found it confusing at first**

Evidence from the NEST LS indicates that some participants initially found the PBAS confusing. Their confusion largely stemmed from a lack of understanding of how PBAS operated, particularly around how points were allocated.

*And you know how you have the points system? That definitely confused me at the start because I thought why do I have to hand out job applications if I'm already working? But then I saw that there was paid work and they gave you points. That was confusing and I had to ask about that, what does it mean by points?*

NEST LS, Wave 5, Digital Plus, Interview 1

After the initial confusion, and once participants had done at least one reporting cycle, most participants reported that their understanding improved as they became more familiar with their points target and the different activities, including job search, that they could do to earn points.

### **There appeared to be less confusion among ES participants**

There is some indication that the initial confusion was greater among DS participants than ES participants. ES participants' fear and confusion was generally allayed by their provider, who was able to explain how the system worked up front.

*I've been [introduced to the PBAS]. That's another new thing that I was explained to me at the job agency. Points for interviews and job applications, et cetera.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 1

Some providers were also running information and training sessions to help participants understand and use the new system. To this extent, lack of digital literacy was not necessarily a barrier to participation in the PBAS but a point of intervention to improve clients' digital skills.

*I would say I've probably got 90% of my clients on PBAS, and they're all working with it fine ... I'm finding that once we teach them face-to-face, we had pushback when it was over the phone, when we weren't able to do face-to-face because they weren't really understanding it. Whereas now that we can do face-to-face, we can log them on and show them, they're finding it really easy.*

Stakeholder fieldwork, Provider, Tranche 4

### **There was more confusion among DS participants**

DS participants did not have the benefit of someone on hand to explain how the PBAS worked, or awareness of available information on the jobactive/jobsearch website. DS participants in the NEST LS did not recall receiving communication about or assistance with the PBAS and instead reported that they had to figure it out on their own. Some also sought assistance from their family and friends to understand the new system.

*But then [my mother-in-law] told me that it was what you had to get up to, your points and everything. [...] That made it much clearer when I got an outside view, and also from my mum because she understood how it worked. When I asked around, they made it seem really clear to me what I had to do and what this was.*

NEST LS, Wave 5, Digital Plus, Interview 1

This lack of understanding of the PBAS is likely related to a broader lack of awareness among DS participants about the types of assistance available on the jobactive website and from the DSCC, including on the operation of the PBAS. While there is general agreement about the benefits of the PBAS in terms of providing more choice and agency for participants to meet their MORs, these benefits cannot be fully realised if participants feel they do not have the information to understand up front how the system works.

One provider recommended that participant materials would benefit from further refinement, including more graphics and smaller chunks of written text to help providers explain the PBAS in time-constrained appointments. The TCF resources previously developed by the department were suggested as a good example.

*... even if there's a fact sheet – and I know that there is one there ... I think something for job seekers that is slightly more condensed ... if it is in a user-friendly table, coloured ... versus just a written paragraph ... Break it down ... I think that would be hugely beneficial ... When we had the fliers come out for the demerit system that have got pretty much the traffic light images ... and then the points underneath each individual one, that was such a helpful material for clients to understand.*

Stakeholder fieldwork, Provider, Tranche 4

## Choice of activities

Participants in both the NEST LS and the PEES Qualitative research were supportive of the opportunity to include a broader range of activities that counted towards their MORs.

*... the obligation isn't just applying for jobs, there's other things you should be doing as well. So the points system allows for that ... as long as you're doing something. So it gives you more opportunities ... I don't have a lot of jobs I can go for, sometimes I can look online and there's nothing, but at least if I've had an interview that week, or if I'm doing some other proactive activity, that makes up for the fact that there's just nothing ...*

PEES Qualitative

However, there were participants in the fieldwork who noted that they were unable to claim points for activities, such as study, that they thought were valid activities.

*Also, I was struggling to find ... where can I put in that I'm full-time studying now, where can I put that, there were no points allocated to that. So, what do you expect of me? what else shall I do? Or, if you started your own business or something and all this ... more flexibility ... if the above doesn't fit for you, please tick other and then specify, something like that, more flexibility.*

PEES Qualitative

This may be to do with providers not manually adjusting points, or participants trying to claim points for non-accredited study, or just a lack of familiarity with how the system works. However, it does suggest that both providers and participants require greater clarity about the definition of valid activities.

## Points value and targets

Some participants, particularly those engaged in paid employment, considered their points target to be too high. This was typically because of the value of points they received for work. These were considered too low in the context of other commitments which left them little time to undertake the required activities to meet the rest of their points target.

*Because now that I was working, it was hard for me to you know, to do everything – go to work, kids, take them everywhere, and look for jobs. A bit time consuming ... I thought by working those hours, I would have reached the right amount of points, which I didn't.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 1

*So, when it comes to the points system, for me, having had jobs already, I think 100's [points] a lot because I think it's 10 hours of work translates to 5 points, so if I'm working 30 hours in a week, that's 15 points, and if I do that over 4 weeks or a month, that's only 60 points. I still have to make up another 40 points in applications or interviews, which does seem like a lot for someone who's working.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 1

It should be noted that, generally, activity-tested jobactive participants (e.g. those who are working to meet their AAR) are still required to undertake job search to meet their MORs. This is not unique to the PBAS. It should also be noted that participants can undertake the same activities under the PBAS (i.e. 20 job searches) to meet their MORs as they did under the previous system. The difference being that job searches are allocated a points value under the PBAS.

## Points banking option

Participants in the PBAS can accumulate extra points in a month up to the value of half their target to carry forward to the following month. In previous evaluation research, participants noted that sometimes things happen in their lives which impact their ability to meet their MORs. The points banking option is designed to increase flexibility so that participants have the option to do activities beyond their minimum requirement in case of unforeseen circumstances.

This option does not exist for non-PBAS participants. For example, a non-PBAS participant who has a minimum job search requirement of 20 job searches per month but applies for 30 jobs cannot use the excess 10 jobs the following month to reduce their job search requirement. Among participants, the points banking option was the most contentious aspect of the policy.

## Many participants understood and valued the points banking option

Numerous participants in the PEES Qualitative research and NEST LS valued the ability to bank points and the flexibility it provided them.

*I think the main benefit is the fact that you can bank points if you have a strong month, you can put those aside and they count for the next month and that takes a bit of the pressure off the following month.*

PEES Qualitative

*... it does reflect my activities because I think in the obligations ... the previous system, if I had to meet, let's say, 10 jobs, and I was meeting 14 jobs, there was no acknowledgement of the*

*fact that I was exceeding the minimum, whereas I think with the Points Based System, it does actually reflect that.*

PEES Qualitative

### **Some participants did not understand the points banking option**

There was some confusion among some participants around how the banking points option worked and how it would benefit them.

*I have 20 points to reach, but then there's 20 that can be banked. I don't know what that means, though.*

NEST LS, Wave 5, Enhanced Services Tier 1, Interview 1

*I had two circles on the left [on the dashboard] and they had bank points, which I still don't really understand what that means.*

NEST LS, Wave 5, Digital Plus, Interview 1

### **The restriction on banking points was a concern for some participants**

The main point of contention among participants concerning the points banking option was its restriction to half the target for the following month. Some participants considered the points banking option to be relatively unfair as it did not fully capture their job search effort or work-related activities.

*Although I do see a limitation with it, which has been fairly obvious to me, is that once you fill the required amount of points for that month, you have the banked points, which is if you apply for extra jobs – except the number of banked points you have is small. It only lets you store about half the number of points you had for that month, and so it feels like there isn't a point in applying for jobs beyond what you need for your points because you can't claim the points on those jobs.*

NEST LS, Wave 5 Digital First, Interview 1

Again, this is not unique to the PBAS. Some participants with non-PBAS MORs have previously noted that they only undertake the job search needed to meet their job search requirement. It is not known, at this point, the extent to which the PBAS will encourage participants to undertake activities that will improve their employment prospects beyond what they may have previously done.

## **Participant assessment and suitability**

### **The PBAS is suitable for most participants**

DS participants are assumed to be suitable for the PBAS by virtue of being in DS. Some participants in ES may be less suitable for the PBAS given their relative level of labour market disadvantage. Providers felt that the PBAS was not appropriate for all participants. Participants for whom it was suitable were digitally competent, had IT access and were self-motivated, engaged, and able to manage their own MORs online and resolve problems proactively. This typically includes participants who are employed or completing study.

*So yeah, I think it's working better for the ones who are employed.*

Stakeholder fieldwork, Provider, Tranche 4

Additionally, providers felt that the PBAS was suitable for participants who had transferred from DS, and those who were in the PBAS in DS have remained in the PBAS.

However, a few participants in the PEES Qualitative research did not view the PBAS as preferable to the traditional MORs. For example, the changeable points structure was confusing for some participants, who were apprehensive about not having a consistent requirement. This confusion was exacerbated by inconsistent information on the participant's website account and app.

*I just liked the old system where you just had the one set number of jobs that you had to apply for each month. Whereas the new system, it could vary depending on whether you get call-backs or not.*

PEES Qualitative

*I'm really struggling with the new points system ... it's never really been explained to me properly, and the-what the phone apps and things like that, like the internet website says one thing and then my phone app says something completely different ...*

PEES Qualitative

This may be an indication that some participants who are used to the jobactive MOR system and are confident in managing it may need a longer time, or more support, to adjust to the PBAS.

### Providers noted that some participants may not be suitable for the PBAS

The Provider Survey identified that providers at 86% of sites think there are cohorts who are unsuitable for the PBAS (Table 7.13).

**Table 7.13 Proportion of NEST sites where providers think the Points Based Activation System is unsuitable for some participants (%)**

| Response   | Providers who consider PBAS unsuitable for some participants % |
|------------|--|
| Yes        | 85.7   |
| No         | 9.5  |
| Don't know | 4.8  |

Source: Provider Survey, 2021.

Note: Q Do staff at your site think there are any participant cohorts unsuitable for PBAS?

This was further explored in the Stakeholder Research, where providers identified several groups who they felt were not suitable for the PBAS. For example, some DS participants had transferred to ES specifically to get help and not self-manage, or because they specifically did not want to be in the PBAS.

*I had one come from digital the other week who was PBAS, but she said that it was too hard for her to maintain. She had a lot of barriers.*

Stakeholder fieldwork, Provider, Tranche 4

*... I think the reason there's not a lot of interest there is just because they've been referred to us because they wanted the extra assistance and to be well engaged with us, to do activities with us rather than doing their own sort of self-management, if that makes sense.*

Stakeholder fieldwork, Provider, Tranche 4

Other groups for whom providers felt the PBAS was unsuitable include participants:

- with mental health issues
- with drug and alcohol issues
- with low English language skills
- living in some regional/remote locations

- with low digital literacy.

*English language, we don't put them on PBAS because it's too difficult for them ... people that have mental health, and we never say no ... It's just those ones that have never used computers. They don't have access to computers, but then it's encouraging them that we've got access here ...*

Stakeholder fieldwork, Provider, Tranche 4

*... if you've got someone who's come in with extreme heavy drug and alcohol symptoms and things like that, it's not something that I'd go straight off the bat in ... it's not something that I'd walk in with every single job seeker and say 'This is PBAS.'*

Stakeholder fieldwork, Provider, Tranche 4

*... we've got people out in ... areas that are nowhere near a city, where they do not have the fundamentals to do so. So PBAS isn't for everyone.*

Stakeholder fieldwork, Provider, Tranche 4

Some ES providers were referring those who struggled in the PBAS to digital training and/or giving them more one-on-one training during appointments or in drop-in sessions.

*Most of the ones that have opted in for it haven't opted out. I would say the ones that have chosen to opt out of it are the people that aren't digitally comfortable as what they once thought. But all we do to address that then is we'll put them through a digital literacy course.*

Stakeholder fieldwork, Provider, Tranche 4

#### **Some participants are opting out of the PBAS**

Some participants have experienced system issues and then asked to be opted out, showing a lack of patience for the change process.

*I'd find those ones are the ones who opt out, or the ones who go, 'Oh, I tried – ' some of them had system errors. They've gone to upload something to get their points, and it hasn't worked. But maybe on a Sunday, and they may have to meet their point period by that Sunday. So, come Monday they call us and they say ... 'I just want to go back to how it was before because it's never impacted me.'*

Stakeholder fieldwork, Provider, Tranche 4

Further, one provider thought that the PBAS should be time-limited to ensure that participants had the motivational support they needed.

*... my concerns for someone very IT savvy, very job ready that's job searching, probably for a three month period. After that, I don't think it's motivation. I think the face-to-face, one-on-one is far more motivational ... I think if it was long-term doing it, you'd have to limit it and monitor it just to see, making sure that they are still motivated and applying for jobs that are suitable and that they are moving forward ... if they're not motivated being long-term unemployed, they could continue just to fiddle the system to make the points.*

Stakeholder fieldwork, Provider, Tranche 4

#### **7.4.4 Points Based Activation System in Enhanced Services**

From 7 December 2020, ES providers had the opportunity to transfer participants to the PBAS at their discretion. The PBAS guidelines state that providers have to assess that a participant is:

- capable of taking personal responsibility for planning, managing and reporting their requirements under the PBAS
- able to use the online service themselves, or with appropriate support, by navigating their dashboard and inbox on the jobactive website and reporting their job search related tasks (PBAS guidelines).

Further, providers were given discretion to reduce participants' points target each reporting period. As in jobactive, providers are responsible for reviewing the quality of participants' job search efforts and noting any quality concerns.

### Providers were keen to trial PBAS to add to the evidence base

All providers intended to trial the PBAS and were curious to understand which participants are ready, willing, and able to manage the PBAS and the extent to which participants want choice to meet their MORs.

*It's an opportunity for our staff to get in and really understand it well, so the direction for our team has been whilst it is voluntary, we would want to see people moving and be encouraged to move into that [PBAS].*

Stakeholder fieldwork, Provider, Tranche 3

*But it will certainly remain to be seen and we'll be curious in watching as well what the engagement is like.*

Stakeholder fieldwork, Provider, Tranche 3

### Providers had varying approaches to implementing the PBAS

Some providers intended to trial the PBAS with all participants to learn about its suitability for different types of participants. Others thought they would discuss it with all participants as an opt in, while others stated that they would discuss it with each participant and assess their suitability before offering the PBAS as an option.

The varied take up of the PBAS in ES reflected differences in providers' caseload composition, location, and organisational willingness to change, and the capacity of staff to train participants in using the dashboard. By the end of June 2021, providers had between 1% and just over 50% of their caseloads on the PBAS, and 3 of the 8 trial providers had over a third of their caseloads in the PBAS.

The Provider Survey also identified that all sites to varying degrees see the importance of having the flexibility to decide when and if participants go on and off the PBAS (Table 7.14).

**Table 7.14 Importance of flexibility in Points Based Activation System referrals (%)**

| Important to have the flexibility to decide when participants go on and off PBAS | %    |
|--|------|
| Very important   | 53.7 |
| Important  | 39.0 |
| Slightly important   | 7.3  |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site think it is important to have the flexibility to decide when participants go on and off PBAS?

## Limitations

The Provider Survey found that providers were split in their perceptions about whether the PBAS limited their ability to influence their participants. Respondents from more than half of the sites thought that the PBAS did not limit their staff's ability to influence participants' behaviour (55%). However, respondents from the other 45% of sites felt that the PBAS did limit their ability to influence activity, job search and reporting behaviour – for example, where activities are not listed or an interview with a provider is reported as a job interview (Table 7.15).

**Table 7.15 Whether the Points Based Activation System limits NEST providers' influence on participant behaviour (%)**

| Whether PBAS limits your staff's ability to influence participant behaviour | (%)  |
|---|------|
| Yes   | 45.2 |
| No  | 54.8 |

Source: Provider Survey, 2021.

Note: Q Are there any ways that PBAS actually limits your staff's ability to influence participant behaviour?

*Unable to quality check employment hours or interviews that have been loaded by participant to meet points, even if they are inappropriate, we cannot remove the points that the system gives them.*

Provider Survey, 2021, NEST provider

*Some JS will meet all points requirements at the beginning of reporting month and won't do anything else for remainder of the month but technically have met requirements. Need to only hit a certain amount of points to ensure job seekers are looking for employment throughout the month not only when the reporting period starts.*

Provider Survey, 2021, NEST provider

As with many participants, providers were adapting their mindset and servicing to account for the PBAS. In the Stakeholder Research, providers highlighted some issues with the PBAS they felt needed to be considered before the system was implemented in the Workforce Australia Employment Services model.

### Compellable checks

Most providers felt that the PBAS had reduced their ability to check a participant's employment pathway. For example, providers cannot include job referrals and opportunities (PA04) in their Job Plans.

*Having that in there, the job referrals and opportunities – it may be just a fix – well it probably won't be a quick fix, because it's a web/IT thing. But just having that PA04, and even re-wording it, 'Whilst on PBAS you still have to be looking at job referrals and opportunities'.*

Stakeholder fieldwork, Provider, Tranche 4

### Employment reporting function

Employment is reported in the PBAS by participants as the number of hours worked. As discussed under 'PBAS activities' below, employment is no longer reported as part of the Job Plan. This is now a limitation in the administrative data, and at least one provider expressed uncertainty about why employment is not reportable as a Job Plan activity.



*... if you've got PBAS in for somebody that's working, you can't have employment in their Job Plan. It just has to be PBAS ... I don't understand why that's the case.*

Stakeholder fieldwork, Provider, Tranche 4

Some providers noted that the link between Services Australia income reporting and the PBAS was not working with the same precision as the old Job Plan. It should be noted, however, that this functionality was not implemented for the trial but will be part of the IT build for Workforce Australia Employment Services.

*... if people are declaring their earnings to Centrelink, sometimes that's not rolling across. So, they're having to physically still add hours to PBAS.*

Stakeholder fieldwork, Provider, Tranche 4

Some providers found it difficult to help participants resolve their problems with the PBAS as they could not look on the system and fix problems from their side. A lack of understanding about how to report employment, and lack of communication between the Services Australia and jobactive systems, meant that some participants had incurred demerit points, causing frustration.

### **Job search expectations**

Most providers thought that the PBAS expectations for job search were too low once labour market points were deducted and if participants were completing other activities such as study. Because of this, providers were concerned that their ability to influence participants' outcomes and employment pathways had reduced, with one provider highlighting that the impact of the PBAS on participants' employment outcomes was still unknown.

*Sometimes they only have to apply for one job and it gives them all these points, and they're bank – and that's great, they can accumulate them, but then they think in their head, 'Oh, I'm looking at my dashboard. I'm not doing anything for the next two months. See you.'*

Stakeholder fieldwork, Provider, Tranche 4

*We've had other staff members raise a PBAS job plan and the points requirements were just very, very low. If they're like 10 or 20 points or even with one instance like it was zero. What's that doing to help the customer move into employment? ... All of sudden, they don't have to attend an info session or they don't have to attend a training session that we've got here, because they've already met their points ...*

Stakeholder fieldwork, Provider, Tranche 4

Some providers thought that PBAS participants should have a minimum number of job searches, especially since gaps were emerging in the labour market.

### **Points allocation**

Providers also felt there was also a lack of transparency regarding the points allocated for personal circumstances. Once points had been reduced for personal circumstances, providers could not adjust them. Further, they were uncertain about why points had been reduced in some circumstances, and therefore could not provide insight when points subsequently increased.

*... Some of our customers are automatically getting a deduction with personal circumstances, even though there's nothing in their JSCI, they're a tier one customer ... We just don't know where it's coming from ... We can't remove the deduction ... I just think the system needs to*

*tell us they're reducing something, and it's automatic why, so we can explain it to the customer. Because, the next month, the points are higher and the customer goes, 'Why?'*

Stakeholder fieldwork, Provider, Tranche 4

The Provider Survey indicates that 90% of sites have moved some participants to the PBAS. The criteria they have used are related to participants' digital literacy, capability, and capacity to access myGov, use computers and manage the PBAS themselves, as well as the willingness of participants to be involved (Table 7.16).

**Table 7.16 Proportion of NEST sites that have moved participants to the Points Based Activation System (%)**

| Whether staff moved any participants to the PBAS | (%)  |
|--|------|
| Yes  | 90.5 |
| No   | 4.8  |
| Don't know                                       | 4.8  |

Source: Provider Survey, 2021.

Note: Q Have staff at your site moved any participants onto PBAS?

### PBAS activities

During the analysis period, there were 24,969 commencements in ES of participants who did not change their service type during that period of assistance (POA). Of these, 5,327 (21.3%) had used the PBAS to meet MORs. While there was some concern that the PBAS could discourage activities, the data indicates that PBAS participants in ES are 20.7% more likely to have an activity recorded than other ES services participants. This should, however, be considered in light of the fact that providers are using discretion as to who they move to the PBAS. It may be that people in the PBAS are significantly different to those who providers are not referring to the PBAS, which may relate to their capacity to participate in activities in general. For example, PBAS participants are 12.6 ppt more likely to be undertaking part-time/casual paid employment, indicating that these participants are much more job ready. This may also indicate that providers are making informed choices about who they recommend for the PBAS (Table 7.17).

**Table 7.17 Prevalence of activity types for NEST Enhanced Services Points Based Activation System and non- PBAS participants (% and ppt)**

| Activity   | Non-PBAS (%) | PBAS (%)    | Difference (ppt) |
|--|--------------|-------------|------------------|
| <b>At least one activity recorded</b>              | <b>37.4</b>  | <b>58.1</b> | <b>20.7</b>      |
| Part-time/casual paid employment                   | 29.5         | 42.1        | 12.6             |
| Accredited education and training (vocational)     | 5.5          | 17.6        | 12.1             |
| Digital activities                                 | 0.3          | 0.4         | 0.1              |
| Interventions                                      | 1.6          | 2.5         | 0.9              |
| Non-vocational assistance                          | 0.1          | 0.4         | 0.4              |
| Non-accredited education and training (vocational) | 6.0          | 15.7        | 9.8              |
| Other government programs                          | 1.3          | 2.8         | 1.5              |
| PaTH – Employability Skills Training               | 0.3          | 1.0         | 0.8              |
| Career Transition Assistance                       | 1.0          | 1.6         | 0.7              |
| Voluntary work in community/non-profit sector      | 0.0          | 0.0         | 0.0              |
| Work for the Dole                                  | 0.5          | 0.7         | 0.2              |

| Activity       | Non-PBAS (%) | PBAS (%) | Difference (ppt) |
|----------------|--------------|----------|------------------|
| Other activity | 0.1          | 0.4      | 0.3              |

Source: Departmental administrative data.

Notes: This table details the prevalence of activity types for the first activity for the relevant study populations. The data includes only participants whose only service type was Enhanced Services (ES). 'Other activity' includes approved non-government programs, Defence Reserves, Launch into Work, NEIS training, National Work Experience Program, voluntary work in community/non-profit sector and work experience (other).

## PBAS training and information

Respondents from more than half of the sites (60%) thought that the provision of information by the department had been clear and precise (Table 7.18).

**Table 7.18 Provider perceptions of whether Points Based Activation System information is clear and precise (%)**

| Sites agree/disagree that ...                                    | Agree % | Neither % | Disagree % |
|--|---------|-----------|------------|
| Clear and precise information on PBAS provided by the department | 59.5    | 26.2      | 14.3       |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site agree or disagree with the following statements about PBAS. Information provided by the department on PBAS has been clear and precise?

This was reflected in the Stakeholder Research, where viewpoints differed about the training resources developed by the department. Some providers thought the resources were very useful and required little improvement.

*... the PBAS one [training] ... I actually thoroughly enjoyed it, to the point where we didn't actually do much extra ... So the technical side of things, actually it really covered a lot, where in previous webinars it wasn't as thorough. So really thoroughly enjoyed the new level of resources ...*

Stakeholder fieldwork, Provider, Tranche 4

Others thought that there were slight differences between the training resources and the application, and adapted the training materials to meet staff and participant needs.

*I did those webinars ... they were user-friendly, helpful, but I don't really think they were as – it's not that they weren't accurate, but I think what was said and scripted on there, versus what it really is, there was slightly a bit of a difference in there, a bit of a grey area ...*

Stakeholder fieldwork, Provider, Tranche 4

## 7.4.5 Points Based Activation System in Digital Services

During the analysis period, there were 28,942 commencements in DS of participants who did not change their service type during that period of assistance. Of these, 5,945 (20.5%) had used the PBAS to meet MORs. Whereas ES participants were more likely to have an activity recorded in the system if they were using the PBAS, DS participants were much (18.8 ppt) less likely to be undertaking an activity as reported in the ESS. They were especially less likely to have part-time/casual paid employment reported in the system (Table 7.19). This is, however, likely to represent a reporting difference between the cohorts. ES providers are likely to report part-time/casual paid employment in the ESS as a matter of course, whereas digital participants may be reporting hours to claim points but not have it reported as an activity. Apart from part-time/casual paid employment, there is little

difference in reported activities between PBAS and non-PBAS participants who have only been in digital servicing (Table 7.19).

**Table 7.19 Prevalence of activity types for NEST Digital Services Points Based Activation System and non-PBAS participants (%)**

| Activity   | Non-PBAS (%) | PBAS (%) | Difference (ppt) |
|--|--------------|----------|------------------|
| <b>At least one activity recorded</b>              | 39.7         | 20.8     | -18.8            |
| Part-time/casual paid employment                   | 37.8         | 17.9     | -19.8            |
| Accredited education and training (vocational)     | 0.0          | 0.0      | 0.0              |
| Digital activities                                 | 2.3          | 3.2      | 0.9              |
| Interventions                                      | 0.0          | 0.0      | 0.0              |
| Non-vocational assistance                          | 0.0          | 0.0      | 0.0              |
| Non-accredited education and training (vocational) | 0.0          | 0.0      | 0.0              |
| Other government programs                          | 0.0          | 0.0      | 0.0              |
| PaTH – Employability Skills Training               | 0.1          | 0.1      | 0.0              |
| Career Transition Assistance                       | 0.1          | 0.3      | 0.2              |
| Voluntary work in community/non-profit sector      | 0.0          | 0.0      | 0.0              |
| Work for the Dole                                  | 0.0          | 0.0      | 0.0              |
| Other activity                                     | 0.0          | 0.0      | 0.0              |

Source: Departmental administrative data.

Notes: This table details the prevalence of activity types for the first activity for the relevant study populations. The data includes only participants whose only service type was Digital Services (DS). 'Other activity' includes approved non-government programs, Defence Reserves, Launch into Work, NEIS training, National Work Experience Program training, voluntary work in community/non-profit sector and work experience (other).

#### 7.4.6 Targeted Compliance Framework operation in jobactive and NEST

This section analyses the rates of non-compliance events and application of demerits in NEST regions and similar jobactive regions. Detail on the TCF policy is at Appendix A.3 and Figure A.1.

The population used for this analysis is participants in NEST regions (NEST DS and NEST ES) and evaluation comparison regions (jobactive and OES) as at 6 June 2021. It includes non-compliance events occurring between 1 January 2021 and 6 June 2021, as there was no pause in MORs in either the NEST or comparison regions during this period. Comparison regions selected have similar caseload compositions and labour market characteristics to those of NEST regions. For detail on the comparison region methodology, see Appendix C.3.

#### Fewer non-compliance events occurred in NEST regions

Comparison of the occurrence of non-compliance events<sup>68</sup> between NEST and comparison regions shows:

- In comparison regions, participants incurred on average 2.2 non-compliance events over the analysis period.

<sup>68</sup> A non-compliance event is a failure to meet a requirement (e.g. not meeting job search requirements or not attending provider appointments). It may or may not result in a demerit/suspension.

- In NEST regions, participants incurred on average 1.7 non-compliance events over the same period.
- This represents 23% fewer non-compliance events on average in NEST regions.

Comparison of the application of demerits<sup>69</sup> between NEST and comparison regions shows:

- In comparison regions, participants incurred on average 0.79 demerits over the analysis period.
- In NEST regions, participants incurred on average 0.72 demerits over the same period.
- This represents 9% fewer demerits on average in NEST regions.

These findings may be due to a combination of:

- lower default job search requirements in NEST regions,<sup>70</sup> meaning participants are more likely to meet them
- participants being more engaged due to the more tailored servicing of NEST providers
- the introduction of the PBAS in NEST regions, which gives participants more agency as to how they meet requirements.

## Reasons for reduced compliance events

### Did different default job search requirements make a difference?

Analysis of the period 1 January 2021 to 5 April 2021, when default job search requirements were the same across NEST and comparator regions, shows a similar pattern – that is, non-compliance events are much less likely for participants in NEST regions. This would indicate that this is not the main cause of the differences.

### Were there differences in the regions prior to NEST?

Extending the analysis back to July 2018 shows that while there were small differences across these regions, the major differences have only become apparent since the NEST was introduced.

### Is the PBAS making a difference?

Table 7.20 indicates that the PBAS is making a large contribution to the drop in non-compliance events to 1.4, compared to 1.7 overall in NEST regions. However, it should be noted that providers are unable to enforce compliance for refusals to attend job referrals (PA04) and that PBAS participants were not being reminded to conduct quality job searches.

**Table 7.20 Average number of non-compliance events per non-compliant participant (number)**

| Region and cohort              | Number. of non-compliance events |
|--------------------------------|----------------------------------|
| NEST PBAS participants         | 1.4                              |
| NEST non-PBAS participants     | 1.8                              |
| NEST regions overall           | 1.7                              |
| Comparator region participants | 2.2                              |

<sup>69</sup> Demerits are raised only after contact is made between participants and providers to determine whether there was a reason for the non-compliance event, or contact cannot be made.

<sup>70</sup> The default job search requirements in NEST regions were somewhat lower than those applying in comparison regions for some of the analysis period (from 6 April 2021).

Source: Departmental administrative data

### **Is NEST having an effect other than through the PBAS?**

Although non-PBAS participants are incurring more non-compliance events than PBAS participants on average, non-PBAS participants are incurring fewer non-compliance events than participants in non-NEST regions. This indicates that both the PBAS and the NEST are affecting compliance events. This may be because NEST providers are engaging participants by offering them quality activities and choice, rather than motivating them to participate through compliance action.

### **Providers agree that compliance is used less in the NEST**

NEST providers have greater flexibility than jobactive providers to engage and communicate with participants using a blended delivery approach. There is a general feeling among providers that greater flexibility, more agency and more tailored servicing have reduced the need for compliance.

*... She's had something like three Capabilities [interviews], been on the verge of maybe a Capability Assessment – and yet she came in here when I called her and told her, and I said, 'I'm not going to make you an appointment time. Just come on in when you're ready.' ... Maybe it was because I had called her with something that interested her [hospitality course], rather than, 'You have to attend this, and, 'You've got to pick between this, this and this.'*

Stakeholder fieldwork, Provider, Tranche 2

*... I guess if they've got a genuine interest and they want to do it, the compliance is not being used anywhere near as the amount it used to because they've got a genuine buy-in to actually attend these things versus a compliance side of having to go, if that makes sense? Its things they want to do versus what we had to do.*

Stakeholder fieldwork, Provider, Tranche 2

## 8 One service – two offerings

A key component of the NEST is that it is a flexible experience for participants – one which largely allows participants to move between the different service offerings to meet their changing needs. This chapter explores the interplay between Digital Services (DS) and Enhanced Services (ES), including transitions and opt outs between services and the experiences of participants who have been in both. It also examines assessment of suitability and allocation of participants to each offering, and movement of participants between offerings. It also covers the interaction between providers and the Digital Services Contact Centre (DSCC), and provider and participant perceptions of communications.

### 8.1 Two offerings

This section explores the movement between service types for NEST participants.

The NEST has provided an opportunity to explore the interplay between DS and ES, the extent to which participants were transferring between services, and their experiences. There are 2 ways in which participants can move between services:

- Opt outs – participants in DS can contact the DSCC at any time to discuss the option of moving from DS to ES
- provider-initiated movement from ES to DS – providers can receive a Progress in Service Bonus (PiSB) payment by moving a participant from ES to DS (see Chapter 6).

Several changes to the business-as-usual (BAU) rules above were implemented due to COVID-19, including:

- During the COVID-19-related pause of mutual obligation requirements (MORs), participants were automatically referred to DS and then redirected to ES if required following completion of their Job Seeker Snapshot (JSS). These transfers are not considered as part of the data for movement between services.
- Prior to the end of October 2020, there was a one-off automatic transfer to ES of about 2,000 DS participants who commenced in DS prior to COVID-19 and remained unemployed for more than 6 months. This measure was not part of the NEST design but was a budget measure in response to COVID-19.<sup>71</sup> The experiences of participants in this group are discussed in this chapter.

#### 8.1.1 How many participants are moving between services?

Data to June 2021 shows that fewer than 1 in 10 participants (8.3%) have changed service type since the inception of the NEST, with the vast majority of these transfers (89.2%) being from DS to ES.<sup>72</sup>

A small number of transfers (408, or around 0.6% of all transfers) were for participants who spent no more than one day in the service type they transferred out of. Again, most of these movements (362, or 88.7%) were from DS to ES, and may reflect genuine opt outs as people try to engage

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<sup>71</sup> For further detail on this budget measure see <https://www.dese.gov.au/new-employment-services-model/2020-21-budget-measures-support-employment-outcomes-nesm>.

<sup>72</sup> Excludes NEST service referral types created before 4 November 2019, or where the participant was not recorded as starting in that referral.

digitally and decide to move service types. Some may also have been referred in error under COVID-19 measures and then re-referred quickly to the relevant service.

### 8.1.2 Why are participants moving?

Table 8.1 outlines the reasons for opting out of NEST DS. A preference for face-face service (36.9%) and restreaming (32.6%) account for more than two-thirds of opt outs from DS.

**Table 8.1 Reasons for opt-outs – NEST Digital Services (number and %)**

| Opt-out reasons                           | Number       | %            |
|---|--------------|--------------|
| Prefer face-to-face service               | 1,131        | 36.9         |
| Job seeker                                | 999          | 32.6         |
| Not confident in using computers/internet | 310          | 10.1         |
| Online service is not meeting my needs    | 259          | 8.5          |
| Online service is too difficult to use    | 175          | 5.7          |
| Online service is confusing               | 125          | 4.1          |
| Unable to access internet from home       | 32           | 1.0          |
| System suggestion to opt out <sup>2</sup> | 27           | 0.9          |
| Unable to access internet from elsewhere  | 6            | 0.2          |
| <b>Total</b>                              | <b>3,064</b> | <b>100.0</b> |

Source: Departmental administrative data.

Notes: 1. 'Job seeker restreamed' represents participants who change service types – it is only applied to NEST participants.

2. 'System suggestion to opt out' was an available reason from November 2020.

### Referrals to the right service type

In addition to the short (one day) engagements in a NEST service type identified above, analysis of departmental administrative data shows that 1 in 3 NEST participants (33.3%) to June 2021 had a referral to a NEST service type which they did not start. Around one-third of those referrals (34.8%) involved a change of service type, of which almost all (95.7%) related to participants being transferred from DS to ES, with the recorded end reason for the referral typically relating to a batch transfer or a servicing/eligibility change.

While most of these referrals (79.2%) were created before October 2020 – and most around the time of the first wave of the COVID-19 pandemic between March and September 2020 – there do seem to consistently be between 100 and 200 each month even after those dates. This may suggest there is work to do to ensure participants are referred to the right service the first time, but that later transfers are happening as they should.

### This data is supported by provider experiences

In the early stages of the trial and coinciding with emergency policy decisions made in response to COVID-19, NEST providers highlighted that some referrals to ES had been sitting in DS for an extended period of time and had received little assistance. While in jobactive, people with high and moderate levels of assessed disadvantage were being referred to provider services, but only those with high levels of disadvantage were being referred to ES in the NEST. Given this, ES providers noted that they could have been helping some of these participants gain employment and/or referring them to appropriate services more readily.



*... a lot of this cohort has never been in receipt of payment before, so they've just ticked along because they didn't know there was anything else to do other than to tick along. So, there's a bit of frustration I guess coming from them in that point, and it's frustrating for me when I look at someone and I think, they really want to work and I could have got this guy a job six months ago.*

Stakeholder fieldwork, Provider, Tranche 3

Many participants were in DS for extended periods, often as a result of the pause of MORs, which meant that they could not be compelled to complete a Job Seeker Classification Instrument (JSCI) assessment, and therefore could not be properly referred to the correct service. It is very important to note that this would not be the case in a BAU environment.

*We had people who had been in receipt of a benefit for eight months, nine months, 10 months. They'd never been contacted by a call centre. Never entered into a Job Plan, had no JSCI and had collected benefits ...*

Stakeholder fieldwork, Provider, Tranche 3

## **8.2 Participant experiences of transferring between service types**

This section explores the attitudes and experiences of participants who have been in both provider and digital/online services. This feedback is from participants who were interviewed in the Participant Experiences of Employment Services (PEES) Qualitative research and were chosen specifically because they had moved between services. As noted above, their views represent less than 10% of the caseload during the study period. Nonetheless, given the nature of the new service, it is important to understand these perspectives.

Many research participants in the PEES Qualitative research expressed confusion about using DS, and some participants were uncertain about whether they had ever been part of the DS caseload. This was further complicated by provider servicing during COVID-19, as most providers used digital platforms to engage participants in lieu of face-to-face servicing.

*I don't remember too much about the online, I didn't record things very effective. It's not I'm not telling you, but I can't just remember.*

PEES Qualitative

Several participants thought that gaining more knowledge about the employment services available would help them understand their options better and seek more timely and appropriate assistance.

*... if you ... understand the subject, then you start to understand what your entitled [to] ...*

PEES Qualitative

In general, participants in this study who had some awareness of the DS platform thought that its role was to help them find employment, identify training courses, supervise compliance activities, give advice about résumés, refer to job vacancies, and connect with employers.

*Let's say I want to exchange to another trade, maybe that's one of the branches that's why you should approach them, maybe they can give you a course or see what you can do to change for you to be able to find a job. Especially in our age group you know. We need to learn something new, it's all new for us.*

PEES Qualitative

Participants generally found that the online platform was convenient and easy to use for reporting purposes. Several participants, however, preferred face-to-face servicing as they wanted to receive feedback on their résumés and CVs as part of their servicing.

*One thing I haven't received which could be good would be like feedback on my résumé or CV, you know, that sort of ... Or with cover letters, that sort of thing*

PEES Qualitative

While this was mentioned as lacking from DS, it may be that these participants would have benefited from choosing, for example, Employability Skills Training early in their time in service.

In addition, many of the transferred participants reported challenges using online services due to their limited IT skills, IT access and language barriers, including low digital and English literacy. This may indicate that these cohorts are not only not suitable for DS but are successfully being transferred to the more appropriate service.

*... I live in an area where my internet drops out a fair bit. So sometimes you don't always get access when you need it.*

PEES Qualitative

*Then the same for computers, I'm not much of a ... I'm not the greatest of reading and that so I'm kind of illiterate say typing and it's like where do I go from here, like what do I do next, who do I send it to again?*

PEES Qualitative

Some participants who had been transferred to provider services, regardless of whether it was voluntary (i.e. opt out versus involuntary move), experienced relief and greater satisfaction that they could engage with someone face-to-face, obtain feedback about job applications, access provider materials and counselling resources, and gain knowledge about local employment and training opportunities.

*... my biggest thing was a sense of relief that finally someone like [provider] was there to help me ... finally I had a system to work within and someone that I could use as a point of contact if I had questions.*

PEES Qualitative

*... then there's things like I don't have a scanner or things like that – or a printer – and so if I had to print off anything or scan something ... I need to have contact with someone ... I just found that really helpful to ... yeah, for some reason, I just found it much more helpful to be able to talk to someone in person ...*

PEES Qualitative

Others, particularly those moved involuntarily, would have much preferred to remain in DS and were annoyed and disappointed when moved.

Several participants from regional areas thought providers had greater local knowledge, spoke the same language, and offered more encouragement than an online service.

*... having a person nearby, more local, so they understand what's going on immediately in the immediate region. And that makes a difference too ... When I speak to someone who's a local, I find that the comprehension of what I'm saying is clearer.*

PEES Qualitative

Others noted providers could help participants with their job applications by explaining jargon used in different industries, playing something of an industry mentor role, and showing how their skills and experience translated.

*Some of it is probably around the descriptions of things in jobs ... I've had what I would consider a relatively narrow range of experiences ... I don't sometimes know what they're actually trying to get me to answer. Whereas if I have someone to explain it to me, that helps me ...*

PEES Qualitative

Some participants reported that when transferring they received a phone call and were asked to select a provider; however, this was not a universal experience, and it was unclear whether the department, Services Australia or the provider was calling the participant. They may have been participants in the DSCC outbound call project (Section 5.6.1).

*We just [got] a message to say you now have to go to [provider]. Someone gave me a call if I remember, on the phone and said now you have to go, just choose one near to you, and then I said because I live in [location], the [provider] next to ... Centrelink and I said perfect.*

PEES Qualitative

Many participants were not aware that they could choose a provider.

*I don't even know we had this choice, I don't even know there's more options, I thought there's just one that's it.*

PEES Qualitative

However, several were also ambivalent about provider choice.

*... in my local area, I had no reason to think one employment consultant was going to be better than another. I was quite happy to be nominated one.*

PEES Qualitative

In general, factors that influenced participants' provider choices were:

- location
- previous relationship with a provider
- word-of-mouth feedback from friends/family.

### 8.2.1 Participants who were batch transferred

Wave 4 of the LS included a sample of participants who had been subject to the batch transfer budget measure (see footnote 71). It should be noted that as a COVID-19 measure, this was necessarily implemented quickly and in no way represents the usual way transfers are conducted. However, it does illustrate the grievances expressed by participants when decisions are made without input or forewarning, and thus the importance of participants having agency in the decision-making process.

These participants reported being surprised and confused as they were unsure why (or even whether) they had changed services.

*Well, at some point during COVID, they took me off the online employment services ... Which I found really weird. All of a sudden, I got a letter saying I'd been given a contact person [provider].*

NEST LS, Wave 4, Digital Services to Enhanced Services, Interview 3

Providers echoed these sentiments.

*Every customer that I spoke to that came from digital had no idea what digital servicing was, and they had no idea they had now been referred to us. So when I was calling them, I introduced myself and ... explained our servicing. And they had no idea why they had been referred to us.*

Stakeholder fieldwork, Provider, Tranche 3

Despite the transfer being unexpected, some participants welcomed the change to face-to-face servicing and reported that they experienced some benefits from ES. For example, having contact with a provider gave them practical tips.

Some others, however, expressed a desire to return to DS for the convenience of not having to attend provider appointments and because they felt capable of finding a job on their own. This was also reflected in the provider feedback.

*So it was just a matter about that introduction, and then we tried to conduct the initial – either we gave them the option, 'You can virtually service with us. You can opt in for face-to-face, or you can opt out.' I had probably about 60% chose to opt out and not come in face-to-face, so we did that virtually ...*

Stakeholder fieldwork, Provider, Tranche 3

It appears from the experiences of these research participants that, although the outcome was positive for some, the process was unprepared, which is unsurprising in the circumstances. These findings on the people who were transferred solely on the basis of having been in service for more than 6 months also underscore the fact that length of time in service is not, in and of itself, necessarily a reason to transfer a participant out of DS.

## **8.3 Provider views and perceptions of the digital platform**

This section explores providers' understanding of DS, their perceptions of DS messaging and their reasons for moving participants to DS.

### **8.3.1 Digital onboarding**

In the NEST Stakeholder Research, feedback from providers indicates that information about employment services needed to be given at the point of referral. Previously this information had been provided by Centrelink; however, this touchpoint is bypassed by the digital onboarding process. In addition, the unique circumstances of 2020 and long-lasting pause of MORs reduced participant interactions with the digital platform and service, and ultimately reduced their knowledge about employment services. Although participants were actually sent messages when referred to DS about the servicing and the next steps, some providers felt there was not enough information.

## DS participant messaging

Providers have concerns about the information provided to participants, feeling that it is not in an understandable format and timely enough.

*I think there should be regular contact, whether it's text messages, emails, whatever ... It should start straight away so people know what they're in for, people know what they're expected.*

Stakeholder fieldwork, Provider, Tranche 3

It should be noted that there are regular channels of communication between the department and DS participants, through the dashboard, email and/or text messages, and that providers have no awareness or oversight of this communication. At least to some extent they rely on what participants tell them. Some providers also noted that receiving information does not necessarily mean understanding information.

*... might give them the information, but it doesn't actually make sense to them necessarily. It's actually a lot more complicated than we think ... So even if the department have communicated with them via SMS or letter or whatever, that doesn't mean they understood what was communicated to them.*

Stakeholder fieldwork, Provider, Tranche 3

Despite some confusion about who sends the messages, participants in DS rate the communication from the department well (Table 8.4). This discrepancy in opinions about communications may be because providers have contact with participants who have been referred or self-referred to ES precisely because they are having issues in DS. Providers are less likely to have contact with DS participants who are coping well, or who gain employment quickly.

Providers acknowledged the difficulty of ensuring participants had adequate knowledge of services, as the information that they needed to receive was complex and could be overwhelming and difficult to process.

*... from privacy to job search to the declaration of income, to the assistance we can offer and where the jobs are available, I guess that's a lot of information to process in one session ...*

Stakeholder fieldwork, Provider, Tranche 3

### 8.3.2 Transitioning participants to DS

More than half of NEST sites in the Provider Survey found the process of moving participants from ES to DS very easy or easy, with 29% finding it neither easy nor difficult (Table 8.2). A greater proportion of NEST sites in the Mid North Coast region found it easy (48%), compared to Adelaide South sites (29%). Adelaide South sites were more likely to report the process as neither easy nor difficult (38%), compared to Mid North Coast sites (19%). While most NEST sites reported that they do move participants from ES to DS, one site reported that they have had no assistance from the DSCC to move participants from ES to DS.

*We cannot move them from enhanced to digital and the digital team do not help or assist in anyway when we contact them.*

Provider Survey 2021, NEST provider

Providers at other sites suggested that movement depends on factors such as the participant's digital literacy, their ability to search for jobs, and any barriers to employment, as well as the participant's request to move (Figure 8.1).

*Is the job seeker capable of reporting by themselves and able to look for work both online and cold calling with digital services? If there are any barriers that need addressing (medical or personal crisis situations), needing assistance in up skilling training, does the JS need building confidence and working one-on-one, what is their education level do they need help in this area. If there are identified barriers, then they will not be referred over to digital.*

Provider Survey 2021, NEST provider

**Table 8.2 Ease of moving participants from ES to DS, by region (% and ppt)**

| Categories                 | All NEST % | Adelaide South % | Mid North Coast % | Difference ppt |
|----------------------------|------------|------------------|-------------------|----------------|
| Very easy                  | 21.4       | 14.3             | 28.6              | -14.3          |
| Easy                       | 59.5       | 28.6             | 47.6              | -19.0          |
| Neither easy nor difficult | 28.6       | 38.1             | 19.0              | 19.0           |
| Difficult                  | 4.8        | 4.8              | 4.8               | 0.0            |
| Very difficult             | 2.4        | 4.8              | 0.0               | 4.8            |
| Don't know                 | 4.8        | 9.5              | 0.0               | 9.5            |

Source: Provider Survey, 2021.

Notes: Q Thinking about when staff at your site move participants from enhanced to digital services, to what extent do staff find the process ... ?

Adelaide South n=21, Mid North Coast n=21.

**Figure 8.1 Factors that influence NEST providers' decision to move participants from Enhanced Services to Digital Services**



Source: Provider Survey, 2021.

Notes: Q What factors are considered when staff at your site move participants from enhanced to digital?  
Adelaide South n=21, Mid North Coast n=21.

### 8.3.3 Use of digital platform

The features on the jobactive website to assist participants to look for jobs and manage their job search can be used by providers to develop participants' digital use and literacy. Survey results indicate that only some features are promoted always or often by providers. Both NEST and jobactive providers report they are always likely to promote the job search feature of the jobactive website to participants (81% and 82%). To a lesser extent, the Career Profile feature is also promoted by NEST sites (45%) and jobactive sites (43%). There is a difference between provider types whereby job alerts are 'always' promoted by jobactive sites (44%) but 'often' promoted by half of NEST sites. The blogs and YouTube channel are the website features that are least likely to be promoted (never, sometimes, or occasionally) by sites. More NEST sites sometimes promote blogs and YouTube (31% and 36%) than jobactive sites (23% and 26%) (Table 8.3).

**Table 8.3 Website features promoted by NEST and jobactive sites (%)**

| Activity               | Service   | Always | Often | Occasionally | Sometimes | Never | Don't know |
|------------------------|-----------|--------|-------|--------------|-----------|-------|------------|
| <b>Job search</b>      | NEST      | 81.0   | 14.3  | 2.4          | 2.4       | 0.0   | 0.0        |
|                        | jobactive | 82.4   | 15.0  | 2.1          | 0.3       | 0.1   | 0.0        |
| <b>Career Profile</b>  | NEST      | 45.2   | 35.7  | 14.3         | 4.8       | 0.0   | 0.0        |
|                        | jobactive | 43.1   | 35.5  | 16.6         | 4.0       | 0.3   | 0.5        |
| <b>Job alerts</b>      | NEST      | 31.0   | 50.0  | 9.5          | 7.1       | 0.0   | 2.4        |
|                        | jobactive | 43.8   | 34.0  | 15.0         | 5.2       | 1.3   | 0.7        |
| <b>Résumé Builder</b>  | NEST      | 26.2   | 31.0  | 23.8         | 16.7      | 2.4   | 0.0        |
|                        | jobactive | 34.6   | 31.1  | 24.5         | 5.7       | 3.1   | 1.1        |
| <b>YouTube channel</b> | NEST      | 0.0    | 11.9  | 23.8         | 35.7      | 19.0  | 9.5        |
|                        | jobactive | 4.8    | 12.4  | 24.7         | 26.1      | 24.9  | 7.2        |
| <b>Blogs</b>           | NEST      | 0.0    | 7.1   | 26.2         | 31.0      | 23.8  | 11.9       |
|                        | jobactive | 3.2    | 9.3   | 25.4         | 22.6      | 30.1  | 9.4        |
| <b>Videos</b>          | NEST      | 4.8    | 21.4  | 33.3         | 26.2      | 9.5   | 4.8        |
|                        | jobactive | 6.9    | 20.5  | 30.1         | 24.6      | 13.0  | 4.9        |

Source: Provider Survey, 2021.

Note: Q To what extent do staff at your site promote the following jobactive website features to participants?

### Role and function of Digital Services

Providers thought that that the department was responsible for educating participants about employment services to ensure that all participants:

- were provided with a consistent message about employment services, participation requirements, and activities available
- could make informed decisions about which service is best for them and how much help they need to achieve their employment goals.

The Stakeholder Research found that there is no clear and consistent understanding of the role and function of DS among NEST providers. For example, early in the trial there was some confusion around the use of the Employment Fund (EF) for DS participants. There appeared to be confusion

among providers over what, if any, assistance the DSCC could provide to DS participants. Providers did not understand the DSCC scope and processes.

*... I just don't think they have the processes ... in place. Yes. Especially around the EF.*

Stakeholder fieldwork, Provider, Tranche 2

Providers have concerns that participants' claims and questions will not be managed in a timely matter by a call centre (DSCC).

*There was that one customer ... he almost lost the job because the Contact Centre couldn't provide him with some – it was fuel assistance to get him to the actual pre-medical assessment. He then chose also to then come back and do face-to-face after that ...*

Stakeholder fieldwork, Provider, Tranche 2

The above feedback indicates that providers have little awareness of DS and how it operates. Given the split now between online and provider servicing, consideration could be given to how best to make it an integrated service from the perspective of the participant.

## 8.4 Participant views on communication

Participants receive messages from the department via numerous channels, including text messaging, email and their jobactive dashboard inbox.

Overall, most participants view departmental communication well

When asked the extent to which they agreed with statements about the departmental communication they received, most participants agreed that it was easy to understand (85.3%), relevant (73.5%), timely (67.1%) and clear in terms of who it was from (78.7%). Few respondents thought the communication was none of these (6.6%). The major difference between the opinions of DS and ES participants was regarding relevance (a difference of 3.6 ppt), with DS participants less likely to agree that the communication was relevant (Table 8.4).

**Table 8.4 Degree to which participants rate aspects of departmental communication (%)**

| Agree that communication is ...     | Enhanced Services % | Digital Services % | NEST % |
|-------------------------------------|---------------------|--------------------|--------|
| Easy to understand                  | 85.4                | 85.2               | 85.3   |
| Relevant                            | 74.9                | 71.3               | 73.5   |
| Timely                              | 67.3                | 66.8               | 67.1   |
| Clear in terms of who they are from | 79.7                | 77.1               | 78.7   |
| None of these                       | 6.5                 | 6.8                | 6.6    |

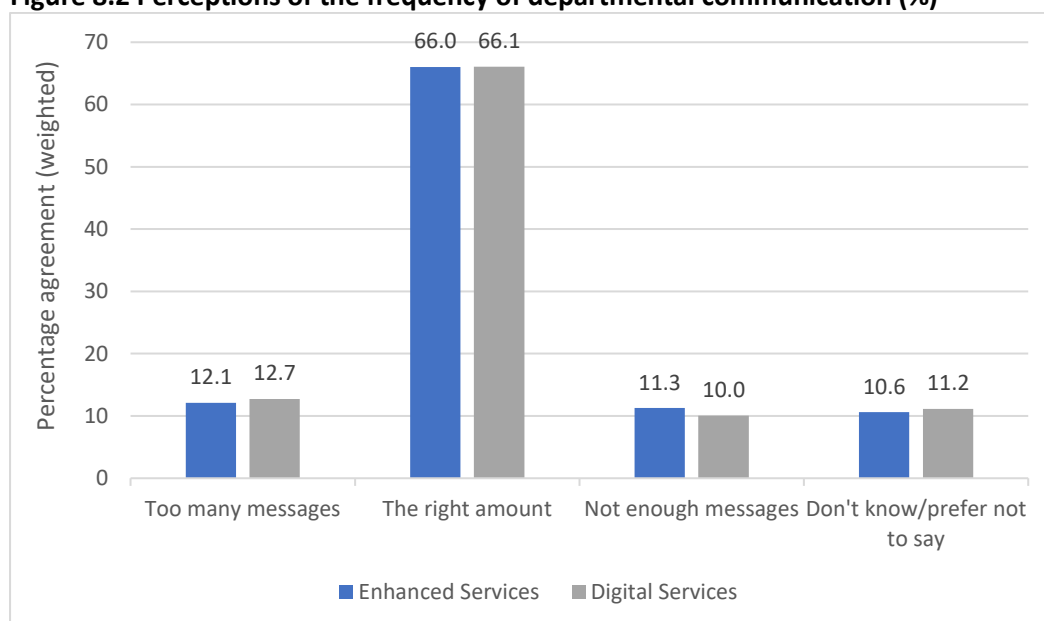
Source: PEES Survey, 2021.

Note: Q Thinking about the messages you receive from the department or from jobactive/jobsearch about employment services, including SMS, emails or pop-up messages, would you say they are ...?

More than 2 in 3 NEST respondents reported that they thought the frequency of communications was 'the right amount'. There was little difference in opinion between DS and ES participants (Figure 8.2).



**Figure 8.2 Perceptions of the frequency of departmental communication (%)**



Source: PEES Survey, 2021.

Note: Q Do you think you get ...?

### Targeted messaging is welcome but does not appear to be very effective

In general, participants provided in-principle support for the concept of targeted messaging on the condition that messages were relevant to their situation and skills.

*I think it's a fantastic idea. Yeah ... if that's tailored to your needs. It's time efficient.*

NEST LS, Wave 3, Enhanced Services Tier 1, Interview 3

These participants felt the main appeal of targeted messaging was that it would help ensure they would never miss a vacancy and would be notified of job opportunities in a timely way to enable them to be an early applicant.

However, participants in Wave 3 of the LS who were sent a targeted message to their jobsearch inbox alerting them to job vacancies in their local area overwhelmingly did not remember the message when asked about or shown it.

Participants in this wave also reported continuing their job search in some capacity but were either not logging in to their dashboard or not checking their inbox messages, suggesting that they see job searching and compliance reporting as 2 separate things. This may particularly be related to a period when MORs were suspended – but it reinforces that inbox messaging does not guarantee the message is received, and certainly not that it is understood. Similarly, findings from the Digital Services Review project (Section 5.5.1) show that participants often do not engage with inbox or pop-up messages.

### SMS is the preferred method for delivery of these types of messages

Most participants expressed a preference for receiving targeted messages via SMS as opposed to email or a message in their jobactive inbox. They thought that SMS would be the most immediate way of being notified and it did not require an internet connection.

Interestingly, the same participants who were sent the targeted vacancy notification were also sent a notification about a virtual jobs fair in the Mid North Coast region. Many of these participants did recall receiving notification of the virtual jobs fair, noting that the message came via SMS or email. The fact that participants tended to prefer SMS and were more aware of the jobs fair messages may or may not be significant, but it warrants further investigation.

### Some issues were identified with ad hoc messaging

While participants were overall satisfied with both the frequency and content of messaging in general, when asked about ad hoc messaging and government communications in the context of COVID-19 and MORs they reported a range of issues with the messaging they were receiving, including:

- **Unclear sender:** The sender of the message was seldom disclosed, and messages were generally sent from a different number each time. Participants reported that based on the content of the message, they assumed that the messages were being sent from ‘the government’; however, they were unsure whether the sender was Centrelink (Services Australia) or jobactive (DEWR). One participant reported that when she replied to a message to find out who the sender was, she received a ‘do not reply to this number’ message, which did not shed any light on the identity of the sender. For some, this had the effect of undermining trust in the messaging; as some participants observed, it could be hard for them to tell whether the message was genuine.

*... one thing that has annoyed me a bit is that I get a lot of text messages but they're always from a different number every time and they never say who it's from ... So all it will say is 'Just a reminder that your job search requirements are lifted until X, Y, Z.' But it doesn't say who it's from or anything like that. It's just a random text message from a number ... I'm never 100% sure if it's a legitimate message ... it would be good to even just say Job Services or myGov or whatever it is.*

NEST LS, Wave 3, Digital Plus, Interview 1

- **Unclear messaging:** Although participants generally considered the messaging to be clear, with a simple call to action, some noted that on occasions the messaging lacked focus. For example, messages would direct participants to ‘the website’ without specifying which website was intended. Although most people realised it meant the jobactive website, they felt that the communications would be improved if the call to action was unambiguous.

*... so this one does actually have a link in it. It says 'for more information, go to jobactive.gov.au' but it's still just from a random number. And there's another one from the 19th of May that says a similar thing, but it doesn't have a link, it just says 'go to the website for more information' and it's a different number.*

NEST LS, Wave 3, Digital Plus, Interview 1

- **Inconsistent messaging:** A few participants reported that they had received conflicting messaging from their myGov and jobactive accounts in relation to their MORs. This was a source of confusion for participants, who were not always sure how to get the correct information. Several participants reported that during the early days of the pandemic they were reluctant to contact Services Australia as they knew it was overwhelmed with new job seeker registrations.

*I've got so many different notifications with my myGov account saying that I had to report and do my job searches but also in my job searches it says I don't have to do any job searches this month. It's very confusing.*

NEST LS, Wave 3, Digital Plus transferred to ES, Interview 1

- **Messaging too often:** A few participants considered that the text messages were being sent too often, causing them to switch off from the messaging.

*I tend to get a lot of the same [messages so] ... I tend to switch off ... I think, 'Why am I getting that again?' I had that last week or the week before. It's the same one. You know what I mean, it feels they're a bit too frequent.*

NEST LS, Wave 3, Enhanced Services Tier 1, Interview 3

This is broadly supported by findings from the user-centred design research, where participant and provider interviews and departmental staff confirmed that digital communications about employment services can be unread, misunderstood or incomprehensible to participants. Participants have to log in to myGov to access their inbox notifications, which is an extra step; government jargon is used for basic concepts; and the important 'who' (who it is from), 'what' (what it is about), and 'why' (why it matters) is sometimes subsumed in the noise. In addition, they often do not know who to contact if they have questions. The Job Seeker Messaging Review Report provides numerous recommendations to address some of these issues.

## 9 Conclusion

The first 8 chapters of this report have focused on the implementation of the trial, the environment in which it operated and key policy settings that were tested in the first 2 years of the trial. This chapter synthesises the findings from the previous chapters.

### 9.1 What is working

#### 9.1.1 Assessment and referral

Participant feedback indicates that the online registration and referral service is straightforward and easy to follow.

Providers broadly agree that the Job Seeker Classification Instrument (JSCI) / Job Seeker Snapshot (JSS), and the Employment Services Assessment tool (ESAt) provide useful information about a participant's barriers to employment. Further, analysis indicates that the JSCI/JSS is also a good predictor of digital literacy and therefore, to a large extent, a good predictor of those participants for whom Digital Services (DS) is suitable.

DS appears to be suitable for **most** people who are referred to it. For example, of those who completed the Digital Services Review (DSR), almost 9 in 10 were confirmed as suitable to self-manage their job search online and opt out rates for DS overall are also quite low (less than 10%).

#### 9.1.2 jobactive/jobsearch dashboard

Feedback from participants in the NEST evaluation, and previously in the Online Employment Services Trial (OEST) evaluation, shows that the primary use of the jobactive platform is reporting mutual obligation requirements (MORs), and participants broadly agree that it works very well for that purpose. Participants like the convenience of being able to search and apply for jobs that are then automatically recorded. They also appreciate that the dashboard displays the remaining number of applications or requirements needed to meet their MORs, and in what time frame.

#### 9.1.3 Digital Services Contact Centre

For participants who have used the Digital Services Contact Centre (DSCC), satisfaction is relatively high. For example, around three-quarters of DS participants in the Participant Experiences of Employment Services (PEES) Survey who had contacted the DSCC or its predecessor, the National Customer Service Line (NCSL), were either satisfied or very satisfied with the engagement with the DSCC/NCSL. This rose to more than three-quarters for all participants.<sup>73</sup>

#### 9.1.4 Points Based Activation System

There is broad support for the Points Based Activation System (PBAS) among both participants and providers, who agreed that it gives participants a sense of agency and control over their MORs. Participants liked the fact that a range of activities, such as attending interviews, or hours of paid work, volunteering and training completed, were acknowledged, and believed that this was fairer and more flexible compared with the previous MORs. Use of the points banking option was

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<sup>73</sup> 'All participants' includes those in Online Employment Services (OES). Lower satisfaction among DS participants may be related to the purpose of the call, which is much more likely to be related to their Job Plan/MORs or training and activities.

common, indicating that it is popular with participants, particularly those in employment, who suggested that this adds flexibility to their reporting requirements.

### 9.1.5 Job seeker compliance

NEST providers report that the NEST model affords greater flexibility to engage participants and have more targeted discussions, including using a blended delivery approach during the COVID-19 lockdowns. There is a general feeling, and some supporting evidence, that greater flexibility in servicing, more agency for and engagement from participants and more tailored servicing have reduced the need for compliance and, indeed, the incidence of non-compliance. For example, analysis shows that there were fewer non-compliance events in Enhanced Services (ES) and DS in the NEST regions, when compared with jobactive and Online Employment Services (OES) in comparison regions. Although non-PBAS participants are incurring more non-compliance events than PBAS participants on average, non-PBAS participants are incurring fewer non-compliance events than participants in non-NEST regions. This indicates that both PBAS and the NEST servicing mode more generally are affecting compliance events.

### 9.1.6 Enhanced Services

The purpose of implementing a trial ahead of the rollout of the new employment services model (Workforce Australia Employment Services), in July 2022, was to trial and test policy settings and assumptions, and allow space for NEST providers to be innovative and experiment with different servicing options in a safe environment. COVID-19 notwithstanding, there is evidence that over the Phase 1 evaluation period this did happen, with some valuable lessons learned and some positive outcomes.

#### Providers are doing things differently

There is broad-ranging evidence that NEST providers are doing things differently, though it should be noted that some changes were COVID-19 driven and were also occurring in non-NEST regions. This section tries to focus on changes that could reasonably be attributable, at least to some extent, to NEST policy settings.

#### How have they changed their approach?

**Use of a more strengths-based approach** – in some cases providers have adopted ‘pathway to employment’ style plans that focus on strengths as opposed to barriers and look for small ‘wins’ and positive reinforcement, identifying achievable and incremental goals that can be built upon.

**A shift in focus to non-compellable engagement and increased participant buy-in** – this has facilitated a change in the conversation from ‘This is what you need to do’ to ‘How can we help you?’. Unwillingness to attend is still a referral barrier for providers in both NEST and jobactive regions, but less so in NEST regions, which suggests that increased tailoring to participant needs and buy-in from participants does increase, and is increasing, engagement. It also indicates that there needs to be a balance between compulsion and engagement – and that choice and flexibility is driving greater engagement in the NEST.

**Understanding the non-linear nature of participants’ employment pathways** – a recognition that while participants may make progress, they may also have setbacks and gains may be lost.

**Experimenting with their business model** – for example, testing staffing levels and expertise with the envisaged reduced caseload numbers, and new workflow models, as well as different staff specialisations and skills.

#### **How do we see this in servicing?**

**Frequency of contact** – NEST ES participants were more likely to report more frequent interactions (once a fortnight or more) than jobactive participants.

**More targeted conversations** – NEST providers also appear to be more targeted in their conversations with participants. The PEES Survey data indicates that NEST ES providers are more likely to talk to participants about how they will help them get a job; help participants set up or use technology; refer participants to a job; and offer a support service as needed.

**Increased and more varied use of the Employment Fund (EF)** – on all measures used, NEST providers are using the EF far more than providers in comparison regions. The average expenditure per participant assisted is also considerably higher in NEST regions, and NEST ES providers are helping participants earlier in their period of service.<sup>74</sup>

**More tailoring of Job Plans** – Employment Services System (ESS) data shows that jobactive participants are more likely to have a single Job Plan than NEST ES participants. This may reflect the flexibility enabled in the NEST model. The data also shows that NEST providers are less likely to reflect the default value of job search requirements. For example, 39% of NEST Job Plans had the default number of job searches, compared with 58% in jobactive comparison regions (Figure 7.2). This pattern of tailoring job search requirements continued in response to COVID-19, and as MORs were incrementally reintroduced.

**Less compliance action** – as noted above, there were fewer non-compliance events per participant in NEST regions than in jobactive. Provider feedback suggests that greater flexibility, more agency and more tailored servicing have reduced the need for compliance.

**Earlier engagement in activities** – administrative data shows that around 6% more participants in NEST regions have reported an activity before 4 months in service (when compared with jobactive comparison regions). Participants in comparison regions are much more likely to have their first reported activity at around 12 months than people in NEST regions. This is likely a result of the Annual Activity Requirement (AAR) in these regions, which occurs at 12 months in service.

**A shift away from compliance-based activities to training and more vocational goals** – and a focus on activities that meet participant needs rather than compliance needs. Accredited education and training (AET) is much less prevalent in NEST regions than comparison regions; however, non-accredited education and training (vocational) is more prevalent in NEST regions. This may be evidence of providers targeting training to participant needs rather than using compliance-related

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<sup>74</sup> Different EF policy settings in jobactive and NEST have likely influenced these results. For example, prior to the onset of COVID-19 lockdowns and resultant policy changes, jobactive providers did not receive EF credits for those with low levels of labour market disadvantage for 3 months after entering service. Outcome payments were also not available for these participants. Also new participants starting in NEST ES had higher notional credits than those in jobactive.

training. There is also evidence of a greater emphasis on the value of paid rather than unpaid activities for moving people into work.

**An evolving relationship with employers** – there is some qualitative evidence that some providers were exploring more innovative ways to connect with employers. For example, early in the trial, providers trialled activities aimed at building participant and provider relationships with employers and creating a sense of broader community and support for unemployed people. Providers are also reporting they have increased reverse marketing and job brokering, in acknowledgement of the fact that their current caseload was going to encounter greater difficulty in finding and sustaining their own employment. Increased brokerage was considered part of providing a tailored service to employers. There is also a higher use of wage subsidies in the NEST, as a form of pre-employment support, when compared with jobactive, though this may partially be related to the greater access that NEST providers have to EF.

#### **What are the drivers of change?**

**A positive relationship between the department and NEST providers** – there was a genuine appetite for cooperation between providers and the department. The department conducted broad consultation and collaboration leading up to the trial. This in turn engendered a degree of goodwill between the department and providers. This was demonstrated by the department as it encouraged providers to experiment and innovate, understanding that failure was a possibility. Providers in turn responded through resetting their focus and increasing their risk appetite. Factors that have contributed to the success of this new working relationship include:

- a shared vision of an employment service that better meets the needs of participants and employers, and a customer/client-focused approach to policy development
- an acknowledgement by the department that providers are usually best placed to determine the needs of their participants
- an acknowledgement also that flexible and tailored servicing practices are to be encouraged
- genuine consultation with providers during development and implementation of the trial
- continuous and open dialogue between the department and providers, through a range of channels
- account managers have been, and remain, a key enabler of this dialogue, they have been open and transparent in their dealings with providers, and this is appreciated
- responsiveness to provider queries and issues and regular updates.

#### **Favourable policy settings, including:**

- the removal of performance measures – which refocused provider priorities and increased their risk appetite
- the removal of streams – which was welcomed by NEST providers, as it allowed more flexibility in how and when participants were assisted. Notably, in the Provider Survey jobactive providers were more likely than NEST providers to disagree or strongly disagree that participants are allocated appropriately. This may indicate that allocation to service is less of an issue in the NEST because of the removal of streams and the flexibility of service
- the removal of phases – NEST providers considered the removal of phases (and of the resulting AAR) beneficial in that it enabled them to provide a more tailored service. For example, less

focus on Work for the Dole (WfD), which does not have broad appeal among participants, allowed greater focus on training and more direct pathways to work

- the introduction of the PBAS. Providers suggested that the PBAS improves flexibility of servicing, as they could clearly see what actions participants were taking to find work, and because it provided an opportunity to broaden conversations beyond job search. ES PBAS participants are more likely to have an activity recorded than other ES participants (which may be reflective of which participants are in the PBAS, but may also indicate that providers are making informed choices about who they recommend for the PBAS). Providers suggested that the PBAS is suitable for participants who are digitally competent, have IT access and are self-motivated, engaged and able to manage their own MORs online and resolve problems proactively. This typically includes participants who are employed or completing study.

### What are the outcomes?

#### Better outcomes for NEST ES participants:

- The off income support rate for participants with high assessed levels of disadvantage was significantly higher (by 10.3 ppt) in NEST ES than in comparison regions. Given the low base from which this difference is measured, this is a substantial (around 26%) increase in exit rates.
- NEST ES serviced participants achieved paid outcomes at a higher rate than their jobactive serviced counterparts in comparison regions – noting that this analysis is for a defined population.<sup>75</sup> While the difference in 4-week outcome rates is small (0.2 ppt), NEST ES participants convert these 4-week outcomes to longer-term outcomes more strongly than jobactive participants. In NEST, 12-week outcome rates are higher by 2.0 ppt, and 26-week outcome rates are higher by 4.5 ppt.

**Greater participant satisfaction** – for example, data from the PEES Survey shows that ES participants report significantly higher satisfaction with their NEST provider than jobactive participants do (a net satisfaction difference of 9.6 ppt). This is also supported by feedback from the Longitudinal Study of NEST Participants (NEST LS), which suggests that satisfaction is increasing.

**Greater staff satisfaction** – there is broad agreement among NEST providers that the NEST environment has facilitated increased staff satisfaction; a more collaborative team culture; and organisational innovation, creativity and flexibility. However, some providers note that a more disadvantaged caseload does lead to more stress for some staff.

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<sup>75</sup> Outcome rates for jobactive and NEST providers are based on claims made for payment. They are calculated for a population of provider-serviced participants in both programs who met the eligibility criteria to enter ES between 4 November 2019 and 30 June 2021. This period and criteria are used to make as close to like-for-like comparison as possible between groups. As these are calculated specifically to allow comparisons across programs, they will not align with published outcome rates. In NEST regions, around 20% of provider-serviced participants did not satisfy these criteria for ES. These participants will have either been transitioned by their provider in November 2019 or since opted out of NEST DS.



## 9.2 What to watch in the new model

### 9.2.1 Eligibility for Digital Services does not always reflect suitability

Despite much of the noise in the data due to the impact of COVID-19, there is a small, consistent and steady stream of participants opting out of DS month by month, which may indicate that there might still be work to do regarding the assessment and referral process. It should also be noted, however, that the most reported reason for opting out is the preference for face-to-face servicing. It does not necessarily indicate that these participants are unable to cope in DS.

### 9.2.2 Groups for whom Digital Services may not always be suitable

The department should be aware of the following groups, who have been identified in this evaluation as less likely to manage in a DS environment:

- older participants
- those with lower levels of education or English proficiency
- Indigenous participants
- people with disability
- people who live in outer regional areas
- people who have difficulty navigating the labour market (such as school leavers or people who have been out of the labour market for a long time)
- people who are homeless or socially isolated
- participants who are dyslexic, have learning difficulties or experience screen-reading issues.

These groups should be carefully considered when designing and enhancing assessments, safeguards and monitoring strategies.

### 9.2.3 Groups for whom Enhanced Services may not be suitable

The new model is designed to provide targeted assistance for participants who need extra help to connect with the labour market. Providers identified some groups who might otherwise fall into their service through existing referral settings but who do not benefit from provider servicing as they are already connected to the labour market. Examples are: <sup>76</sup>

- those employed in professional contract or casual roles (e.g. teachers), completing postgraduate studies and not eligible for study assistance, and/or self-employed
- those who are meeting their MORs through activities other than job search – for example, work, study, volunteering, or undertaking drug and alcohol rehab
- some groups with Centrelink exemptions, such as through illness, disability or caring responsibilities; ex-offenders on bail; and prisoners on remand
- participants who are terminally ill, or caring for someone who is terminally ill
- those with an identified and documented disability that prevents them from obtaining employment
- New Enterprise Incentive Scheme (NEIS) participants.

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<sup>76</sup> It should be noted that most of these groups would be suspended from service, but they remain on providers' caseloads and are monitored in this sense.

Interestingly, many of these cohorts were identified by jobactive providers rather than NEST providers. While there is value in considering which cohorts are most suited, and indeed not suited, to provider services in the new model, these findings may also suggest that the NEST model facilitates the policy settings required to assist participants with a broader range of circumstances.

#### 9.2.4 Website accessibility

There is a broader question around the accessibility of assessment tools and information on the jobactive/jobsearch website for culturally and linguistically diverse (CALD) participants, given the limited amount of information available in languages other than English. The extent to which the website is suitable for some participants with disability, such as neurodiverse participants, is also in question.

#### 9.2.5 Maximum time in Digital Services

This evaluation finds no evidence to suggest that having no time limit in DS is detrimental, provided the safeguards are working and participants understand their choice to opt out. There is, however, evidence from this evaluation that time on income support alone is not necessarily a good indicator of the need for more intensive assistance to get participants job ready. This is because many are engaged in the labour market, but not to an extent that precludes them from receiving income support.

#### 9.2.6 Digital Assessment

Although the evaluation found that the Digital Assessment (DA) is relatively good at identifying participants who might struggle in an online employment services environment, there is also evidence that it is underutilised. Qualitative research found that recall and understanding of the purpose of the DA was low. Given that the evaluation found that the JSCI/JSS is also a good predictor of digital literacy, there is a question around the extent to which the DA as a separate assessment adds value.

#### 9.2.7 Communication

Participants are broadly happy with the communications from the department, agreeing that it was easy to understand (85.3%), relevant (73.5%), timely (67.1%) and clear in terms of who it was from (78.7%). More than 2 in 3 NEST respondents reported that they thought the frequency of communications was ‘the right amount’.

Communication is an important factor in a successful digital service, and targeting and refining communications will be an important activity going forward.

#### **Communication in the PBAS**

Communication about and awareness of the PBAS was a particular issue among DS participants. Concerns were focused around changes from the previous model, which participants did not understand, creating confusion and uncertainty. Focusing communications on what is similar rather than what is different may help to reduce fear and confusion in the new model. For example, PBAS requirements may still be met by job search that meets the participant’s points target (e.g. 20 job searches equals 100 points). This does not represent a change in activity; rather, it is just that now the activity is recorded. Once participants understand that change, they usually become more

comfortable with the range of activities beyond job search that can accrue points, and hence see the benefit in flexibility and agency, which the system was designed to provide.

### 9.2.8 The Points Based Activation System may not be suitable for all participants

Participants who had placements in both NEST ES and DS are more likely to have been in the PBAS, which may reflect that they began as DS participants in the PBAS and then moved to providers. While this may indicate that there are people in DS who are not suited to the PBAS, it also seems to indicate that the safety nets in place to move these participants to providers are working. This group will be further investigated as the evaluation continues.

Providers felt that the PBAS was not appropriate for all participants, particularly those:

- with mental health issues
- with drug and alcohol issues
- with low English language skills
- living in some regional/remote locations
- with low digital literacy.

Some providers noted that the PBAS limits their ability to influence participant behaviours and employment outcomes. They highlighted some perceived issues, including:

- Providers cannot include job referrals and opportunities (PA04) in PBAS Job Plans, which limits their ability to enforce certain behaviours.
- Employment is no longer reported in the Job Plan.
- It is difficult to help participants resolve their problems with the PBAS, as providers cannot look on the system and fix problems from their side.
- Expectations for job search are too low once labour market points are deducted and particularly if participants are in study.
- There is a lack of transparency regarding the points allocated to participants for personal circumstances, and providers cannot adjust them. This means they cannot provide insight as to why they have changed.

Notably the PBAS is a shift in mindset for providers, particularly from the jobactive model, which emphasises compliance. It may be that providers need to reset their expectations around the degree to which participants have agency and autonomy over the way they manage their MORs and their job search.

### 9.2.9 Caseload size per consultant

Providers felt that smaller caseloads enabled consultants to offer intensive servicing and longer appointment times when needed, improved their knowledge about and relationships with participants, and increased their ability to make quality referrals. This is also supported by some ES participants in the NEST LS, who are reporting tailored appointments and more personal service.

The average number of full-time equivalent (FTE) staff per site is similar for both NEST (6.6) and jobactive (6.3). Also, recruitment is difficult in both the NEST and jobactive environments, partly due

to the labour market shortages generally. Given that the trial has not operated in a business-as-usual (BAU) environment, it has been difficult to assess the optimum level for caseload per consultant.

### 9.2.10 Guidance for providers

In the new model, there will be a balance between the extent to which the department prescribes servicing and the flexibility in the NEST. Providers acknowledged this balance as a double-edged sword. On one hand, providers have traditionally been, and are used to being, highly regulated through guidelines and assurance activities; on the other hand, they were encouraged in the trial to ‘think outside the square’, be innovative and learn through failure. It will be one of the challenges of the new model to strike an appropriate balance between prescription and independence.

### 9.2.11 The operation of Work for the Dole in the new model

The reduced reliance on WfD activities in the NEST highlights the shift away from a compliance to an engagement approach. Beyond the impact of COVID-19 there are a number of reasons why WfD was less prominent in the NEST. These include:

- WfD has inherent program limitations, including that it is restricted to not-for-profit organisations and to standard working hours, and has limited ability to reproduce standard work practices and expectations.
- Providers felt that the administrative burden outweighed the benefit, given the perception that WfD seldom directly contributed to participant employment outcomes.
- The perceived stigma associated with WfD meant that some participants were reluctant to engage with WfD activities.
- Arranging WfD activities with broad appeal for participants is less feasible in an environment where the focus is on individually tailored pathways to employment.

### 9.2.12 Performance measures

NEST providers agreed that these measures need to be streamlined and goal-orientated and should address providers’ core roles of:

- helping participants into employment by measuring sustainable and temporary employment and placement outcomes
- improving employability skills by measuring progress fees resulting from appropriate referrals to education and training opportunities and non-vocational support services
- providing quality services by measuring engagement and attendance, participant satisfaction, employer satisfaction and staff satisfaction.

## 9.3 What assumptions have been challenged or confirmed

### Participants do not understand how employment services work

Participants broadly do not understand how government employment services work, and the link to income support. Some of the assumptions about how much participants understand, and how or where they look for assistance, have been highlighted through this evaluation. For example, many participants assume that Centrelink runs employment services, and therefore that if they need assistance with employment services related queries, they should contact Centrelink. More than a quarter of online participants in the PEES Survey would contact Centrelink for help with employment services.

### The purpose of the jobsearch/jobactive website

Participants assume that the purpose of the jobactive/jobsearch website is compliance reporting. The low awareness and use of online tools by both digital and provider-assisted participants challenges the assumption that participants will use what is available because it is there. In the NEST LS, when participants were shown tools they were not aware of, and expressed interest in them, they indicated in subsequent interviews that they still had not used them. They also tend to seek assistance when they need it, and are not necessarily curious about what is available on the jobactive/jobsearch website. For example, there were participants in the NEST LS who were aware of JobSwitch, through various means, but had not used it because they did not think it was useful to them **at that time**.

### Employment services providers

Providers showed their ability to be flexible and responsive by adapting their service models at very short notice to account for the absence of MORs and face-to-face servicing and for changing caseloads. The evolution of a hybrid service model – which blends face-to-face and remote servicing – is supported by some NEST providers as it increases flexibility.

### The department

COVID-19 required DEWR, like many other government departments, to pivot and adapt to rapid change. Staff were redeployed to areas of greatest need, and priorities were reassessed and refocused, which triggered adaptation of policy, hasty system and infrastructure builds, and creative workarounds within legislative frameworks.

## 9.4 Where can we make improvements?

### 9.4.1 Policy adjustments

#### Digital First / Digital Plus

Given that, in practice, the EF is the main difference between Digital First (DF) and Digital Plus (DP), there appears to be little purpose in defining 2 separate levels of digital service. It is likely the DF/DP divide will be reconsidered for Workforce Australia. Notably, the fast-tracking of OES in response to COVID-19 necessitated a rethink on some of the policy settings that were envisaged in DS.

#### Tiers in Enhanced Services

While some providers were confident about their assessment and tier allocation, and to some extent the administrative value of capturing an overall perspective of caseload, a number of concerns were raised about the allocation to, operation of, and overall purpose of tiers – for example, confusion about how to assess participants for tiers and their link to the Progress in Service Bonus (PiSB). Accordingly, providers became increasingly ambivalent about the usefulness of tiers. As with DF and DP, the need for tiers will be revisited in Workforce Australia.

### 9.4.2 ESSWeb

Early in the trial, a range of IT issues were highlighted by providers, typically around access to reports for tracking and managing caseloads. Not having a purpose-built IT system inhibited the ability of providers to fully appreciate how the new model would operate in a BAU environment and the extent to which it might relieve or increase administrative burden.

Overall, providers reported that inadequate reporting functionality at the commencement of the trial negatively impacted their ability to adequately assess changes in the caseload, including suspensions. This type of functionality is expected to be available at the introduction of Workforce Australia.

### 9.4.3 jobactive/jobsearch website tools and functionality

While most participants appreciated the functionality of the jobactive/jobsearch website, negative feedback was mostly about the search function. Most notably that jobsearch did not return relevant results. Preference for other sites was linked to a perception that they had better functionality, that participants already had profiles set up elsewhere, and logging in to other sites was simpler. Beyond that, it should be noted that awareness of available jobsearch functionality is low, and some participants were defaulting to other sites because they had functionality participants did not realise was available in jobsearch.

### 9.4.4 Awareness and messaging

This evaluation has found that some of the services and safety nets have not been as effective as they may otherwise have been because of lack of awareness and understanding among participants.

#### Tools and assistance

**Digital Employment Fund** – Over the analysis period EF expenditure for DS participants was extremely low (\$94,693). Reasons for the low expenditure are largely related to lack of awareness among participants that the fund is available and a perception that the purpose of the Digital Services Platform is to manage MORs.

**Website tools** – Awareness and use of tools and assistance available on the jobsearch/jobactive website was consistently low. This is to some extent related to the assumption that the purpose of the website is managing MORs, and to a preference for other tools. Evidence from this evaluation indicates that increased awareness does not necessarily lead to increased use.

**Digital Services Contact Centre** – Awareness and use of the DSCC is low. Around 1 in 5 DS participants has used the DSCC; the figure is much lower when OES participants are included. Reasons for lack of use broadly relate to awareness, leading to a default to Centrelink helplines for assistance; poor understanding of what the DSCC does; and perceptions around long wait times and poor service.

### 9.4.5 Increasing awareness

Since the move to outsourcing employment services in 1998, the department has had very little direct contact with participants in employment services. This is because assessment and referral to service is done by Services Australia and the referral was previously always to a provider. Because the department outsources employment services and periphery programs (such as training and targeted assistance), the responsibility to communicate with participants has largely fallen to these providers.<sup>77</sup>

Unlike Centrelink/Services Australia, the department does not have a public profile directly attributable to the services it provides. For example, many participants associate jobactive with

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<sup>77</sup> Noting that the exceptions to the rule are some volunteers.

Centrelink or their provider – this means participants assume they are the point of contact for queries or assistance. The move to an online platform for assessment, referral and, in the case of OES/DS, delivery of services has highlighted the need to find effective ways for the department to directly communicate with participants.

### Safety net

**4 Month Digital Services Review (DSR)** – The DSR is triggered for all participants in both DS and OES when they reached 4 months in service. It is designed as a safety net, to capture participants who may have slipped through the assessment net, or whose circumstances have changed and who now require more support or more targeted assistance. Overall, around half (51.7%) of all DSR invitations sent to the end of January were completed. While almost 9 in 10 of those who completed the DSR were found to be suitable for DS, fewer than 2 in 5 who received hard messages opted out of DS. These opt out rates indicate that the messages are not particularly effective.

Safety nets in the new model are actively being considered and should be continually assessed and developed. Changes were made in light of the findings from the 4 month DSR, and further policy developments were considered for the 8 Month DSR. Safety nets for participants in DS is an area of ongoing consideration.

### Activation

**Four-month activation** – There is low take-up of the 4-month activity among those who appear to be required to do it. The reasons why are not clearly understood, but some are examined in Section 5.7.1, noting that this is the first time there has been a requirement to undertake a compulsory activity (outside of MORs) in DS.

The evidence around activity options and the impact of the activity on exits from service will require further exploration in the final evaluation report. The main finding from this evaluation is that by far the most common activity undertaken is the default activity, indicating that participants are not exercising choice. It is likely that the concept of a compulsory activity in DS is not well understood and/or participants do not see the benefit.

## Appendices

### Appendix A. Policy detail

#### A.1 Australian Government employment services from 1998

##### Job Network 1998–2009

Job Network was a national arrangement of community and private organisations contracted to work with eligible participants to help them obtain employment. On 1 July 2003, the Active Participation Model (APM) was introduced to Job Network to provide a continuum of assistance to ensure that participants had uninterrupted employment services. It replaced the previous model where participants were referred to different Job Network members for each phase of assistance. Under the APM, participants were serviced by a single provider throughout their period of unemployment. In addition, it defined a set of services which increased in intensity as the duration of unemployment increased. The APM aimed to provide a more flexible framework for the delivery of employment assistance and extended employment services to a broader range of participants.

##### Job Services Australia 2009–2015

A review of employment services undertaken by the former Department of Education, Employment and Workplace Relations in 2008 (DEEWR 2008) found that the Job Network was ill suited to a changing economic environment marked by increasing job seeker disadvantage and widespread skills shortages. On 1 July 2009, the Job Services Australia (JSA) model, a training/retraining program based on active labour market policies and practices (ALMPs), was introduced. JSA aimed to provide better tailored, individual services aligned to participants' assessed level of disadvantage, and skills and training appropriate for the labour market. On 1 July 2012, this model was extended, with some changes, to 30 June 2015 by a second contract.

In 2011, as part of the public consultation for Job Services Australia, the Advisory Panel on Employment Services Administration and Accountability was convened, and a discussion paper was released in November 2011. In 2013, as part of the JSA consultation process, the government released a further discussion paper, *Employment services – building on success* (DEEWR 2013). Consultations with employment service providers, participants, employers and other stakeholders identified several improvement areas for employment services. Feedback reported that the model:

- was unnecessarily complex and prescriptive
- no longer met the expectations of employers, participants or the community
- needed to be more responsive, flexible, and focused on achieving employment outcomes.

Employers indicated that they were discouraged from sourcing workers from JSA providers due to:

- participants' lack of skills and work readiness
- the amount of 'red tape' (i.e. regulatory and administrative burden) involved.

This feedback from stakeholders was instrumental in the design of the jobactive model.



## The jobactive model 2015–2022

The jobactive program was introduced, initially for a 5-year period, on 1 July 2015. Administered by the department, the jobactive program included new system tools and a less prescriptive employment services that aimed to:

- ensure participants were job ready and better able to meet the needs of employers
- introduce stronger mutual obligation requirements (MORs) to encourage a work-like culture for participants
- increase job outcomes for unemployed Australians, including specific targets for Indigenous participants
- reduce service prescription and minimise red tape for stakeholders.

Non-government organisations and private businesses were contracted to deliver jobactive services, in accordance with the jobactive Deed and guidelines, and their own Service Delivery Plans to encourage flexibility to respond to the needs of individual participants.

Key features of the jobactive model include:

- Participants are placed into one of 3 streams (Stream A, B or C) based on their relative chances of gaining and maintaining employment. This compares to the 4 streams in Job Services Australia (JSA) (Streams 1 to 4). Participants in Stream A are the least disadvantaged in the labour market, whereas those in Stream C require the highest level of assistance.
- There are 3 service phases (the Self Service and Job Activity Phase, the Case Management Phase and the Work for the Dole Phase) which determine participation requirements. Service phases are determined by both the service stream placement and duration of service within that stream.
- Providers are expected to work with industry and local employers to understand their needs and identify employment opportunities for participants. They can use wage subsidies to broker employment placements for eligible participants who employers might not otherwise employ. They also have access to the Employment Fund to provide support to participants to meet employers' needs and get a job.
- MORs include 3 elements (job search efforts, attending appointments with providers, and an Annual Activity Requirement (AAR)). Consequences for not meeting MORs are defined in the compliance framework. To maintain income support, participants must achieve their MORs and complete their Centrelink reporting requirements.
- The performance of jobactive providers is assessed via the Star Rating system and the Quality Assurance Framework (QAF) certification requirement.
- Administration fees paid to providers are smaller in value than those paid under JSA, and outcome fees are generally larger in value, especially for longer lasting placements and achieving outcomes with disadvantaged participants. The payment framework is designed to incentivise providers to:
  - place participants more sustainable employment
  - prioritise servicing and employment outcomes for more disadvantaged participants.

## A.2 Policy context and detail

### Policy differences between NEST and jobactive

**Table A.1 Main differences between NEST and jobactive**

| Change                   | jobactive compared to NEST  | Rationale and expected impacts   |
|--------------------------|---|--|
| <b>Streams</b>           | <p><u>jobactive</u></p> <p>There are 3 streams (A, B and C, which indicate relative labour market disadvantage). With the introduction of Online Employment Services (OES), participants with low labour market disadvantage (Stream A) broadly move to the OES and those with medium or high labour market disadvantage (Stream B and C) are serviced by jobactive providers. Participants in jobactive cannot move to a lower stream (e.g. Stream B to Stream A) but can be reassessed (through change of circumstances, re-running the Job Seeker Classification Instrument (JSCI) or the results of an Employment Services Assessment (ESAt)) and moved to a higher stream (e.g. Stream B to Stream C).</p> <p><u>NEST</u></p> <p>In the NEST, initial allocation to service (Digital Services (DS) or Enhanced Services (ES)) is contingent on the Job Seeker Snapshot (JSS)/JSCI (and ESAt if required), along with other factors (such as digital literacy). Providers are also able to move participants to DS if they deem this the appropriate service type. There are no streams in the NEST, but there are tiers. Allocation to a tier is determined by provider assessment. Broadly, participants with vocational barriers are allocated to Tier 1 and those with non-vocational barriers are allocated to Tier 2.</p> | Removing streams and the introduction of tiers is designed to allow more flexible servicing. The NEST is also designed to acknowledge progress towards employment, and the work required to address barriers to employment. A provider can move a participant from, for example, Tier 2 to Tier 1, as their barriers are addressed, or Tier 1 to Tier 2, if their barriers increase, at their discretion, without the need for a new JSCI, or change in circumstances. |
| <b>Service phases</b>    | There are 3 service phases in jobactive: the Self Service and Job Activity (SSJA) Phase; the Case Management (CM) Phase; and, the Work for the Dole (WfD) Phase. Participants enter a phase according to their time in service and other factors (such as age). There are no phases in the NEST   | The removal of phases is intended to provide more flexibility in how participants are serviced. Participants engage in activities according to their circumstances, rather than their phase of service.  |
| <b>Mutual obligation</b> | MORs are a feature of both the jobactive and NEST models but can operate very differently.  | As an activity-focused model, the NEST uses activities to drive activation and ongoing engagement, based on participant needs. A participant can   |

| Change                       | jobactive compared to NEST   | Rationale and expected impacts  |
|------------------------------|--|---|
| <b>requirements (MORs)</b>   | <p><u>Annual Activity Requirement</u></p> <p>The Annual Activity Requirement (AAR), a feature of the WfD Phase, does not exist in the NEST, meaning a participant in the NEST is not automatically required to do a WfD activity.</p> <p><u>Points Based Activation System</u></p> <p>The Points Based Activation System (PBAS) broadens the range of activities participants can use to meet their MORs. PBAS is the default for new DS participants from its introduction in December 2020 and used at the provider's discretion for participants in ES.</p>   | <p>undertake an activity, or a range of activities, which may, for example, be goal-driven rather than compliance driven.</p> <p>The PBAS is designed to allow more flexibility in how participants meet MORs and acknowledge a broader range of activities that can contribute to gaining employment, beyond job search. It also allows participants more agency in the activities they can undertake to meet MORs.</p>  |
| <b>Performance framework</b> | <p>In jobactive the performance framework includes the Quality Assurance Framework, Rolling Random Sample audits and Star Ratings calculations. These have been suspended in the NEST.</p>   | <p>Suspension of key performance framework activities in the NEST was designed to allow providers to be innovative, without the fear that failure would have a negative impact on their business. The trial has outlined 3 key performance indicators (KPIs) in the Deed. These are the department's assessment of:</p> <ul style="list-style-type: none"> <li>• KPI 1: the provider's performance in assisting ES participants to obtain employment and progress toward employment</li> <li>• KPI 2: the quality of services delivered by the provider to participants and employers, and appropriate mix and timing of activities offered to individual participants</li> <li>• KPI 3: the provider's level of engagement and support to facilitate the effective co-design, implementation, monitoring and evaluation of the trial.</li> </ul> |
| <b>Job Plans</b>             | <p>The Job Plan outlines the agreed items that will satisfy the participant's MORs. Job Plans must include activities that take account of a jobactive participant's circumstances and should be reviewed regularly. The provider must ensure that the Job Plan is always current and it must be agreed to by the participant. Activities outlined in the Job Plan can be either compulsory or voluntary. The Job Plan usually includes a mandatory job search requirement. The department sets a default job search requirement but this can be changed by the provider to reflect a participant's circumstances.</p> | <p>The NEST uses the jobactive Job Plan proforma with a default number of job searches. As with jobactive, providers have discretion to change the number of job searches as part of tailoring the Job Plan.</p> <p>The department has not prescribed a minimum frequency of contact with participants or whether this should be recorded in the Job Plan.</p>  |

| Change                               | jobactive compared to NEST   | Rationale and expected impacts   |
|--------------------------------------|--|--|
| <b>Service Delivery Plans (SDPs)</b> | SDPs were introduced in jobactive and outline the services that participants and employers can expect to receive. These plans were approved by the department.   | In the NEST there are no prescribed servicing arrangements. This, coupled with the removal of phases, and encouragement of innovative ideas, allows providers to test different ways of engaging participants and moving them towards employment.  |
| <b>Payment structure</b>             | The payment structure is outlined in more detail in Table A.2. Broadly, the NEST payment model shifts the focus from outcomes to engagement and includes progress fees.  | The fee structure is designed to recognise the more disadvantaged provider caseload in the NEST and acknowledge and reward progress to employment.   |
| <b>Employment Fund (EF)</b>          | The EF is notionally available to ES and Digital Plus DS participants. The EF credit for jobactive participants is detailed in Table A.3.<br>The range of claimable items in the EF in NEST was changed, so it was slightly different compared with jobactive. | The broader range of claimable items in NEST is designed to allow more flexibility in the types of assistance available.<br>Minimal changes to EF, with the aim to streamline services and remove red tape, were: <ul style="list-style-type: none"> <li>• changes to the credit structure including regional loading and a separate credit pool</li> <li>• limited changes to the operation of EF for NEST providers including some new items and some items removed, better theming of EF categories and minor changes to category names</li> <li>• removal of post-placement support, which is part of core servicing.</li> </ul> |
| <b>Wage subsidies</b>                | Wage subsidies are available to ES (and were to be available to Digital Plus) participants.<br>Providers can access the EF General Account for wage subsidies to support ES participants.  | Wage subsidies in NEST are the same as in jobactive  |
| <b>IT system</b>                     | The IT platform used in jobactive did not change with the introduction of the NEST.  | The new IT platform for the new employment services model (NESM) is in development and will be based on part on the findings of the trial. Some aspects of the platform have been progressively developed. For example, reporting has been enhanced to enable NEST providers to better manage their caseloads. The new IT platform will be implemented with the new model in July 2022.  |

Notes: Job placement payments for Stream A participants were only payable after 3 months in service.

A participants with partial capacity to work completes between 15 and 49 hours of paid work in a placement within 10 consecutive working days.

**Table A.2 Main differences in the payment model between NEST and jobactive**

| New Employment Services Trial   | jobactive  |
|---|--|
| <b>Engagement fee</b><br>\$1,000 new commencements<br>\$500 for transitioned participants   | <b>Service fees</b><br>Payments made for each 6 months of service – <ul style="list-style-type: none"> <li>• \$269.50 for general participants</li> <li>• \$377.30 for Stronger Participation Incentives (SPI) participants (aged less than 30 years)</li> </ul> |
| <b>Outcome fees</b><br>Ranging from \$240.00 for a 4-week partial outcome for a moderate JSCI score participant to \$5,000 for a 26-week full outcome for a high JSCI<br><b>VLTU Bonus</b><br>These range from \$1,000 for a 12-week partial outcome to \$4,000 for a 26-week full outcome. | Ranging from \$172.48 for a 4-week partial outcome for a Stream A participant unemployed less than 24 months, to \$5,390.00 for a 26-week full outcome for a Stream C participant unemployed for 60 months or more   |
| <b>Regional loading</b><br>Applied to Employment Fund (EF) credits, not provider payments   | Applied to service fees and outcome payments   |
| <b>Progress fees</b><br>One \$500.00 Progress Fee for a Tier 1 participants per Trial Period of Service<br>One \$750.00 Progress Fee for a Tier 2 participants per 24 months of servicing   | No equivalent in jobactive   |
| <b>Progress in Service Bonus (PiSB)</b><br>One \$400.00 bonus when a participant progresses from Tier 1 to Digital Plus<br>One \$500.00 bonus when a participant progresses from Tier 2 to Tier 1   | No equivalent in jobactive   |

### A.3 The Targeted Compliance Framework

The Targeted Compliance Framework (TCF) is a compliance framework that applies to participants in jobactive, ParentsNext, Disability Employment Services and the New Employment Services Trial. The TCF consists of 3 'zones': the Green Zone, the Warning Zone and the Penalty Zone.

**Green Zone:** All participants start in the Green Zone and, so long as they meet all their MORs, they will remain in this zone.<sup>78</sup>

**Warning Zone:** Participants enter the Warning Zone if they accrue a demerit. Each demerit has a lifespan of 6 active months, and, if a participant accrues 3 demerits or commits a 'Fast-Track' Mutual Obligation Failure a provider will conduct a Capability Interview (CI) with them to determine whether their requirements are appropriate to their individual circumstances. If the participant is deemed capable, they continue in the Warning Zone; otherwise their demerits will be reset to zero and they will return to the Green Zone and be required to address the issue identified by the CI.

**Penalty Zone:** If a participant accrues 5 demerits in 6 months or commits a 'Fast-Track' Mutual Obligation Failure while on 3 or more demerits, Services Australia will conduct a Capability Assessment (CA) with them to determine whether their requirements are appropriate to their individual circumstances. If the participant is deemed capable, they enter the Penalty Zone; otherwise they are returned to the Green Zone.

Once in the Penalty Zone, if the participant continues to fail to meet their requirements, they will incur financial penalties where they do not have a reasonable excuse for non-compliance. Financial penalties are:

- loss of 50% of fortnightly payment after the first failure in the Penalty Zone
- loss of 100% of fortnightly payment after the second failure in the Penalty Zone
- payment cancellation and a 4-week post-cancellation non-payment period after the third failure.<sup>79</sup>

Figure A.1 provides a visual overview of the TCF model. More detail about the operation of the TCF in NEST regions may be viewed at <https://www.dese.gov.au/uncategorised/resources/targeted-compliance-framework-mutual-obligation-failures-guideline>.

The primary differences between the TCF and previous compliance frameworks are:

- Suspensions following a Mutual obligation failure (MOF) are automated, removing the decision to suspend a payment from an employment services provider.
- Participants are able to know their state of compliance, through a colour-coding system and the ability to see their accrued demerits.
- Providers are able (with evidence) to recommend financial penalties. Under the TCF, financial penalties can only be applied in the Penalty Zone or when the participant has committed a work refusal failure or an unemployment failure.
- Providers can accept reasonable excuses from participants for a MOF, so that participants do not attract a demerit.

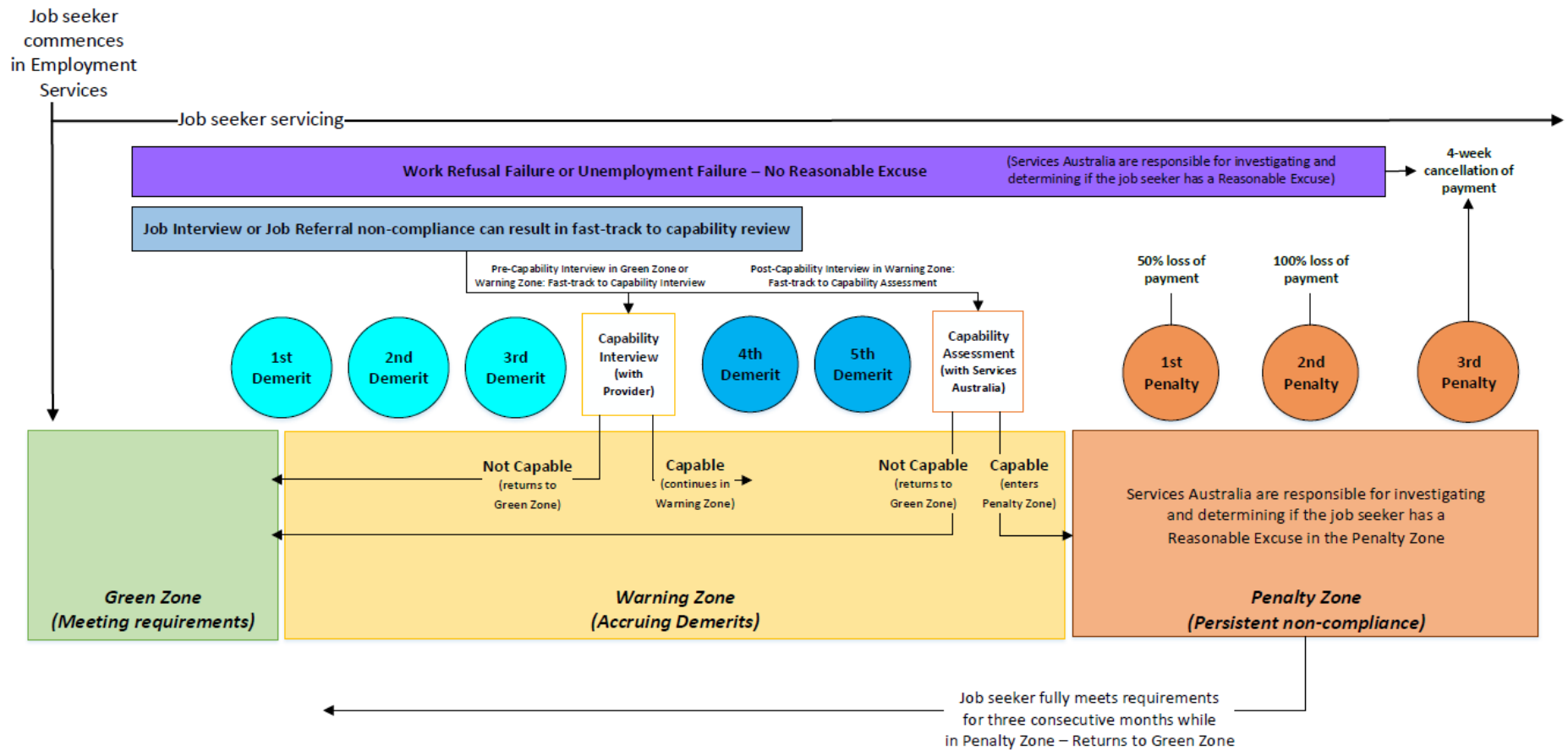
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<sup>78</sup> Targeted Compliance Framework: Mutual obligation failures guideline v1.1 effective from 10 September 2018.

<sup>79</sup> Targeted Compliance Framework: Mutual obligation failures guideline v1.1 effective from 10 September 2018, p. 17.

- CIs and CAs provide an additional safety net for new information to be considered if the outcome is that the requirements in a participant's Job Plan are not suitable for the individual. If this is found to be the case, the participant is returned to the Green Zone and their demerits are set at zero, and their provider must negotiate a new, more appropriate Job Plan.
- The TCF aims for less reliance on the use of financial penalties as a mechanism for achieving behavioural change.
- See Figure A.1 for a visual representation of the TCF.

Figure A.1 Targeted Compliance Framework: visual representation



Source: Departmental guidelines.



## A.4 DLA/DA investigation

When analysing responses to Question Set 1, for a participant to be grouped within the 'weak' category they must have provided **2 or more of the 'weak' responses**. These included:

- 'No' to 'Do you have regular and reliable access to the internet?'
- 'No' to 'Did you need help using the Centrelink website when you lodged your claim for income support?'
- 'Needed help, and can complete none, one or two tasks unassisted' to 'Which of the following do you do regularly without help?'
- 'Not well' to 'How well can you search and apply for jobs online?'

In order to be allocated to the 'strong' group, **all responses needed to match the following sequence**:

- 'Yes' to 'Do you have regular and reliable access to the internet?'
- 'No' to 'Did you need help using the Centrelink website when you lodged your claim for income support?'
- 'No help required or can complete at least five other tasks unassisted' to 'Which of the following do you do regularly, without help?'
- 'Well' to 'How well can you search and apply or jobs online?'

All those who did not fit within the above 2 described groups were allocated into the 'mixed' group.

A similar framework was applied to grouping those who answered Question Set 2, with participants allocated into one of 3 groups. To be grouped within the 'weak' group, participants needed to provide **2 or more of the 'weak' responses**. These included:

- 'Not at all' or 'Less than once a week' to 'In the past month, how often did you use the internet?'
- '0 devices' to 'In the past month, how many devices did you use to access the internet?'
- 'I always get help' or 'I sometimes get help' to 'Thinking about paying bills online, select the answer that best describes you'
- 'Not well' to 'Thinking about sending emails, select the answer that best describes you'.

In order to grouped into the 'strong' group, **all responses needed to match the following sequence**:

- 'Every day' to 'In the past month, how often did you use the internet?'
- 'I never get help' to 'Thinking about paying bills online, select the answer that best describes you'
- 'I never get help' to 'Thinking About sending emails, select the answer that best describes you'.

All those who did not meet either of the above criteria to be grouped within 'weak' or 'strong' for digital literacy were allocated into the 'mixed' category.

## DA questions – FINAL – OCTOBER 2020

**Table A.3 Possible responses to Question Set 1 questions**

| Question text   | Response frame   |
|---|--|
| Do you have regular and reliable access to the internet?                                      | Yes  |
|   | No   |
|   | Not sure   |
| Did you need help using the Centrelink website when you lodged your claim for income support? | Yes  |
|   | No   |
|   | Not sure   |
|   | I did not do claim online  |
| Which of the following do you do regularly, without help? (select all that apply)             | No help required OR can complete at least 5 other tasks unassisted |
|   | Needed help, and can complete three–four tasks unassisted          |
|   | Needed help, and can complete none, one or two tasks unassisted    |
| How well can you search and apply for jobs online?  | Well   |
|   | Not well   |
|   | Not sure   |

**Table A.4 Possible responses to Question Set 2 questions**

| Question   | Response text         |
|--|-----------------------|
| In the past month, how often did you use the internet (e.g. social media, email, Google, shopping)? Select the answer that best describes you. | Every day             |
|  | At least once a week  |
|  | Less than once a week |
|  | Not at all            |
| In the past month, what did you use to get onto the internet? Devices include phone, laptop, desktop and iPad.                                 | 0 devices             |
|  | One device            |
|  | 2–3 devices           |
|  | Devices               |
| In the past month, did you have stable access to a phone?  | Not answered          |
|  | Not stable            |

| Question   | Response text             |
|--|---------------------------|
|  | Stable                    |
| Thinking about paying bills online, select the answer that best describes you. | I always get help         |
|  | I sometimes get help      |
|  | I never get help          |
|  | I do not pay bills online |
| Thinking about sending emails, select the answer that best describes you.      | I always get help         |
|  | I sometimes get help      |
|  | I never get help          |
|  | I do not send emails      |

## A.5 Employment Fund credits

**Table A.5 Employment Fund proposed credit structure: General Account credits**

| Participant type         | Period   | General Account credit | Credit with regional loading | When credited   |
|--------------------------|--|------------------------|------------------------------|---|
| ES participant           | ES start date to the end of the service period | \$1,250                | \$1,500                      | Once on commencement in Enhanced Services only  |
| Digital Plus participant |  | \$500                  | \$600                        | After 2 months of period of service in Digital Plus for a new participant or for a participant who has transferred from jobactive |

Notes: 1. In addition to Table A.5, where a participant is identified as subject to a structural adjustment program or the Stronger Transitions Package, the Employment Fund will be credited in accordance with any guidelines.  
 2. The Mid North Coast in New South Wales and Kangaroo Island in Adelaide South will attract a regional loading.  
 3. Table A.6 sets out the amount that the Employment Fund will be credited for transitioned participants who commence in enhanced and supported services based on their period of unemployment.

**Table A.6 Employment Fund credits for transitioned participants who commence in Enhanced Services**

| Service type | Period of unemployment | Employment Fund credited amount | When credited              |
|--------------|------------------------|---------------------------------|----------------------------|
| ES           | 0–12 months            | \$313                           | Once on commencement in ES |
| ES           | 13–24 months           | \$625                           |                            |
| ES           | 25+ months             | \$938                           |                            |

## A.6 The Points Based Activation System

### Points target

The monthly points target for the PBAS is 100 points. A number of different points targets were examined through user design testing (e.g. 10 points or 50 points) but a points target of 100 tested well (easiest mathematics), with people able to conceptually link it to other systems like 100 points of identification to open a bank account.

To determine an individual points target for the month, **credits** can be applied to **reduce** the points target (refer to Table A.7). Participants are then able to report **tasks** in order to **meet** the monthly points target. The task values to meet a points target are in Table A.8.

The initial points target has been adjusted to take into consideration the current labour market conditions by providing a **60-point credit** to reduce the overall points target to 40 points.

As the labour market improves and minimum job search requirements are increased, the points target can be adjusted accordingly. In the trial, different labour markets may have different values of labour market credit applied due to the particular labour market conditions.

The PBAS is also trialling an additional flexibility where participants who exceed their points target for a month can **bank** task points (up to half of their target) for use in the following month only.

### Credits

**Table A.7 Credit categories that may be applied to reduce a participant's points target**

| Type of credit  | When it is applied   |
|---|--|
| Labour market credit  | This credit is set by the department based on the labour market conditions in each employment region. It is applied through the department's IT system to all participants in the PBAS in the trial regions before any other credits are applied.  |
| Personal circumstances  | This credit is automatically applied through the department's IT system, where relevant, based on the participant's age or activity test requirements. For example, where a participant is 60 years of age or over, the points target will be automatically halved to reflect their reduced requirements.  |
| Participation in activities (e.g. education, skills and training) | <p>This credit is automatically applied in the department's IT system when the participant is undertaking an activity that is included in the Job Plan.</p> <p>For example, participant will receive a:</p> <ul style="list-style-type: none"><li>• 10-point credit for participating in activities such as a language or literacy assessment</li><li>• 20-point credit for participating in programs such as a short course in family budgeting.</li><li>• 30-point credit for participating in activities such as study or training, including as part of the Flexible Study measure.</li></ul> <p>If participants are doing multiple activities, only one activity credit is applied to the points target each reporting period. The highest activity points value is used.</p> |

The points target will also factor in activities the participant has agreed to as part of their Job Plan. The Flexible Study measure (education and training), in which a participant can study for up to

12 months in an approved area of skills need, is one activity for which a **credit** will be applied to lower the participant's overall points target. This credit has been set at a value of 30 points.

Providers or the Digital Services Contact Centre (DSCC) can also further reduce a participant's points target, depending on their individual circumstances.

## Tasks

Points values for job search related tasks were agreed by the department following extensive external consultation through user-centred design (UCD) with participants as well as discussion with providers and the NESM Reference Group.

In setting the value for paid work the department aimed to balance the policy principles of maintaining a requirement to look for work, a focus on securing paid work compared to other requirements, and supporting the principle of providing flexibility in how participants can meet their requirements.

**Table A.8 Tasks to meet a participant's points target**

| Job search related tasks                            | Points per task                            | Rationale for points value   |
|---|--|--|
| Job search  | 5 points per job search effort             | Job search efforts are set at 5 points per application to align with the job search requirements outside the PBAS. If the participant has an overall points target of 100, this would be equivalent to the longstanding maximum 20 job search applications. At present, with the reduced job search requirements for participants (up to 8 job searches), a PBAS participant's points target is aligned to the 8 jobs per reporting period.            |
| Attending an interview                              | 10 points per interview attended           | Allowing participants to report attended job interviews recognises the level of engagement often required in preparing for and attending the job interview.  |
| Commencing a job                                    | 10 points per job commenced                | Commencing a job is to start paid employment – including a full-time, part-time, casual or permanent job. Allowing points for commencing a job recognises the significance of securing paid employment. The points can only be claimed once per job.   |
| Updating Career Profile (online profile and résumé) | 5 points once per reporting period         | The Career Profile is an online résumé tool on the department's jobactive website and can be directly linked to job applications through the website.<br>Allocating points when participants update their Career Profile/résumé encourages tailored applications and résumés that are always ready to be linked to their Career Profile or supplied to a potential employer. Participants can only claim this points value once each reporting period. |
| Paid work   | 5 points per 10 hours of work (rounded up) | Allocating 5 points per every 10 hours worked balances recognising the effort of paid work with the objective of participants undertaking other activities to achieve their points target while moving quickly off income support.   |

## Mutual obligation requirements

Participants need to agree to a PBAS Job Plan to commence in the PBAS. They undertake and report on the tasks to meet a defined points target each calendar month and are subject to the TCF when they do not meet their points target.

DS participants in the PBAS incurring their first points-based failure are subject to a 'light touch' re-engagement. They need to agree to an online declaration that they understand their MORs and the consequences of future non-compliance.

A light touch re-engagement acknowledges that the majority of participants do the right thing or want to do the right thing – with most only accruing a demerit due to misunderstanding as opposed to deliberate and persistent non-compliance. Light-touch re-engagement operationalises the recommendation from the Expert Advisory Panel that the TCF should set both consequences and rewards.

For any participant following points based failures, the standard TCF processes will apply.

Participants can discuss their circumstances with the DSCC and their requirements can be adjusted to better reflect their circumstances or opt out of Digital Servicing.

## Appendix B. Implementation and the pause of mutual obligation requirements

### B.1 Criteria utilised to identify pilot locations

**Table B.1 Pilot location criteria**

| Criteria  | Description  |
|---|--|
| <b>The number of participants in the region</b>                     | <p>Regions that have appropriate volumes of participants to enable effective monitoring and evaluation, without unnecessarily increasing complexity, risks, and the workload required to establish the pilot.</p> <p>Regions with less than 5,000 participants on the caseload were not considered to offer a sufficiently large sample.</p> <p>Regions with more than 25,000 participants were considered unnecessarily risky. The increased workload associated with delivering the pilot in a large region would significantly impact the department's ability to deliver the pilots while preparing for the broader implementation of the new model and maintaining the current jobactive model in the non-pilot regions.</p>      |
| <b>The characteristics of job seekers in the region</b>             | <p>Regions where the caseload characteristics broadly reflect the national caseload (particularly for Indigenous, culturally and linguistically diverse (CALD) and refugee cohorts and jobactive streams).</p> <p>In summary, regions were generally not considered preferable if their caseloads were:</p> <ul style="list-style-type: none"> <li>• less than 7% or more than 20% Indigenous (11% of the national caseload are Indigenous)</li> <li>• less than 3% or more than 10% refugee (5% of the national caseload are refugees)</li> <li>• more than 45% Stream A, particularly given the impacts on providers as Stream A will predominantly self-service via digital (39% of the national caseload are Stream A).</li> </ul> |
| <b>The characteristics of the jobactive providers in the region</b> | <p>Regions with an appropriate mix of providers, giving consideration to provider performance, the number of providers in the region (including the distribution of market share), the types of providers in operation (for-profit, not-for-profit, local providers etc.), financial viability impacts and whether the providers are likely to be supportive of the pilots.</p>  |
| <b>Labour market conditions in the region</b>                       | <p>Regions where the labour market is performing broadly in line with national averages and consideration of local challenges and opportunities.</p> <p>Regions with unemployment rates greater than 7% or below 4% were generally not considered preferable unless there were other strong rationales for considering the region.</p>   |
| <b>The availability of other programs and support</b>               | <p>Regions that had other programs and support (such as Transition to Work, ParentsNext, Employability Skills Training, Regional Employment Trials, facilitators, and state government support programs) available.</p> <p>The delivery of these programs in the same locations as the pilot would enable the pilot to test the integration of the new employment services model with other programs and support services. Local facilitators may also be able to support the delivery of the pilot, including stakeholder engagement.</p>   |



| Criteria  | Description   |
|---|---|
| <b>The geographic size and location of the region</b> | <p>A mix of regional and metropolitan locations were provided as preferred options, to better understand regional differences, and the geographic size of regions (noting that delivering the pilot over large geographic areas may be more challenging).</p> <p>Regions in Western Australia were excluded from consideration, due to the recent provider changes (following performance issues) and the impact the time difference may have on call centre costs.</p> |

## Appendix C. NEST evaluation methodology

### C.1 Key evaluation questions

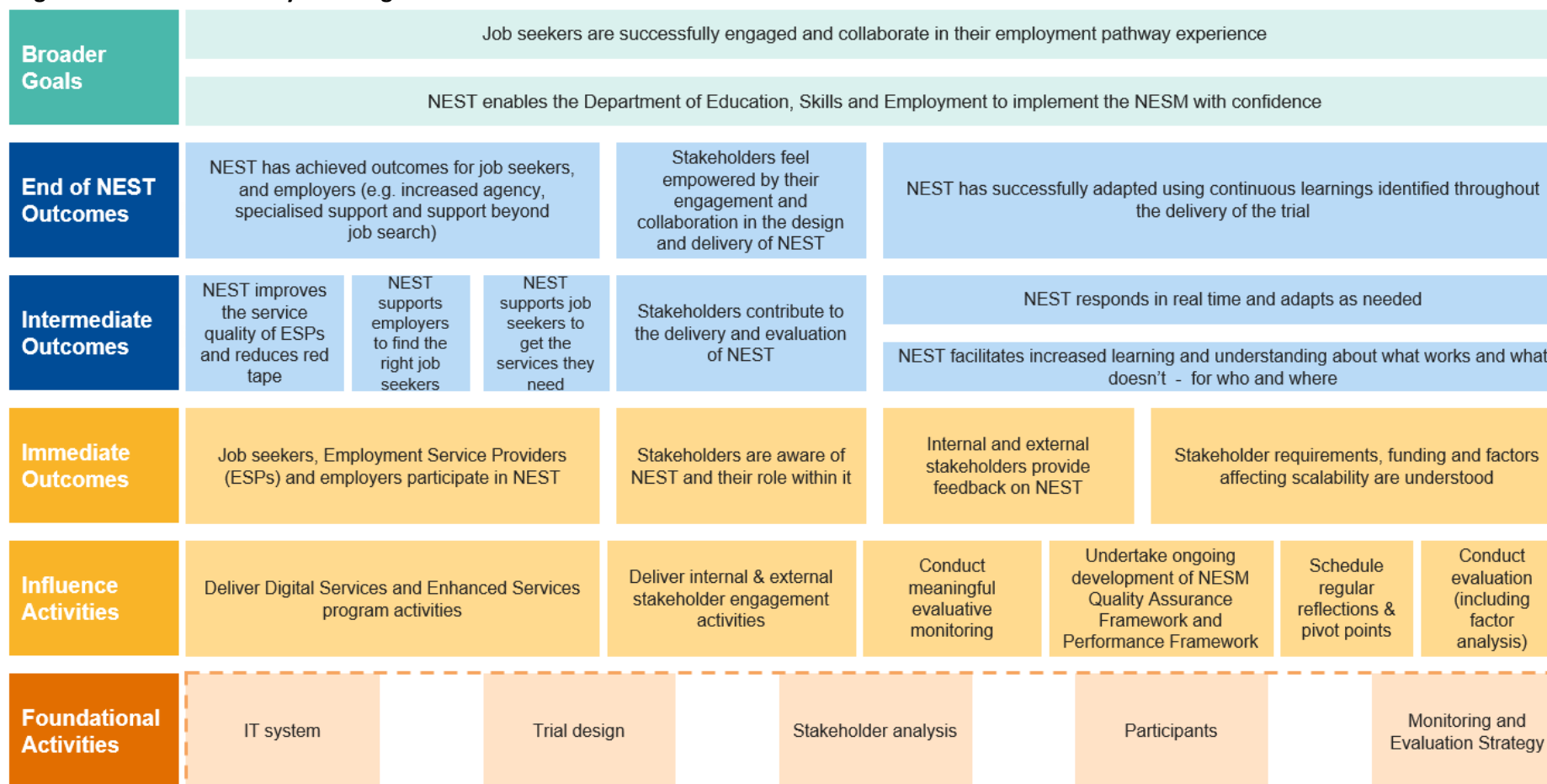
**Table C.1 KEQs and sub-KEQs**

| Focus                | KEQ  | Sub-KEQ  |
|----------------------|--|--|
| <b>Efficiency</b>    | KEQ 1. How well is the NEST being implemented and delivered?                             | KEQ 1a. To what extent are key progress markers being achieved on time and within budget?              |
|                      |  | KEQ 1b. How well is information about the NEST being communicated to, and understood?                  |
| <b>Effectiveness</b> | KEQ 2. What are the short- and long-term impacts and outcomes of the NEST (and for who)? | KEQ 2a. To what extent are participants getting the outcomes they need from the NEST?                  |
|                      |  | KEQ 2b. To what extent have providers achieved their outcomes under the NEST?                          |
|                      |  | KEQ 2c. To what extent are employers getting the outcomes they need?                                   |
|                      |  | KEQ 2d. How efficient or cost-effective is the NEST in achieving outcomes?                             |
| <b>Scalability</b>   | KEQ 3. To what extent can the trial be scaled to the national level?                     | KEQ 3a. What have been the significant adaptations throughout the trial?                               |
|                      |  | KEQ 3b. What are the key risks of implementing the NESM, identified by the Trial?                      |
|                      |  | KEQ 3c. To what extent does the success of the trial depend on local factors?                          |
|                      |  | KEQ 3d. What are the critical elements of a successful model going forward for each stakeholder group? |

Source: NEST Monitoring and Evaluation Strategy 2020.

## C.2 Theories of change

Figure C.1 The NEST Theory of Change



**Figure C.2 Digital Services Theory of Change – participants**

|                                |  |  |  |  |   |   |
|--------------------------------|--|--|--|--|---|---|
| <b>Broader Goals</b>           | Job seekers are successfully engaged and collaborate in their employment pathway experience                      |  |  |  |   |   |
|                                | Job seekers are encouraged and supported to actively self-manage their search for suitable and timely employment |  |  |  |   |   |
| <b>End of program outcomes</b> | Job seekers are better connected to the right job  |  | Jobs seekers are empowered to self-manage their job search   |  | Job seekers actively plan, prepare, search, apply and find meaningful employment more conveniently and quickly online |   |
| <b>Intermediate Outcomes</b>   | Job seekers and employers intersect quickly and seamlessly on a digital marketplace that meets their needs       | The digital marketplace is sustained with increasing volumes of job seekers and job opportunities                      | Job seekers are emotionally and socially supported to increase and sustain their motivation to find a job      | Digital and non-digital support and training is pre-emptively promoted and provided to job seekers when they need it                           | Compliance reporting is streamlined, more intuitive and less burdensome for job seekers                               | The department can identify behavioural triggers and intervene early when job seekers move towards non-compliance (demerits/suspension) |
| <b>Outcomes</b>                | Job seekers are informed of opportunities in the labour market and the required skills and attributes            | Job seeker skills & attributes presented & promoted to employers<br>Job seekers are linked to employment opportunities | Job Seekers are connected to services & other support (e.g. welfare / career counselling) at the right time    | Job Seekers can access digital and non-digital support and training services<br>Job seekers quickly and easily receive feedback from employers | Job seekers can more easily report job search effort online   | Continuous development/refinement of holistic digital knowledge base for every job seeker   |
| <b>Influence Activities</b>    | Online tools to search for employment & offer employment advice tailored to individual circumstances             | Dynamic job seeker digital profiles to enable matching with employers and opportunities                                | System and staff generated referrals to complementary government programs and services (internal and external) | Offline support, guidance and encouragement to access targeted training and skills development   | Automatic reporting of some mutual obligations in real time (online job search effort & activities)                   | Track digital behaviour of job seeker throughout job search journey (invest in data)  |
| <b>Foundational Activities</b> | Cross-agency digital platform  | Communications and Marketing   | Contact Centre   | Complementary internal programs born in digital  | Learning and Development  | Data collection and management  |

**Figure C.3 Digital Services Theory of Change – employers**

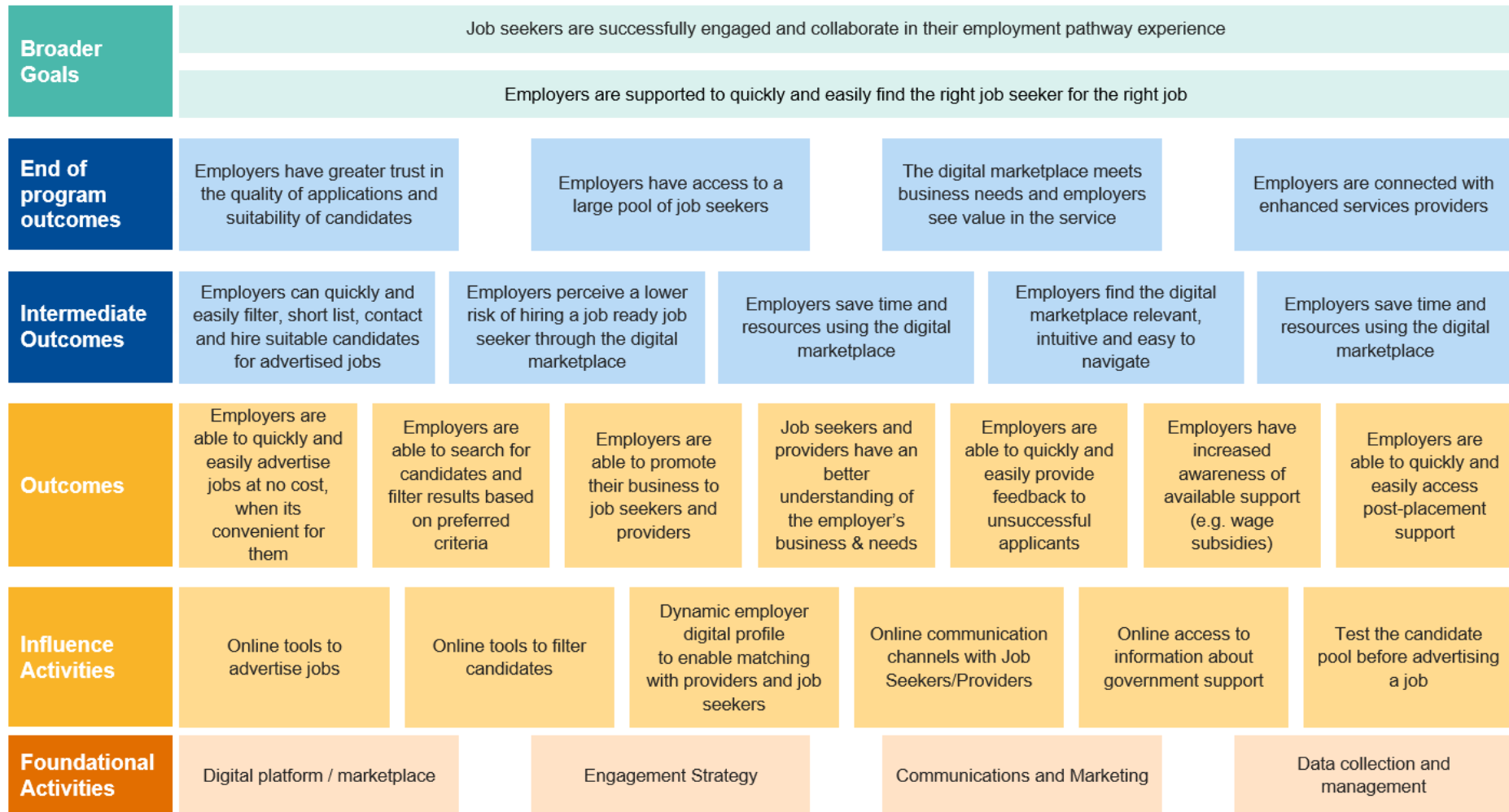
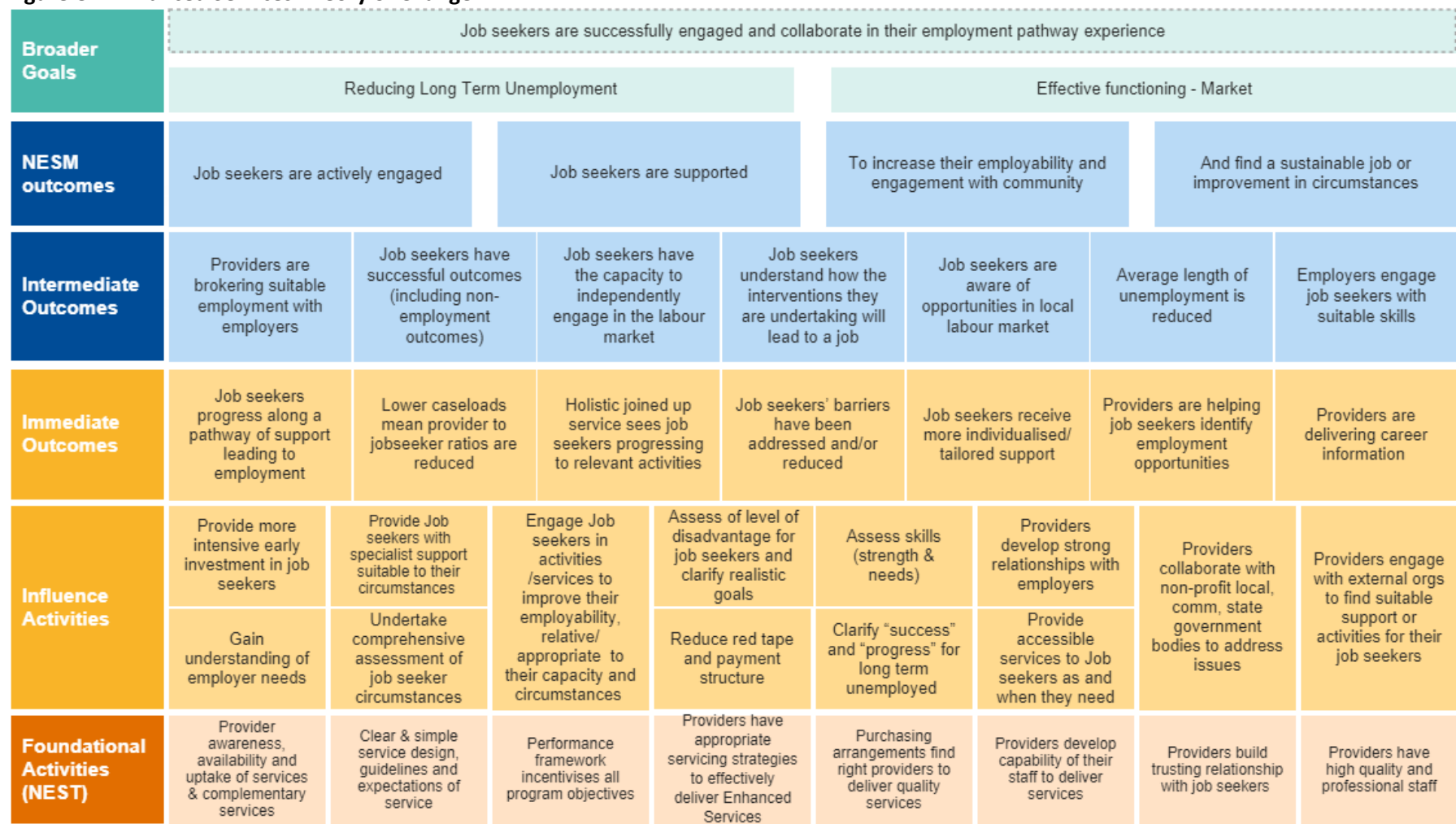


Figure C.4 Enhanced Services Theory of Change



## C.3 Methodology

### Comparison region selection

When evaluating program performance, identifying appropriate comparison regions is critical. Not only do labour market conditions, industries etc. vary greatly between regions, but participant disadvantage (based on Job Seeker Classification Instrument (JSCI) scores), and the impact/severity of COVID-19 lockdowns also vary greatly. Therefore, areas across Australia were carefully selected for comparison to NEST regions (the Mid North Coast and Adelaide South employment regions).

A 2-phase approach was taken to determine the 4 SA4s<sup>80</sup> to be used as comparison regions for the NEST evaluation.

#### Phase 1: Labour market analysis

The first phase involved the Labour Market Research and Analysis Branch comparing a number of labour market indicators (such as the current and 5-year averages of the rate of employment growth, the unemployment rate, the participation rate, the working age employment rate plus the proportion of the working age population in the region on income support), as well as regions' industry structure, the change in certain labour market indicators due to COVID-19 (including the decrease in employee jobs since 14 March and the increase in the share of the labour force on the jobactive caseload since 15 March) and the demographic profile, at the SA4 level. This work resulted in a shortlist SA4s for consideration as NEST comparison regions.

#### Phase 2: Other considerations

The Employment Evaluation Branch observed that the shortlist of SA4s identified in the labour market analysis included Victoria, where the second COVID-19 lockdown would negatively impact outcomes. It was also observed that an SA4 identified for consideration as a suitable comparison to the Mid North Coast overlapped with the Adelaide South employment region.

Additionally, analysis of the distribution of participant JSCI scores identified that participants in some comparison SA4s were notably less disadvantaged than those in NEST regions.

Excluding Victorian and Adelaide South SA4s, and SA4s with the least disadvantaged participants, 4 suitable SA4s were identified as being the most suitable for comparison to NEST regions.

Lastly, participant demographics were assessed to ensure the profile of the 4 identified SA4s were not vastly different from the NEST regions.

#### Selected comparison regions

For the purposes of the NEST evaluation, the Mid North Coast employment region was compared to the West and North West SA4 (Tasmania) and Wide Bay SA4 (Queensland), and the Adelaide South employment region was compared to the Sunshine Coast SA4 (Queensland) and Bunbury SA4 (WA).

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<sup>80</sup> Statistical Area Level 4 as defined in the Australian Bureau of Statistics *Australian Statistical Geography Standard (ASGS)*. Labour market analysis was conducted using 2011 boundaries, and the 2016 boundary changes (of which there were very few at the SA4 level) do not impact the selected comparison SA4s.

### A note about comparison regions for the PEES Survey

NEST comparison SA4 regions used in this Phase 1 report have been revised from those previously selected, and used in the sample selection of the Participant Experiences of Employment Services (PEES) Survey. The revisions were the result of the evolving COVID situation, most notably the second Victorian lockdown due to COVID-19, which made the Victorian comparison regions no longer suitable, given the unique and changing economic conditions.

The comparison regions used for the sample selection of the PEES Survey were:

- Mid North Coast (New South Wales): Southern Highlands and Shoalhaven (New South Wales), Moreton Bay – North (Queensland), Wide Bay (Queensland), Mandurah (Western Australia), and West and North West (Tasmania)
- Adelaide South (South Australia): Newcastle and Lake Macquarie (New South Wales), Melbourne – North East (Victoria), Mornington Peninsula (Victoria), Brisbane – South (Queensland), and Perth – South (Western Australia).

The comparison regions used in this report comprised:

- Mid North Coast: West and North West SA4 (Tasmania) and Wide Bay SA4 (Queensland)
- Adelaide South: Sunshine Coast SA4 (Queensland) and Bunbury SA4 (Western Australia).

### Study population

For the purposes of comparison between NEST and other regions, we have used an ‘inflow’ population. This is because it means that outcomes for the service can be better attributed to the current actual service. For example if a participant moved from jobactive to NEST and immediately achieved an outcome, it could not be determined whether the jobactive servicing was responsible or the NEST. By using an inflow, outcomes can better be attributed. In looking at outcomes it is always best to allow as long as possible for them to be achieved. In this case we used a 6-month observation period.

### Digital Services outcomes

Participants in the NEST were divided into 3 cohorts: the DS group, the ES group and the (small) group who spent time in both. For the DS outcomes analysis, only the DS group were used. The comparison population included people in Online Employment Services (OES) – the jobactive self-service equivalent to NEST DS – from within the ‘comparison’ jobactive participant population.

Individual propensity score matching was used. For every individual in NEST DS, one closest individual was selected from the jobactive population as their counterpart. Both matched individuals began their period of assistance (PoA) in the same month (important during COVID-19 when things were changing so rapidly) and their JSCI scores were as close as possible within the limitations of the jobactive population. Once a comparison person is selected, they are removed from the group of potential matches (so the comparison group is exactly the same number of individuals as the treatment group). Comparison between NEST and jobactive results was via t-test on the mean values.



## Measures of effectiveness – proxy and direct measures of employment

### Administrative data

#### Exit from service

Interpretation of exit data is difficult as not all exits from service (or even from income support) are to employment. Other possible exit reasons include changes in eligibility for service and disengagement (as a result of changes in personal circumstances). Data on reasons for exits from service is only available for around 60 % of all exits. While all exits cannot be assumed to be positive, most are, so exit rates over time can be used as a proxy measure of employment outcomes for comparison purposes. The assumption when using these to compare is that the 'to employment' rate of exits is consistent across the populations of interest.

#### Paid outcomes

When a provider helped a participant achieve a job placement, this was recorded in the system so the 4, 12 or 26 week outcomes could be paid, if the participant achieved them. Therefore, there was a strong incentive for providers to record job placements in order to claim an outcome fee. These can only be used for measuring provider-serviced outcomes, where the eligibility across the programs is similar. These measures of employment outcomes are also limited by the extent to which participants report finding work to their provider, and are also extremely sensitive to changes in administrative requirements and provider behaviour between models.

### Income support measures

Income support status measures also vary in the way they can be used. Three types of income support measures were examined for use in this evaluation. These were:

- off benefit (JobSeeker/Youth Allowance (other) (YA(O)) rates
- off income support rates
- percentage reliance on income support.

#### Off benefit

Many previous evaluations have used the off NSA (JobSeeker)/YA(O) measure. This measure was appropriate for previous employment services models, including early Job Network and Commonwealth Employment Service (CES) models for 2 main reasons. Firstly, the goals of these employment services models were primarily to get unemployed people into jobs, and the nature of the workforce was much more attuned to full-time work, which meant participants would no longer be reliant on JobSeeker/YA(O). This measure has become less appropriate over time since the goals of the program include increasing the participation of people not necessarily on unemployment benefits, including participants with a partial capacity to work and single parents. This measure is also not particularly sensitive given the increasingly part-time and casual nature of the work force. In this situation the off JobSeeker/YA(O) measure represents only a partial measure of effectiveness. The off JobSeeker/YA(O) measure also does not necessarily measure positive outcomes in that people originally on these benefits may move to other income support types – not necessarily into employment. Because this is a less representative proxy measure of employment, we have used the off income support measure in this report.

### Off income support

The off income support measure is more reflective of contemporary employment services as it is more inclusive of participants on other payment types. It includes outcomes for Parenting Payment (PP) and Disability Support Pension (DSP) recipients who are expected to gain work. However, as with the previous measure, off income support does not account for the part-time and casual nature of current employment. The very inclusiveness of the measure also contributes to its weakness in that it covers many participants who are not in reality expected to achieve complete independence from income support. This includes single parents with young children and participants with partial work capacity. As a result this measure will not completely reflect the success of employment services in helping these participants. While it is acknowledged that leaving income support can be a result of many factors, by far the most prevalent reason is achieving employment. As an indication, Post Program Monitoring survey<sup>81</sup> data indicate that for the jobactive caseload, in the year to December 2018, 63.0% of exits were to employment and 17.5% were exits from the labour force.

### Income support reliance

Because of the weaknesses noted above for other income support measures a reliance on income support measure is also used in this evaluation. This measure compares the average reliance on income support over a given period for given participants. The initial state is 100% for those on full rates of income support and will be lower for those on partial income support. Assuming similar starting rates, this is the most inclusive measure as it measures the degree to which employment services help reduce dependence on income support. Income support data indicates that in December 2018, 19.1% of people receiving working age payments<sup>82</sup> were reporting income.<sup>83</sup> Counts of exits from income support, therefore, will not include improvements to people's labour market outcomes related to increased earnings. Changes in the rate of income support over one year can represent either changes in the proportion of participants obtaining employment-related earnings, or an increase in the level of earnings for individuals. Due to data limitations as a result of COVID-19 (e.g. the COVID-19 Supplement and JobKeeper), this measure is not calculated for this report.

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<sup>81</sup> The PPM survey measures the labour market and education/training status of participants 3 months after a period of employment assistance.

<sup>82</sup> Payments used in the calculation for working age payments were Newstart Allowance, Parenting Payment (partnered and single), Partner Allowance and Youth Allowance (other).

<sup>83</sup> Derived from [DSS Demographics, December 2018 \(data.gov.au\)](https://data.gov.au/dataset/dss-demographics-december-2018).

## C.4 Data sources

### Longitudinal Study of NEST participants

Five waves of the Longitudinal Study of NEST participants (NEST LS) have been conducted on behalf of the department by the Social Research Centre for the Phase 1 report. A total of 30 in-depth interviews were conducted for each wave (**Error! Reference source not found.**).

Qualitative research sampling strategies use non-probability methods for selecting participants – that is, not all of the target ‘population’ will have an equal chance of selection. Rather, characteristics of the ‘population’ of interest are used for the basis of selection, and quotas are then established. Thus, a qualitative sample will not, and does not need to, represent (in any statistical sense) the population. Nevertheless, the sample has been selected purposively to ensure coverage of the key groups of interest for the evaluation of NEST.

Recruitment of the eligible population was conducted using the following criteria:

- living in one of the trial locations – Adelaide South (South Australia) or Mid North Coast (New South Wales)
- allocated to either Digital Services (DS) (First or Plus) or Enhanced Services (ES) (Tier 1 or Tier 2)
- aged from 18 to 65
- new income support recipients and income support recipients who have transitioned from the jobactive model.

**Table C.1 Summary of fieldwork dates and data collection methods for each wave of the longitudinal study with the number of participants per NEST region**

| Wave | Fieldwork date      | Data collection             | Adelaide South | Mid North Coast |
|------|---------------------|-----------------------------|----------------|-----------------|
| 1    | 9–13 December 2019  | Face-to-face interviews     | 15             | 15              |
| 2    | 2–6 March 2020      | Face-to-face interviews     | 14             | 16              |
| 3    | 27 May–6 June 2020  | Video chat/phone interviews | 10             | 21              |
| 4    | 30 Nov–15 Dec 2020  | Video chat/phone interviews | 15             | 15              |
| 5    | 25 March–3 May 2021 | Video chat/phone interviews | 15             | 15              |

For those who participated in the interviews, incentives of cash were provided as a thank you. All interviews followed a structured guide and were recorded (with permission) for analysis purposes. The recordings were transcribed and coded in NVivo according to themes identified in the analytical framework.

In the original design, participants were purposely selected, using age, gender, claim duration, educational outcomes to obtain a broad spectrum of participants with 15 from Adelaide South, 15 from the Mid North Coast, 20 in ES and 10 in DS. The 20/10 split was made to obtain increased data from ES participants, as there was recent data from participants in an online service from the OEST evaluation.

Where participants left the study, replacement participants were recruited to the cohort for each new wave in an endeavour to match the demographics of the original design. Sampling parameters for each wave were tweaked, due to changes in the trial implementation and policy, and the impacts of the pandemic and natural disasters. Details for each wave are described below.

### Wave 1 (9–13 December 2019)

From a sample population of 30 across both sites, 10 were in DS and 20 in ES. Three participants identified as Aboriginal and Torres Strait Islander people and 3 were from a non-English-speaking background. Around a third of the sample was identified as having a disability or mental health concern. Sample participants also had a range of educational outcomes, from early school leavers to postgraduates.

### Wave 2 (2–6 March 2020)

Twenty participants from Wave 1 were re-interviewed in Wave 2. Of the 10 participants who did not participate in Wave 2, 6 were either no longer a job seeker or had moved outside of the NEST regions. Three were unable to be contacted or did not respond to the invitation to participate while one declined to participate. A new cohort of 10 were selected to match the demographics of those who had left the study. A total of 16 participants were from the Mid North Coast and 14 from Adelaide South (**Error! Reference source not found.**).

### Wave 3 (27 May – 6 June 2020)

Fifteen participants from Wave 2 were re-interviewed for Wave 3. Selection of replacement participants was changed for Wave 3 to capture participants who were in service prior to the COVID-19 pandemic and who had received a targeted message for job opportunities, to test recall of the messages to gain some insight into the impact of COVID-19. Therefore the 16 new participants recruited for Wave 3 were all from the Mid North Coast region (**Error! Reference source not found.**).

### Wave 4 (30 November – 15 December 2020)

Twenty-two participants remained in the cohort from Wave 3 with 8 new participants recruited for Wave 4. Of the 22 re-interviewed participants, 7 had taken part in Wave 1 to Wave 4, 7 had been part of 3 waves (not necessarily consecutively) and 8 had participated for a second time (also not necessarily consecutively). The new participants in Wave 4 were selected from a sample of participants who had commenced in services after the pause of mutual obligation requirements (MORs) due to COVID-19 on 27 March 2021 to capture insights related to this specific cohort (Table C.3).

### Wave 5 (25 March – 3 May 2021)

Sixteen participants were re-interviewed in Wave 5. Five participants had participated in all 5 waves, 5 had participated in a total of 4 waves, 2 had participated in 3 waves and 4 participated for the second time. Fourteen new participants were recruited for Wave 5 to replace those who had left employment services (**Error! Reference source not found.**). A small number of the new participants were selected as they were eligible for the Points Based Activation System to capture insights related to this specific cohort.

**Table C.2 Summary of replacement numbers for waves**

| Wave/Region   | Digital Services | Enhanced Services | Transfer from DS to ES<br>October/November<br>2020 | Total |
|---------------|------------------|-------------------|--|-------|
| <b>Wave 1</b> |                  |                   |  |       |
| Mid North     | 7                | 8                 | n/a  | 15    |

| Wave/Region   | Digital Services | Enhanced Services | Transfer from DS to ES<br>October/November 2020 | Total |
|---------------|------------------|-------------------|---|-------|
| Adelaide      | 3                | 12                | n/a   | 15    |
| Wave 1 total  | 10               | 20                | n/a   | 30    |
| <b>Wave 2</b> |                  |                   |   |       |
| Mid North     | 7                | 9                 | n/a   | 16    |
| Adelaide      | 3                | 11                | n/a   | 14    |
| Wave 2 total  | 10               | 20                | n/a   | 30    |
| <b>Wave 3</b> |                  |                   |   |       |
| Mid North     | 19               | 2                 | n/a   | 21    |
| Adelaide      | 2                | 8                 | n/a   | 10    |
| Wave 3 total  | 21               | 10                | n/a   | 31    |
| <b>Wave 4</b> |                  |                   |   |       |
| Mid North     | 4                | 3                 | 8   | 15    |
| Adelaide      | 4                | 11                | 0   | 15    |
| Wave 4 total  | 8                | 14                | 8   | 30    |
| <b>Wave 5</b> |                  |                   |   |       |
| Mid North     | 6                | 9                 | n/a   | 15    |
| Adelaide      | 5                | 10                | n/a   | 15    |
| Wave 5 total  | 11               | 19                | n/a   | 30    |

### Fieldwork with NEST providers and stakeholders

Qualitative research has been conducted on 4 occasions with providers in the NEST regions. Providers from each of the sites in the NEST locations were approached to participate in observational interviews by departmental research officers (interviewers). Semi-structured interviews were designed for each of the tranches. Details of each tranche are outlined below.

Interviews were recorded and, together with observational notes, coded and analysed using NVivo to identify themes arising from individuals and organisation responses. Survey data was collected using Qualtrics.

#### Tranche 1 (9–18 December 2019)

Interviewers visited 5 provider sites in the Mid North Coast and 5 in Adelaide South across a total of 5 different agencies. Face-to-face interviews were conducted with site and regional managers, employment consultants, Work for the Dole (WfD) coordinators, employer liaison officers and trainers. This provided insight into the processes, practices and interactions staff have with NEST participants as well as the interactions staff have with the Employment Services System (ESSWeb)

requirements. The Mid North Coast had experienced bushfires prior to the site visit. This had impacted servicing arrangements and experiences for participants transitioning to the NEST.

#### **Tranche 2 (2–6 March 2020)**

Interviewers visited 7 providers across 15 sites (6 provider sites in Mid North Coast and 8 in Adelaide South). One interview was conducted by telephone 2 weeks after the site visits were completed. The site visits were conducted with site and regional managers, employment consultants, WfD coordinators, employer liaison officers and trainers.

#### **Tranche 3 (12 November – mid-December 2020)**

Tranche 3 fieldwork was originally scheduled for June 2020 but delayed due to the COVID-19 pandemic. Consequently, interviews were conducted via Skype and Zoom with departmental staff and NEST site and regional managers.

#### **Tranche 4 (10–21 May 2021)**

Interviewers visited 25 provider sites in total, including 13 in Mid North Coast and 12 in Adelaide South. All NEST providers participated in the fieldwork. Face-to-face interviews and observations were undertaken at each of the provider sites, with visits lasting an average of 2.5 hours. To understand the employment conditions at the time, 12 employers were also interviewed either face to face or by telephone (2 in Mid North Coast and 10 in Adelaide South). Employers were recruited based on previous service with NEST sites, being a small or medium sized business. Interviews were also undertaken with local councils in the NEST regions – 4 in total, with 2 in Mid North Coast and 2 in Adelaide South. Additionally, 8 host organisations that had previously run WfD activities in NEST regions were interviewed, 4 in Mid North Coast and 4 in Adelaide South.

**Table C.3 Summary of tranche research with providers and other stakeholders**

| Tranche | Fieldwork date                | Data collection  | Adelaide South | Mid North Coast |
|---------|-------------------------------|--|----------------|-----------------|
| 1       | 9–18 December 2019            | Site visits of 1.5 to 4 hours duration, face-to-face interviews and observations   | 10             | 10              |
| 2       | 2–6 March 2020                | Site visits with face-to-face interviews and observations  | 8              | 7               |
| 3       | 12 November – 4 December 2021 | Phone semi-structured interviews   | 6              | 3               |
| 4       | 10–21 May 2021                | Site visits between 2 and 4 hours. Face-to-face interviews and observations. Telephone and face-to-face interviews with employers, local councils and WfD hosts. | 28             | 21              |

Note: Analysis and reporting on the Tranche 2 fieldwork was delayed due to the COVID-19 pandemic.

#### **Training organisations**

Training organisation research was conducted between February and March 2021. This additional research was undertaken to capture the views and experience of training organisations operating in the 2 NEST regions and contracted by the department to deliver at least one of the employability

training courses (Employability Skills Training (EST), Career Transition Assistance (CTA) or Employment Preparation Activity (EPA)). An invitation was sent to the CEOs of 20 training organisations. Ten training organisations were interviewed via Skype or Zoom between February and March 2021. The interviews were recorded (with consent), transcribed, coded and analysed using NVivo. Those who had not responded to the original email or were unavailable for interviews were sent an email with a link to complete an online questionnaire in July 2021. Three organisations responded by completing the survey.

### Participant Experiences of Employment Services study

The PEES study was undertaken by Wallis Consulting on behalf of the department and involved both quantitative and qualitative data collection methods. The quantitative approach used a telephone and online survey while the qualitative approach used telephone, online and face-to-face focus groups and interviews. Fieldwork was undertaken during April and May 2021.

### PEES Survey

The quantitative survey was in the field from 1 April to 10 May 2021. The sample population for the survey was drawn from participants in the OES, DS and ES, jobactive, jobactive comparison regions (original), OES comparison regions (original), and Volunteer Online Employment Services Trial (VOEST). A stratified sampling approach was adopted, with minimum quotas set for each of these population segments (Table C.4).

**Table C.4 Stratified sampling table with minimum requirements and the final populations interviewed (number)**

| Program                     | Quota        | Sample        | Completes    | Sample yield |
|-----------------------------|--------------|---------------|--------------|--------------|
| OES                         | 800          | 6,443         | 966          | 15%          |
| NEST DS                     | 1,200        | 6,500         | 1,068        | 16%          |
| NEST ES                     | 1,200        | 7,000         | 1,060        | 15%          |
| jobactive                   | 800          | 6444          | 1,042        | 16%          |
| jobactive comparison region | 350          | 2,816         | 471          | 17%          |
| OES comparison region       | 350          | 2,823         | 379          | 13%          |
| VOEST                       | 300          | 1,700         | 302          | 18%          |
| <b>Total</b>                | <b>5,000</b> | <b>33,726</b> | <b>5,288</b> | <b>16%</b>   |

The department and Wallis collaborated to develop the questionnaire. Cognitive testing was conducted in 2 rounds to refine the questionnaire (n=5). The first round was held on 9–10 March 2021 and the second round on 15–16 March 2021. The pilot test was undertaken from 23 March to 26 March 2021 to ensure that the survey instrument and approach procedures were sound. A total of 125 completed responses were received following distribution of a primary approach email (23 March 2021), reminder SMS (24 March 2021) and telephone follow-up (25–26 March 2021) to a sample of 689 participants. The main survey was launched on 1 April 2021 with a primary approach email distributed to 33,726 respondents. The first reminder SMS was sent on 14 April 2021. The first reminder email was sent on 15 April 2021 and the second reminder SMS on 19 April 2021. The

computer assisted telephone interview (CATI) survey commenced on 8 April 2021. A total of 5,288 people completed the survey (2,147 by telephone and 3,141 online).

### PEES Qualitative research

Participants who completed the survey were asked if they would like to participate in further, more in-depth research. Those who said yes became part of the qualitative sample. Five segments were constructed (**Error! Reference source not found.**), based on the type of information required (**Error! Reference source not found.**). Participants in the sample were invited to participate in focus groups or interviews, if they met the criteria, and a further sample was provided by the department where needed. Participants were initially notified by email and then contacted again prior to the focus group and in-depth interviews. Incentives of eGift cards and cash were provided to the participants in the focus groups. The qualitative component was undertaken over a 2-month period in April and May 2021.

**Table C.5 Number of focus groups and in-depth interviews conducted with segment (number of focus groups and interviews)**

| Segment      | Description  | Groups    | Depths    |
|--------------|--|-----------|-----------|
| 1            | People in jobactive or OES, metro and regional groups split by age     | 6         | -         |
| 2            | Transfer group, metro and regional split by age, poor IT access        | 2         | 5         |
| 2a           | OES and NEST Digital Services, aged 30–45, regional, poor IT access    | -         | 5         |
| 3            | NEST Digital Services, metro and regional split by age, good IT access | 6         | -         |
| 4            | NEST Enhanced Services, mixed age and length of unemployment           | -         | 15        |
| 5            | Long-term unemployed, experienced both jobactive and NEST              | -         | 9         |
| <b>Total</b> |  | <b>14</b> | <b>34</b> |

**Table C.6 Overview of discussion guide themes for each segment**

| Discussion topics  | Segment 1                | Segment 2                | Segment 2a               | Segment 3                | Segment 4                | Segment 5                |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Participants' background and job search situation              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Awareness and understanding of employment services             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                          |                          |                          |
| Experience of working with providers in NEST Enhanced Services |                          |                          |                          |                          | <input type="checkbox"/> |                          |
| Experiences of meeting MORs                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                          | <input type="checkbox"/> |                          |
| Opinions on the Points Based Activation System (PBAS)          |                          |                          |                          | <input type="checkbox"/> | <input type="checkbox"/> |                          |
| Barriers to finding suitable and sustainable employment        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                          |                          |                          |



| Discussion topics  | Segment 1                | Segment 2                | Segment 2a               | Segment 3                | Segment 4 | Segment 5                |
|--|--------------------------|--------------------------|--------------------------|--------------------------|-----------|--------------------------|
| Ways of looking for employment (online and offline searching)  | <input type="checkbox"/> |                          |                          | <input type="checkbox"/> |           |                          |
| Using the jobactive/jobsearch website  |                          |                          |                          | <input type="checkbox"/> |           |                          |
| Support avenues accessed   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                          |           |                          |
| Impact of COVID-19 on job search   |                          |                          |                          | <input type="checkbox"/> |           |                          |
| Communications from employment services  |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |           |                          |
| Experience of transfer from online to provider services and comparison of providers versus online services |                          | <input type="checkbox"/> |                          |                          |           |                          |
| Experiences with online servicing – managing IT access issues  |                          | <input type="checkbox"/> | <input type="checkbox"/> |                          |           |                          |
| Comparison of experiences of jobactive and NEST Enhanced   |                          |                          |                          |                          |           | <input type="checkbox"/> |

#### 4 Month Activity Survey

This online survey involved participants located in the NEST regions who commenced either the CTA, EPA or EST Block 1 and/or Block 2. Five groups of participants were identified through departmental data and each participant was emailed an invitation with a link to complete the survey. A total of 551 invitations were sent for the 5 tranches (**Error! Reference source not found.**).

**Table C.7 Summary of sample of participants who were emailed the survey link by the type of activity and NEST region (number)**

| Tranche | Email/Reminder dates    | CTA | EPA | EST1 | EST2 | Adelaide South | Mid North Coast | Total |
|---------|-------------------------|-----|-----|------|------|----------------|-----------------|-------|
| 1       | 19 March / 6 April 2021 | 20  | 49  | 10   | 0    | 56             | 23              | 79    |
| 2       | 7 April / 14 April 2021 | 0   | 212 | 0    | 0    | 154            | 58              | 212   |
| 3       | 5 May / 11 May 2021     | 8   | 160 | 4    | 4    | 113            | 63              | 175   |
| 4       | 2 June / 20 July 2021   | 7   | 26  | 0    | 0    | 24             | 9               | 33    |

| Tranche      | Email/Reminder dates  | CTA       | EPA        | EST1      | EST2     | Adelaide South | Mid North Coast | Total      |
|--------------|-----------------------|-----------|------------|-----------|----------|----------------|-----------------|------------|
| 5            | 7 July / 20 July 2021 | 5         | 43         | 3         | 0        | 46             | 5               | 51         |
| <b>Total</b> |                       | <b>40</b> | <b>490</b> | <b>17</b> | <b>4</b> | <b>393</b>     | <b>158</b>      | <b>551</b> |

Source: Departmental administrative data

Note: A small number of email addresses bounced, or participants advised that they had not commenced the training or had already completed a questionnaire.

As at 9 August 2021, a total of 85 completed the surveys, including 2 partial completions. Table C.8 shows the breakdown by tranche and program.

**Table C.8 Summary of sample of participants who completed the survey by the type of activity and NEST region (number)**

| Tranche      | CTA       | EPA       | EST1     | EST2     | Adelaide South | Mid North Coast | Total     |
|--------------|-----------|-----------|----------|----------|----------------|-----------------|-----------|
| <b>1</b>     | 8         | 6         | 2        | -        | 10             | 6               | 16        |
| <b>2</b>     | -         | 27        | -        | -        | 24             | 3               | 27        |
| <b>3</b>     | 3         | 17        | -        | 3        | 17             | 6               | 23        |
| <b>4</b>     | 4         | 4         | -        | -        | 6              | 2               | 8         |
| <b>5</b>     | 2         | 9         | -        | -        | 10             | 1               | 11        |
| <b>Total</b> | <b>17</b> | <b>63</b> | <b>2</b> | <b>3</b> | <b>67</b>      | <b>18</b>       | <b>85</b> |

Source: 4 Month Activity Survey.

### NEST and jobactive Provider Survey, 2021

The 2021 survey was sent to full-time jobactive and NEST employment service providers at site level during the month of August 2021. The survey was run on the Qualtrics platform as used by the department for the purposes of distributing surveys and collecting responses.

A link to the questionnaire was emailed to 1,002 full-time sites in late July 2021. The email invitation was sent to site contacts, with the intention that the site manager or other identified contact person would complete the questionnaire. Site contacts had been identified by the provider organisation using the data maintained by the department. Reminder emails were sent on the following dates to those sites that had not yet started or completed the survey.

Where there was no response to the survey invitation, the department contacted account managers to ensure that the email addresses were correct to reach site or business managers. Where needed, contact was made directly with the organisation via email or phone.

Once survey response data was collected, a preliminary report was recorded using the Qualtrics reporting feature. Additionally the data was downloaded to Excel for cleaning and for analysis, and stored within departmental folders.

### Administrative data

The department's administrative data contains caseload information (e.g. participant demographics, referrals, commencements) and payment transactions (e.g. claims for service and outcome fees, wage subsidies and reimbursements and EF expenditure), along with Job Seeker Classification Instrument (JSCI) and Employment Services Assessment (ESAt) assessments, types of assistance received, job placements and paid outcomes.

The Research and Evaluation Database (RED), constructed from Services Australia administrative data and maintained by the department, covers unit record data on income support payments and periods of income support assistance (excluding Department of Veterans' Affairs pensions).

## Appendix D. Detailed statistical tables

### D.1 Participant Experiences of Employment Services Survey

**Table D.2 Home internet access and reported reliability**

| Demographic characteristics                  | Home internet availability (%) | Home internet reliability rated (/10) | Sample (n) |
|--|--------------------------------|---------------------------------------|------------|
| All respondents                              | 96.6                           | 7.8                                   | 5,004      |
| Digital Services                             | 98.2                           | 7.9                                   | 1,068      |
| Enhanced Services                            | 95.3                           | 7.5                                   | 1,060      |
| <b>Age group</b>                             |                                |                                       |            |
| Less than 25 years                           | 97.9                           | 7.7                                   | 1,132      |
| 25 to 44 years                               | 97.3                           | 7.9                                   | 2,164      |
| 45 years and older                           | 94.5                           | 7.8                                   | 1,992      |
| <b>Highest education level</b>               |                                |                                       |            |
| Less than Year 10                            | 90.2                           | 7.9                                   | 141        |
| Year 10 or 11                                | 96.2                           | 7.7                                   | 776        |
| Year 12                                      | 97.2                           | 7.8                                   | 1,082      |
| TAFE   | 96.3                           | 7.8                                   | 1,648      |
| University                                   | 98.9                           | 8.1                                   | 1,539      |
| <b>Length of time in employment services</b> |                                |                                       |            |
| Less than one year                           | 97.8                           | 7.9                                   | 3,520      |
| One to 2 years                               | 95.8                           | 7.8                                   | 647        |
| Longer than 2 years                          | 94.1                           | 7.8                                   | 965        |
| <b>Gender</b>                                |                                |                                       |            |
| Female                                       | 97.4                           | 7.8                                   | 2,456      |
| Male   | 95.9                           | 7.9                                   | 2,832      |
| <b>Remoteness</b>                            |                                |                                       |            |
| Outer regional areas                         | 98.0                           | 7.4                                   | 370        |
| Inner regional areas                         | 96.2                           | 7.6                                   | 1,252      |
| Main capital cities                          | 96.5                           | 7.9                                   | 3,331      |
| <b>Other demographic characteristics</b>     |                                |                                       |            |
| Indigenous                                   | 91.1                           | 8.1                                   | 193        |
| Culturally and linguistically diverse        | 97.0                           | 7.9                                   | 1111       |
| People with disability                       | 96.1                           | 7.7                                   | 696        |
| Low English proficiency                      | 96.8                           | 7.5                                   | 194        |
| Principal carer parents                      | 97.3                           | 7.7                                   | 447        |
| Homeless                                     | 91.8                           | 7.4                                   | 550        |

Source: Participant Experiences of Employment Service Survey, 2021.

Notes: 1. Proportions in table use weighted survey data.

2. Data is for all participants (jobactive, NEST and OES) excluding volunteers.

3. n values are raw sample numbers.

**Table D.3 Frequency of use of computers/laptops to go online (%)**

| Demographic characteristics                  | Frequently | Rarely | Never | Sample (n) |
|--|------------|--------|-------|------------|
| All respondents                              | 74.5       | 14.8   | 10.0  | 4,986      |
| Digital Services                             | 84.7       | 9.8    | 5.0   | 1,068      |
| Enhanced Services                            | 70.5       | 16.7   | 12.0  | 1,060      |
| <b>Age group</b>                             |            |        |       |            |
| Less than 25 years                           | 73.0       | 18.1   | 8.1   | 1,108      |
| 25 to 44 years                               | 76.6       | 14.3   | 8.6   | 2,033      |
| 45 years and older                           | 72.1       | 13.5   | 13.6  | 1,845      |
| <b>Highest education level</b>               |            |        |       |            |
| Less than Year 10                            | 42.3       | 25.0   | 32.7  | 133        |
| Year 10 or 11                                | 59.0       | 21.7   | 17.6  | 752        |
| Year 12                                      | 80.0       | 14.1   | 5.4   | 1,053      |
| TAFE   | 78.7       | 13.5   | 7.6   | 1,586      |
| University                                   | 93.3       | 4.9    | 1.7   | 1,442      |
| <b>Length of time in employment services</b> |            |        |       |            |
| Less than one year                           | 79.9       | 12.6   | 7.0   | 3,243      |
| One to 2 years                               | 72.1       | 15.5   | 11.3  | 639        |
| Longer than 2 years                          | 63.2       | 20.2   | 16.1  | 961        |
| <b>Gender</b>                                |            |        |       |            |
| Female                                       | 74.3       | 16.4   | 9.0   | 2,301      |
| Male   | 74.8       | 13.6   | 10.8  | 2,685      |
| <b>Remoteness</b>                            |            |        |       |            |
| Outer regional areas                         | 64.3       | 16.2   | 19.5  | 370        |
| Inner regional areas                         | 67.7       | 17.3   | 14.3  | 1,252      |
| Main capital cities                          | 78.2       | 13.9   | 7.2   | 3,331      |
| <b>Other demographic characteristics</b>     |            |        |       |            |
| Indigenous                                   | 50.3       | 18.3   | 30.9  | 185        |
| Culturally and linguistically diverse        | 80.9       | 11.9   | 6.6   | 997        |
| People with disability                       | 69.0       | 18.1   | 12.8  | 665        |
| Low English proficiency                      | 48.2       | 20.0   | 31.8  | 174        |
| Principal carer parents                      | 75.6       | 13.2   | 11.2  | 412        |
| Homeless                                     | 55.0       | 23.5   | 19.5  | 550        |

Source: Participant Experiences of Employment Service Survey, 2021.

- Notes:
1. Proportions in table use weighted survey data.
  2. Data is for all participants (jobactive, NEST and OES) excluding volunteers.
  3. n values are raw sample numbers.

**Table D.4 Whether the registration process was straightforward and easy to follow**

| Demographic characteristics                  | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Net agreement |
|--|-------------------|----------|---------|-------|----------------|---------------|
| All respondents                              | 4.7               | 8.2      | 12.6    | 53.4  | 17.6           | 58.1          |
| Digital Services (not asked)                 | -                 | -        | -       | -     | -              | -             |
| Enhanced Services                            | 3.7               | 13.6     | 13.7    | 51.3  | 11.7           | 45.7          |
| <b>Age group</b>                             |                   |          |         |       |                |               |
| Less than 25 years                           | 3.5               | 8.5      | 12.9    | 53.9  | 17.2           | 59.1          |
| 25 to 44 years                               | 5.1               | 7.0      | 12.5    | 53.5  | 20.1           | 61.5          |
| 45 years and older                           | 5.8               | 10.8     | 12.3    | 52.2  | 11.8           | 47.4          |
| <b>Highest education level</b>               |                   |          |         |       |                |               |
| Less than Year 10                            | 18.7              | 19.8     | 3.9     | 56.3  | 1.4            | 19.2          |
| Year 10 or 11                                | 10.5              | 14.2     | 8.9     | 41.3  | 18.7           | 35.3          |
| Year 12                                      | 2.3               | 5.5      | 13.3    | 54.0  | 18.0           | 64.2          |
| TAFE   | 4.9               | 9.1      | 13.0    | 51.7  | 18.0           | 55.7          |
| University                                   | 3.4               | 6.4      | 13.8    | 59.5  | 15.7           | 65.4          |
| <b>Length of time in employment services</b> |                   |          |         |       |                |               |
| Less than one year                           | 4.9               | 8.0      | 12.8    | 53.3  | 17.4           | 57.8          |
| One to 2 years                               | 0.0               | 7.0      | 2.2     | 84.7  | 6.0            | 83.7          |
| Longer than 2 years                          | 0.0               | 2.8      | 4.4     | 50.3  | 42.5           | 90.0          |
| <b>Gender</b>                                |                   |          |         |       |                |               |
| Female                                       | 3.5               | 8.1      | 15.0    | 52.4  | 16.2           | 57            |
| Male   | 5.5               | 8.2      | 11.1    | 54.0  | 18.6           | 58.9          |
| <b>Remoteness</b>                            |                   |          |         |       |                |               |
| Outer regional areas                         | 16.5              | 5.2      | 8.0     | 49.7  | 19.2           | 47.2          |
| Inner regional areas                         | 4.1               | 7.7      | 19.2    | 51.7  | 14.2           | 54.1          |
| Main capital cities                          | 4.6               | 8.2      | 11.5    | 54.0  | 18.4           | 59.6          |
| <b>Other demographic characteristics</b>     |                   |          |         |       |                |               |
| Indigenous                                   | 16.2              | 23.0     | 9.7     | 34.6  | 16.4           | 11.8          |
| Culturally and linguistically diverse        | 2.2               | 3.7      | 11.3    | 62.0  | 18.8           | 74.9          |
| People with disability                       | 3.3               | 27.3     | 6.9     | 39.0  | 19.2           | 27.6          |
| Low English proficiency                      | 17.4              | 6.9      | 10.5    | 48.9  | 13.5           | 38.1          |
| Principal carer parents                      | 1.6               | 0.0      | 26.1    | 53.1  | 14.1           | 65.6          |
| Homeless                                     | 7.4               | 9.1      | 4.3     | 59.7  | 19.5           | 62.7          |

Source: PEES Survey, 2021.

Notes: Q To what extent do you agree or disagree with the statement 'The registration process was straightforward and easy to follow'?

'Don't know' responses are removed from the table.

Net agreement is calculated by subtracting the percentages who disagree or strongly disagree from those who agree or strongly agree.

**Table D.5 Understanding of the need to disclose personal information (%)**

| Demographic characteristics                  | Strongly disagree | Disagree   | Neutral     | Agree       | Strongly agree | Net agreement |
|--|-------------------|------------|-------------|-------------|----------------|---------------|
| <b>All respondents</b>                       | <b>1.2</b>        | <b>3.5</b> | <b>10.4</b> | <b>60.1</b> | <b>21.7</b>    | <b>77.1</b>   |
| Digital Services (not asked)                 | -                 | -          | -           | -           | -              | -             |
| Enhanced Services                            | 1.0               | 6.9        | 11.5        | 57.8        | 16.7           | 66.6          |
| <b>Age group</b>                             |                   |            |             |             |                |               |
| Less than 25 years                           | 0.0               | 4.1        | 8.9         | 59.0        | 25.8           | 80.7          |
| 25 to 44 years                               | 2.0               | 3.4        | 10.7        | 59.1        | 22.4           | 76.1          |
| 45 years and older                           | 1.2               | 2.6        | 12.2        | 64.4        | 12.8           | 73.4          |
| <b>Highest education level</b>               |                   |            |             |             |                |               |
| Less than Year 10                            | 17.3              | 2.5        | 18.7        | 54.4        | 7.2            | 41.8          |
| Year 10 or 11                                | 0.0               | 5.0        | 9.9         | 56.8        | 20.2           | 72.0          |
| Year 12                                      | 0.7               | 2.2        | 10.2        | 57.8        | 26.1           | 81.0          |
| TAFE   | 1.6               | 2.8        | 10.7        | 63.2        | 19.3           | 78.1          |
| University                                   | 1.3               | 4.7        | 10.3        | 61.1        | 21.1           | 76.2          |
| <b>Length of time in employment services</b> |                   |            |             |             |                |               |
| Less than one year                           | 1.3               | 3.6        | 10.4        | 59.8        | 21.2           | 76.1          |
| One to 2 years                               | 0.0               | 0.0        | 11.1        | 54.7        | 34.3           | 89.0          |
| Longer than 2 years                          | 0.0               | 4.4        | 0.0         | 87.4        | 8.2            | 91.2          |
| <b>Gender</b>                                |                   |            |             |             |                |               |
| Female                                       | 0.8               | 4.5        | 10.1        | 62.1        | 18.7           | 75.5          |
| Male   | 1.5               | 4.5        | 10.1        | 62.1        | 18.7           | 74.8          |
| <b>Remoteness</b>                            |                   |            |             |             |                |               |
| Outer regional areas                         | 3.5               | 2.1        | 2.8         | 62.5        | 19.9           | 76.8          |
| Inner regional areas                         | 0.1               | 5.4        | 11.7        | 54.2        | 25.8           | 74.5          |
| Main capital cities                          | 1.3               | 3.1        | 11.2        | 60.6        | 21.2           | 77.4          |
| <b>Other demographic characteristics</b>     |                   |            |             |             |                |               |
| Indigenous                                   | 0.0               | 17.0       | 15.2        | 62.4        | 4.1            | 49.5          |
| Culturally and linguistically diverse        | 1.8               | 1.3        | 11.8        | 67.0        | 16.4           | 80.3          |
| People with disability                       | 0.3               | 6.5        | 21.3        | 52.0        | 13.1           | 58.3          |
| Low English proficiency                      | 5.9               | 4.6        | 14.0        | 65.2        | 9.2            | 63.9          |
| Principal carer parents                      | 0.0               | 1.6        | 11.0        | 61.2        | 14.7           | 74.3          |

| Demographic characteristics | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Net agreement |
|-----------------------------|-------------------|----------|---------|-------|----------------|---------------|
| Homeless                    | 0.1               | 2.5      | 12.2    | 58.8  | 22.6           | 78.8          |

Source: PEES Survey, 2021.

Notes: Q To what extent do you agree or disagree with the statement 'You understood the reason you were asked to disclose personal information'?

'Don't know' responses are removed from the table.

Net agreement is calculated by subtracting the percentages who disagree or strongly disagree from those who agree or strongly agree.

**Table D.6 Frequency of use of any device (computer, tablet or smartphone) to go online (%)**

| Demographic characteristics                  | Frequently % | Infrequently % | Never %    | Sample n     |
|--|--------------|----------------|------------|--------------|
| <b>All respondents</b>                       | <b>96.6</b>  | <b>1.6</b>     | <b>1.8</b> | <b>4,986</b> |
| Digital Services                             | 98.7         | 0.9            | 0.3        | 1,068        |
| Enhanced Services                            | 94.3         | 3.1            | 2.5        | 1,042        |
| <b>Age group</b>                             |              |                |            |              |
| Less than 25 years                           | 97.4         | 1.4            | 1.0        | 1,108        |
| 25 to 44 years                               | 97.8         | 1.2            | 1.1        | 2,033        |
| 45 years and older                           | 94.1         | 2.3            | 3.5        | 1,845        |
| <b>Highest education level</b>               |              |                |            |              |
| Less than Year 10                            | 83.0         | 5.0            | 12.0       | 133          |
| Year 10 or 11                                | 94.4         | 2.6            | 2.9        | 752          |
| Year 12                                      | 98.2         | 1.0            | 0.7        | 1,053        |
| TAFE   | 98.1         | 1.1            | 0.8        | 1,586        |
| University                                   | 99.4         | 0.5            | 0.2        | 1,442        |
| <b>Length of time in employment services</b> |              |                |            |              |
| Less than one year                           | 97.1         | 1.3            | 1.5        | 3,243        |
| One to 2 years                               | 94.7         | 3.8            | 1.5        | 639          |
| Longer than 2 years                          | 96.3         | 0.9            | 2.8        | 961          |
| <b>Gender</b>                                |              |                |            |              |
| Female                                       | 97.1         | 1.5            | 1.4        | 2,685        |
| Male   | 96.2         | 1.7            | 2.1        | 2,301        |
| <b>Remoteness</b>                            |              |                |            |              |
| Outer regional areas                         | 93.1         | 1.7            | 5.1        | 370          |
| Inner regional areas                         | 97.1         | 1.8            | 1.1        | 1,252        |
| Main capital cities                          | 97.1         | 1.4            | 1.4        | 3,331        |



| Demographic characteristics              | Frequently % | Infrequently % | Never % | Sample n |
|--|--------------|----------------|---------|----------|
| <b>Other demographic characteristics</b> |              |                |         |          |
| Indigenous                               | 90.0         | 3.7            | 6.3     | 185      |
| Culturally and linguistically diverse    | 96.7         | 1.5            | 1.8     | 997      |
| People with disability                   | 97.7         | 1.0            | 1.3     | 665      |
| Low English proficiency                  | 87.1         | 3.4            | 9.6     | 174      |
| Principal carer parents                  | 97.0         | 1.2            | 1.8     | 412      |
| Homeless                                 | 94.1         | 2.8            | 3.0     | 550      |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.

n values are raw sample numbers.

**Table D.7 Home internet access and reported reliability**

| Demographic characteristics                  | Home internet availability % | Home internet reliability rated (/10) | Sample n     |
|--|------------------------------|---------------------------------------|--------------|
| <b>All respondents</b>                       | <b>96.6</b>                  | <b>7.8</b>                            | <b>5,004</b> |
| Digital Services                             | 98.2                         | 7.9                                   | 1,068        |
| Enhanced Services                            | 95.3                         | 7.5                                   | 1,060        |
| <b>Age group</b>                             |                              |                                       |              |
| Less than 25 years                           | 97.9                         | 7.7                                   | 1,132        |
| 25 to 44 years                               | 97.3                         | 7.9                                   | 2,164        |
| 45 years and older                           | 94.5                         | 7.8                                   | 1,992        |
| <b>Highest education level</b>               |                              |                                       |              |
| Less than Year 10                            | 90.2                         | 7.9                                   | 141          |
| Year 10 or 11                                | 96.2                         | 7.7                                   | 776          |
| Year 12                                      | 97.2                         | 7.8                                   | 1,082        |
| TAFE   | 96.3                         | 7.8                                   | 1,648        |
| University                                   | 98.9                         | 8.1                                   | 1,539        |
| <b>Length of time in employment services</b> |                              |                                       |              |
| Less than one year                           | 97.8                         | 7.9                                   | 3,520        |
| One to 2 years                               | 95.8                         | 7.8                                   | 647          |
| Longer than 2 years                          | 94.1                         | 7.8                                   | 965          |
| <b>Gender</b>                                |                              |                                       |              |
| Female                                       | 97.4                         | 7.8                                   | 2,456        |
| Male   | 95.9                         | 7.9                                   | 2,832        |

| Demographic characteristics              | Home internet availability % | Home internet reliability rated (/10) | Sample n |
|--|------------------------------|---------------------------------------|----------|
| <b>Remoteness</b>                        |                              |                                       |          |
| Outer regional areas                     | 98.0                         | 7.4                                   | 370      |
| Inner regional areas                     | 96.2                         | 7.6                                   | 1,252    |
| Main capital cities                      | 96.5                         | 7.9                                   | 3,331    |
| <b>Other demographic characteristics</b> |                              |                                       |          |
| Indigenous                               | 91.1                         | 8.1                                   | 193      |
| Culturally and linguistically diverse    | 97.0                         | 7.9                                   | 1,111    |
| People with disability                   | 96.1                         | 7.7                                   | 696      |
| Low English proficiency                  | 96.8                         | 7.5                                   | 194      |
| Principal carer parents                  | 97.3                         | 7.7                                   | 447      |
| Homeless                                 | 91.8                         | 7.4                                   | 550      |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.

n values are raw sample numbers.

**Table D.8 Frequency of use of computers/laptops to go online (%)**

| Demographic characteristics                  | Frequently % | Rarely %    | Never %     | Sample n     |
|--|--------------|-------------|-------------|--------------|
| <b>All respondents</b>                       | <b>74.5</b>  | <b>14.8</b> | <b>10.0</b> | <b>4,986</b> |
| Digital Services                             | 84.7         | 9.8         | 5.0         | 1,068        |
| Enhanced Services                            | 70.5         | 16.7        | 12.0        | 1,060        |
| <b>Age group</b>                             |              |             |             |              |
| Less than 25 years                           | 73.0         | 18.1        | 8.1         | 1,108        |
| 25 to 44 years                               | 76.6         | 14.3        | 8.6         | 2,033        |
| 45 years and older                           | 72.1         | 13.5        | 13.6        | 1,845        |
| <b>Highest education level</b>               |              |             |             |              |
| Less than Year 10                            | 42.3         | 25.0        | 32.7        | 133          |
| Year 10 or 11                                | 59.0         | 21.7        | 17.6        | 752          |
| Year 12                                      | 80.0         | 14.1        | 5.4         | 1,053        |
| TAFE   | 78.7         | 13.5        | 7.6         | 1,586        |
| University                                   | 93.3         | 4.9         | 1.7         | 1,442        |
| <b>Length of time in employment services</b> |              |             |             |              |
| Less than one year                           | 79.9         | 12.6        | 7.0         | 3,243        |

| Demographic characteristics              | Frequently % | Rarely % | Never % | Sample n |
|--|--------------|----------|---------|----------|
| One to 2 years                           | 72.1         | 15.5     | 11.3    | 639      |
| Longer than 2 years                      | 63.2         | 20.2     | 16.1    | 961      |
| <b>Gender</b>                            |              |          |         |          |
| Female                                   | 74.3         | 16.4     | 9.0     | 2,301    |
| Male                                     | 74.8         | 13.6     | 10.8    | 2,685    |
| <b>Remoteness</b>                        |              |          |         |          |
| Outer regional areas                     | 64.3         | 16.2     | 19.5    | 370      |
| Inner regional areas                     | 67.7         | 17.3     | 14.3    | 1,252    |
| Main capital cities                      | 78.2         | 13.9     | 7.2     | 3,331    |
| <b>Other demographic characteristics</b> |              |          |         |          |
| Indigenous                               | 50.3         | 18.3     | 30.9    | 185      |
| Culturally and linguistically diverse    | 80.9         | 11.9     | 6.6     | 997      |
| People with disability                   | 69.0         | 18.1     | 12.8    | 665      |
| Low English proficiency                  | 48.2         | 20.0     | 31.8    | 174      |
| Principal carer parents                  | 75.6         | 13.2     | 11.2    | 412      |
| Homeless                                 | 55.0         | 23.5     | 19.5    | 550      |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.

n values are raw sample numbers.

**Table D.9 Frequency of use of smartphones to go online (%)**

| Demographic characteristics    | Frequently % | Rarely %   | Never %    | Sample n     |
|--------------------------------|--------------|------------|------------|--------------|
| <b>All respondents</b>         | <b>91.8</b>  | <b>3.8</b> | <b>4.1</b> | <b>4,986</b> |
| Digital Services               | 93.9         | 3.1        | 2.5        | 1,068        |
| Enhanced Services              | 87.8         | 6.7        | 5.0        | 1,060        |
| <b>Age group</b>               |              |            |            |              |
| Less than 25 years             | 96.1         | 2.3        | 1.0        | 1,108        |
| 25 to 44 years                 | 93.9         | 3.1        | 2.7        | 2,033        |
| 45 years and older             | 85.3         | 5.9        | 8.4        | 1,845        |
| <b>Highest education level</b> |              |            |            |              |
| Less than Year 10              | 82.1         | 10.2       | 6.9        | 133          |

| Demographic characteristics                  | Frequently % | Rarely % | Never % | Sample n |
|--|--------------|----------|---------|----------|
| Year 10 or 11                                | 86.7         | 5.3      | 7.9     | 752      |
| Year 12                                      | 93.0         | 4.0      | 2.5     | 1,053    |
| TAFE   | 94.2         | 3.0      | 2.5     | 1,586    |
| University                                   | 96.4         | 1.0      | 2.5     | 1,442    |
| <b>Length of time in employment services</b> |              |          |         |          |
| Less than one year                           | 93.1         | 3.0      | 3.6     | 3,243    |
| One to 2 years                               | 91.5         | 6.0      | 2.3     | 639      |
| Longer than 2 years                          | 88.8         | 4.3      | 6.3     | 961      |
| <b>Gender</b>                                |              |          |         |          |
| Female                                       | 92.5         | 3.4      | 3.7     | 2,301    |
| Male   | 91.2         | 4.2      | 4.4     | 2,685    |
| <b>Remoteness</b>                            |              |          |         |          |
| Outer regional areas                         | 88.7         | 6.9      | 3.6     | 370      |
| Inner regional areas                         | 92.0         | 4.0      | 3.7     | 1,252    |
| Main capital cities                          | 92.6         | 3.1      | 4.0     | 3,331    |
| <b>Other demographic characteristics</b>     |              |          |         |          |
| Indigenous                                   | 86.4         | 7.0      | 5.0     | 185      |
| Culturally and linguistically diverse        | 93.4         | 3.6      | 2.8     | 997      |
| People with disability                       | 89.6         | 4.3      | 5.5     | 665      |
| Low English proficiency                      | 82.4         | 10.8     | 6.8     | 174      |
| Principal carer parents                      | 92.3         | 3.3      | 4.2     | 412      |
| Homeless                                     | 90.7         | 4.8      | 4.1     | 550      |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.  
n values are raw sample numbers.

**Table D.10 Frequency of use of tablets to go online (%)**

| Demographic characteristics | Frequently % | Rarely %    | Never %    | Sample n     |
|-----------------------------|--------------|-------------|------------|--------------|
| <b>All respondents</b>      | <b>38.0</b>  | <b>16.6</b> | <b>7.5</b> | <b>4,986</b> |
| Digital Services            | 38.9         | 19.3        | 3.4        | 1,068        |
| Enhanced Services           | 36.4         | 14.5        | 10.2       | 1,060        |

| Demographic characteristics                  | Frequently % | Rarely % | Never % | Sample n |
|--|--------------|----------|---------|----------|
| <b>Age group</b>                             |              |          |         |          |
| Less than 25 years                           | 29.4         | 17.8     | 5.9     | 1,108    |
| 25 to 44 years                               | 37.0         | 17.3     | 6.9     | 2,033    |
| 45 years and older                           | 45.7         | 14.6     | 9.6     | 1,845    |
| <b>Highest education level</b>               |              |          |         |          |
| Less than Year 10                            | 29.3         | 14.7     | 30.8    | 133      |
| Year 10 or 11                                | 37.3         | 11.9     | 12.4    | 752      |
| Year 12                                      | 37.6         | 20.5     | 2.9     | 1,053    |
| TAFE   | 38.2         | 16.8     | 5.8     | 1,586    |
| University                                   | 42.8         | 18.9     | 1.4     | 1,442    |
| <b>Length of time in employment services</b> |              |          |         |          |
| Less than one year                           | 41.1         | 17.6     | 4.7     | 3,243    |
| One to 2 years                               | 33.9         | 14.5     | 9.1     | 639      |
| Longer than 2 years                          | 33.4         | 16.0     | 12.7    | 961      |
| <b>Gender</b>                                |              |          |         |          |
| Female                                       | 43.6         | 18.8     | 5.1     | 2,301    |
| Male   | 33.5         | 14.8     | 9.4     | 2,685    |
| <b>Remoteness</b>                            |              |          |         |          |
| Outer regional areas                         | 31.8         | 15.4     | 17.5    | 370      |
| Inner regional areas                         | 38.6         | 14.3     | 9.7     | 1,252    |
| Main capital cities                          | 38.9         | 17.4     | 5.2     | 3,331    |
| <b>Other demographic characteristics</b>     |              |          |         |          |
| Indigenous                                   | 27.3         | 18.4     | 25.0    | 185      |
| Culturally and linguistically diverse        | 45.4         | 15.7     | 5.3     | 997      |
| People with disability                       | 34.4         | 12.8     | 10.7    | 665      |
| Low English proficiency                      | 28.6         | 13.6     | 29.0    | 174      |
| Principal carer parents                      | 46.3         | 16.7     | 7.7     | 412      |
| Homeless                                     | 34.0         | 16.8     | 15.8    | 550      |

Source: PEES Survey, 2021.

Notes: Proportions in table use weighted survey data.

Data is for all participants (jobactive, NEST and OES) excluding volunteers.

n values are raw sample numbers.

**Table D.11 Ease of the online registration process (%)**

| Demographic characteristics                  | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Net agreement |
|--|-------------------|----------|---------|-------|----------------|---------------|
| All respondents                              | 4.7               | 8.2      | 12.6    | 53.4  | 17.6           | 58.1          |
| Digital Services (not asked)                 | -                 | -        | -       | -     | -              | -             |
| Enhanced Services                            | 3.7               | 13.6     | 13.7    | 51.3  | 11.7           | 45.7          |
| <b>Age group</b>                             |                   |          |         |       |                |               |
| Less than 25 years                           | 3.5               | 8.5      | 12.9    | 53.9  | 17.2           | 59.1          |
| 25 to 44 years                               | 5.1               | 7.0      | 12.5    | 53.5  | 20.1           | 61.5          |
| 45 years and older                           | 5.8               | 10.8     | 12.3    | 52.2  | 11.8           | 47.4          |
| <b>Highest education level</b>               |                   |          |         |       |                |               |
| Less than Year 10                            | 18.7              | 19.8     | 3.9     | 56.3  | 1.4            | 19.2          |
| Year 10 or 11                                | 10.5              | 14.2     | 8.9     | 41.3  | 18.7           | 35.3          |
| Year 12                                      | 2.3               | 5.5      | 13.3    | 54.0  | 18.0           | 64.2          |
| TAFE   | 4.9               | 9.1      | 13.0    | 51.7  | 18.0           | 55.7          |
| University                                   | 3.4               | 6.4      | 13.8    | 59.5  | 15.7           | 65.4          |
| <b>Length of time in employment services</b> |                   |          |         |       |                |               |
| Less than one year                           | 4.9               | 8.0      | 12.8    | 53.3  | 17.4           | 57.8          |
| One to 2 years                               | 0.0               | 7.0      | 2.2     | 84.7  | 6.0            | 83.7          |
| Longer than 2 years                          | 0.0               | 2.8      | 4.4     | 50.3  | 42.5           | 90.0          |
| <b>Gender</b>                                |                   |          |         |       |                |               |
| Female                                       | 3.5               | 8.1      | 15.0    | 52.4  | 16.2           | 57            |
| Male   | 5.5               | 8.2      | 11.1    | 54.0  | 18.6           | 58.9          |
| <b>Remoteness</b>                            |                   |          |         |       |                |               |
| Outer regional areas                         | 16.5              | 5.2      | 8.0     | 49.7  | 19.2           | 47.2          |
| Inner regional areas                         | 4.1               | 7.7      | 19.2    | 51.7  | 14.2           | 54.1          |
| Main capital cities                          | 4.6               | 8.2      | 11.5    | 54.0  | 18.4           | 59.6          |
| <b>Other demographic characteristics</b>     |                   |          |         |       |                |               |
| Indigenous                                   | 16.2              | 23.0     | 9.7     | 34.6  | 16.4           | 11.8          |
| Culturally and linguistically diverse        | 2.2               | 3.7      | 11.3    | 62.0  | 18.8           | 74.9          |
| People with disability                       | 3.3               | 27.3     | 6.9     | 39.0  | 19.2           | 27.6          |

| Demographic characteristics | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Net agreement |
|-----------------------------|-------------------|----------|---------|-------|----------------|---------------|
| Low English proficiency     | 17.4              | 6.9      | 10.5    | 48.9  | 13.5           | 38.1          |
| Principal carer parents     | 1.6               | 0.0      | 26.1    | 53.1  | 14.1           | 65.6          |
| Homeless                    | 7.4               | 9.1      | 4.3     | 59.7  | 19.5           | 62.7          |

Source: PEES Survey, 2021.

Notes: Q To what extent do you agree or disagree with the statement 'The registration process was straightforward and easy to follow'?

'Don't know' responses are removed from the table.

Net agreement is calculated by subtracting the percentages who disagree or strongly disagree from those who agree or strongly agree.

## D.2 Provider Survey, 2021

**Table D.12 All reasons staff were unable to refer to activity (% and ppt)**

| All barriers to activity referral                               | NEST % | jobactive % | Difference ppt |
|---|--------|-------------|----------------|
| Suitable activities were not available in the local area        | 47.6   | 59.6        | 12.0           |
| There were no places available in the activities                | 26.2   | 27.7        | 1.5            |
| Activities were not run frequently enough or at the time needed | 40.5   | 35.5        | -5.0           |
| Participant had transport difficulties                          | 71.4   | 68.1        | -3.3           |
| Participant was unable to attend for personal reasons           | 71.4   | 61.7        | -9.7           |
| Participant was unwilling to attend                             | 81.0   | 73.5        | -7.5           |
| Participant did not have required prerequisites                 | 21.4   | 22.0        | 0.5            |
| Participant did not have required foundation skills             | 16.7   | 34.3        | 17.6           |
| The activity did not meet Employment Fund guidelines            | 9.5    | 12.6        | 3.1            |
| Activity costs too high/no funding assistance                   | 9.5    | 8.6         | -1.0           |
| Other   | 14.3   | 18.3        | -4.1           |
| Don't know  | 2.4    | 1.9         | -0.5           |

Source: Provider Survey, 2021.

Notes: Q13.7 In the last six months have staff at your site been unable to refer participants to activities for any of the following reasons? Select all that apply.  
jobactive sites n=741, NEST sites n=42.



## D.3 4 Month Activity Survey

**Table D.13 Confidence to apply for jobs, by age and course type (%)**

| Confident to apply for job | Yes, a lot | Yes, a little | No, not at all |
|----------------------------|------------|---------------|----------------|
| All                        | 39.7       | 43.6          | 16.7           |
| Course type                |            |               |                |
| EPA                        | 42.1       | 40.4          | 17.5           |
| CTA                        | 37.5       | 56.3          | 6.3            |
| EST                        | 20.0       | 40.0          | 40.0           |
| Age group                  |            |               |                |
| Under 25                   | 50.0       | 31.3          | 18.8           |
| 26–35                      | 17.6       | 47.1          | 35.3           |
| 36–45                      | 54.5       | 36.4          | 9.1            |
| 46–55                      | 29.4       | 58.8          | 11.8           |
| 56 and over                | 52.9       | 41.2          | 5.9            |

Source: 4 Month Activity Survey data.

Notes: Q3.3 Has the training helped you feel more confident to apply for jobs?

EST includes Block 1 and Block 2.

n=78, CTA=16, EPA=57, EST=5.

Under 25 = 16, 26–35 = 17, 36–45 = 11, 46–55 = 17, 56 and over = 17.

**Table D.14 Motivation to apply for jobs, by age and course type (%)**

| Motivation to apply for job | Yes, a lot | Yes, a little | No, not at all |
|-----------------------------|------------|---------------|----------------|
| All participants            | 43.0       | 35.4          | 21.5           |
| Course type                 |            |               |                |
| EPA                         | 41.4       | 36.2          | 22.4           |
| CTA                         | 56.3       | 25.0          | 18.8           |
| EST                         | 20.0       | 60.0          | 20.0           |
| Age group                   |            |               |                |
| Under 25                    | 41.2       | 35.3          | 23.5           |
| 26–35                       | 35.3       | 29.4          | 35.3           |
| 36–45                       | 54.5       | 36.4          | 9.1            |
| 46–55                       | 35.3       | 41.2          | 23.5           |
| 56 and over                 | 52.9       | 35.3          | 11.8           |

Source: 4 Month Activity Survey data.

Notes: Q3.4 Has the training increased your motivation to apply for jobs?

EST includes Block 1 and Block 2.

n=79, CTA=16, EPA=58, EST=5.

Under 25 = 17, 26–35 = 17, 36–45 = 11, 46–55 = 17, 56 and over = 17.

**Table D.15 Training skills for the 4-month activity, by type of training (%)**

| Improvement                                      | EPA  | CTA  | All  |
|--|------|------|------|
| <b>Job application writing<sup>a</sup></b>       |      |      |      |
| Yes, a lot                                       | 40.0 | 50.0 | 41.9 |
| Yes, a little                                    | 33.3 | 42.9 | 35.1 |
| No, not at all                                   | 26.7 | 7.1  | 23.0 |
| <b>Résumé writing<sup>a</sup></b>                |      |      |      |
| Yes, a lot                                       | 38.3 | 50.0 | 40.5 |
| Yes, a little                                    | 33.3 | 42.9 | 35.1 |
| No, not at all                                   | 28.3 | 7.1  | 24.3 |
| <b>Job searching<sup>a</sup></b>                 |      |      |      |
| Yes, a lot                                       | 25.9 | 26.7 | 26.0 |
| Yes, a little                                    | 44.8 | 60.0 | 48.0 |
| No, not at all                                   | 29.3 | 13.3 | 26.0 |
| <b>Updated résumé</b>                            |      |      |      |
| Yes  | 65.0 | 75.0 | 67.1 |
| No   | 33.3 | 18.7 | 30.3 |
| Not yet, but plan to                             | 1.7  | 6.3  | 2.6  |
| <b>Job application quality</b>                   |      |      |      |
| Yes, a lot                                       | 33.3 | 30.8 | 32.9 |
| Yes, a little                                    | 42.1 | 46.1 | 42.9 |
| No, not at all                                   | 24.6 | 23.1 | 24.3 |
| <b>Prepare self for an interview<sup>b</sup></b> |      |      |      |
| Yes, helped a lot                                | 37.3 | 46.1 | 38.9 |
| Yes, helped a little                             | 40.7 | 46.1 | 41.7 |
| No, not helped at all                            | 22.0 | 7.7  | 19.4 |
| <b>Present self for an interview<sup>b</sup></b> |      |      |      |
| Yes, a lot                                       | 25.9 | 53.8 | 31.0 |
| Yes, a little                                    | 51.7 | 38.5 | 49.3 |
| No, not at all                                   | 22.4 | 7.7  | 19.7 |

Source: 4 Month Activity Survey data.

Note: EST is not reported due to low responses. 'All' includes EST responses.

a. Q Has the training improved your skills in ...

Job application writing/résumé writing n=74, CTA=14, EPA=60.

Job searching n=73, CTA=15, EPA=58.

Q Have you updated your résumé as a result of doing the training?  
Updated résumé n=76, CTA=16, EPA=60.

Q Has the quality of your job applications improved since the training?  
Job application quality n=70, CTA=13, EPA=57.

b. Q Has the training helped you with skills to ...  
Prepare for job interview n=72, CTA=13, EPA=59.  
Present for interview n=71, CTA=13, EPA=58.

**Table D.16 Job opportunities in local areas for the 4-month activity, by type of training (%)**

| Gains from employer engagement         | %<br>EPA | %<br>CTA | %<br>EST | %<br>All |
|--|----------|----------|----------|----------|
| <b>Job opportunities in local area</b> |          |          |          |          |
| Yes, a lot                             | 28.3     | 38.5     | n/a      | 30.1     |
| Yes, a little                          | 38.3     | 53.8     | n/a      | 41.1     |
| No, not at all                         | 33.3     | 7.7      | n/a      | 28.8     |
| Understanding employers want           |          |          |          |          |
| Yes, a lot                             | 28.8     | 35.7     | n/a      | 30.1     |
| Yes, a little                          | 49.2     | 50.0     | n/a      | 49.3     |
| No, not at all                         | 22.0     | 14.3     | n/a      | 20.5     |
| Visit employer                         |          |          |          |          |
| Yes                                    | 38.3     | 31.2     | 20.0     | 35.8     |
| No                                     | 56.7     | 50.0     | 60.0     | 55.6     |
| Don't know                             | 5.0      | 18.8     | 20.0     | 8.6      |
| Employer presentation                  |          |          |          |          |
| Yes, a lot                             | 36.7     | 18.7     | 20.0     | 32.1     |
| Yes, a little                          | 56.6     | 62.6     | 60.0     | 58.0     |
| No, not at all                         | 6.7      | 18.7     | 20.0     | 9.9      |
| Ability to apply for jobs              |          |          |          |          |
| Yes, a lot                             | 25.0     | 66.7     | 50.0     | 35.8     |
| Yes, a little                          | 60.7     | 33.3     | 0        | 55.6     |
| No, not at all                         | 14.3     | 0        | 50.0     | 8.6      |

Source: 4 Month Activity Survey data.

Notes: EST includes block 1 and block 2.

Q Has the training increased your understanding of job opportunities in your local area?  
n=73, CTA=13, EPA=60.

Q Has your understanding of what employers are looking for improved as a result of the training?  
n=73, CTA=14, EPA=59.

Q Did you visit an employer site as part of your training?  
n=76, CTA=16, EPA=60, EST=5.

Q Did the training include a presentation (in person or by video/phone) from an employer?  
n=73, CTA=13, EPA=60, EST=5.

Q Has the information from employers site visit or presentation improved your ability to apply for jobs?  
n=34, CTA=6, EPA=28, EST=2.

## D.4 Departmental administrative data

**Table D.17 Claims by claim type – NEST ES and jobactive providers (additional information)**

|                         | NEST<br>Total<br>claims<br>N) | NEST<br>Total<br>claims<br>(\$000s) | NEST<br>Average<br>value per<br>claim<br>(\$) | NEST<br>Average<br>value per<br>participant<br>(\$) | jobactive<br>Total<br>claims<br>(n) | jobactive<br>Total<br>claims<br>(\$000s) | jobactive<br>Average<br>value per<br>claim<br>(\$) | jobactive<br>average<br>value per<br>participant<br>(\$) |
|-------------------------|-------------------------------|-------------------------------------|---|---|-------------------------------------|--|--|--|
| <b>Total</b>            | <b>65,785</b>                 | <b>38,836</b>                       | <b>590</b>                                    | <b>1,423</b>  | <b>127,340</b>                      | <b>64,837</b>                            | <b>509</b>   | <b>1,746</b>   |
| Activity/WfD            | 596                           | 235                                 | 395   | 9   | 3,094                               | 1,117                                    | 361  | 30   |
| Admin and<br>engagement | 9,225                         | 7,653                               | 830   | 280   | 65,558                              | 22,067                                   | 337  | 594  |
| Employment<br>Fund      | 40,916                        | 7,150                               | 175   | 262   | 38,689                              | 6,313                                    | 163  | 170  |
| Outcome                 | 8,710                         | 10,807                              | 1,241   | 396   | 17,547                              | 26,056                                   | 1,485  | 702  |
| Progress                | 3,048                         | 1,626                               | 533   | 60  | n/a                                 | n/a                                      | n/a  | n/a  |
| Relocation              | 142                           | 86                                  | 608   | 3   | 139                                 | 100                                      | 723  | 3  |
| Wage<br>subsidies       | 3,148                         | 11,278                              | 3,583   | 413   | 2,313                               | 9,183                                    | 3,970  | 247  |

Source: departmental administrative data.

## Appendix E. Case studies

Case studies in this report are used to highlight individual experiences and opinions, potential issues or gaps in services, and are valuable in understanding policy in the context of personal experience. These case studies are not designed to be representative of broader user experiences and cannot be extrapolated to the broader population level. Names have been changed.

*Kayla*

*Age 30*

*Enhanced Services (T1)*

*Indigenous*

I have been involved with employment services on and off since my 20s. We have a long and complicated relationship. I thought they were more helpful and supportive when I was younger.

I have been with my current provider for about 3 years. They ring me and schedule appointments during my working hours. Sometimes they send me to activities that are absolutely useless.

It really does depend on the consultant. The consultant I have now is ok, but the previous person, we did not get on well with each other.



I am employed in a couple of schools as an Indigenous support officer. The work is casual or contract, so I still need Centrelink to help me through the non-work periods. I also recently completed a Certificate III in Community Services. I'm hoping this will help me get permanent work in education or community services.

Usually, I work more than one job. Sometimes I work 3 jobs, 7 days a week. Balancing everything can be hard.

Most of the time, Centrelink don't even pay me any income support. But then when I need the back up for a short period, I have to apply for 20 or so jobs even though I am still employed.

Some of the jobs I apply for are not really suitable. The work hours would clash with my current employment. It also seems silly for me to apply for casual retail jobs when I want, and have studied for a career in community services. Other people want retail roles more than me, and I wouldn't leave my current role for these jobs.

I recently applied for a medical exemption. Stressful working conditions, including violence and abuse, triggered my mental health to relapse. I took a few weeks of unpaid stress leave as my supervisor and leadership team did not adequately support me.

My doctor filled in all the forms for Centrelink. But because the doctor said I could work for 8 hours per week, Centrelink rejected my exemption request. Centrelink said that if I could work for 8 hours a week, then I could still look for work.

Centrelink can be so all or nothing. I was trying to maintain my employment and look after my mental health, but Centrelink would not change my mutual obligations. So because I can't do both, I will probably just resign from my job and try to get into a different industry.



Usually I don't find my employment service provider particularly helpful, but they did help me sort out the exemption request with Centrelink. They gave me a different form for my doctor to complete, and my exemption was approved.

Other than that, my provider doesn't proactively help me. I always look for stuff myself, and am a member of an Aboriginal Employment Group on Facebook, and get job notifications from them.

My provider assumes a lot, and does not understand my needs. I want to get help to improve my job applications and résumés so I can apply for government jobs. And I don't mind receiving job notifications, but I want to say no to things without it being held against me.



*Craig*

*Age 49*

*Digital Services*

*Casual/Contract Employment*

*Regional*

I have worked in security and aged care for the last few years. I became unemployed when COVID hit in March 2020. I was overseas at the time, but I think I caught COVID on the plane home. It was really stressful being one of the first people in Australia to get COVID. Everyone was panicking and I thought I was a goner! I had to quarantine, and then lockdowns. I was pretty much stuck inside for 3 months, worried about everything.



It's been almost 6 months now, and my breathing and sense of taste and smell are still shocking. There really hasn't been a lot of support on either the health or employment side of things. Although I no longer have COVID, I don't want to go back to aged care work. I don't want to scare the patients or make them sick. My employer doesn't want me back either.

I was actually on a terrible contract with my employer. I didn't even know I was on a contract, and then I was told it was for 12 hours per week. But the way it all works is the government pays the employer a certain amount to hire you for 15 weeks. But after that, the employer doesn't hire you, they just re-employ others onto the 15-week program. It's great for the employer, but it wasn't good for me.



Registering with Centrelink is so much easier than it was 10 years ago. Sometimes it can be hard to get onto the jobactive site though. One time I got a message to answer some questions about how comfortable I was with computers, and I couldn't get online. Apparently everyone was trying to log into myGov at the same time, so it was overloading. I ended up doing my quiz at 1 am.

I only look at the jobactive once a week or every fortnight. I do update my résumé and career profile every so often, you know, if I am applying for a specific job, or if I am not getting responses to my applications.



I probably do prefer online services to the face-to-face services though. I don't know how I feel about calling a helpline to get employment advice. I might call them if I needed help with the website or something, but I can probably do most things myself.

I don't know who I would call if I needed some help with funding education or training, or like wage subsidies and those sorts of things, I don't know who would organise that now... usually the job provider would have done those things... so I suppose I am a bit in the dark about all that sort of stuff. In my previous experience, the employment providers wouldn't even come near you unless

you were 6 months unemployed. After that 6 months, they throw all sorts of training and subsidies at you, because then they make their money.



I have started working again. At first there weren't any jobs to apply for, and then there were a lot! I got interviews everywhere, and accepted the first job I was offered. Both my security licence and care training really helped me gain employment.



I have emailed and phoned the Digital Services' Contact Centre a couple of times now. They answer quickly, but they really don't offer too much help.

I emailed the contact centre once to ask about getting some money to help me renew my work licences so I could start working. I remember that conversation. The contact centre explained that the online service I was on did not offer financial assistance. I was told to go to a job provider and shop around with those guys to see who will start giving you money straight away for any of the sort of things that you need. But the providers were closed because of COVID-19 lockdowns, and I didn't really want to go to a provider. I've been finding jobs and doing ok by myself. I don't need to be chased or harassed by a provider. I just need a little bit of financial assistance to help me start work.

I asked the lady I spoke to if I could get a transcript of our conversation, but I did not get one.

I next phoned the Digital Services Contact Centre to speak about my Job Plan. Because I was working, I wasn't sure if I still had to do the job searches. I asked if my Job Plan could be updated to say that I was working, and have my job searches reduced.

I... continuously search[ed] through the [jobactive] site, of how to get financial assistance. It almost says that you can, within the self help, but it doesn't lead you to anywhere... It's just ... 'Do you need any financial assistance?' leads you to somewhere where it doesn't actually explain anything really, I suppose... it was a little while ago, and yeah, I haven't looked at it since then, since the conversation of no, you can't get any help, so I was like, oh well...

The contact centre said that they cannot vary Job Plans. They said that as long as I worked 15 hours per week, then I don't need to report my job search. I just need to phone them and let them know I have worked the required hours. Then they will note that I have met my obligations.



It is annoying phoning the contact centre each month, but it is not the biggest problem. The real problem is, what if I don't work 15 hours one week because I'm sick or something? Then I will have to apply for a whole lot of jobs at the last minute just to meet the target. I mean I still look for work all the time, because I would like a higher paying job, but it's the reporting that's a worry.

So, I don't really have a say about the activities and mutual obligations in my Job Plan. They say, 'you have to give us [x] jobs'. You say, 'ok'. You know, I don't want to have my Centrelink cut because I didn't meet the target, and who else can I talk to about these things once the contact centre say no?





*Charlie*

*Age 60+*

*Volunteer – DS to ES*

*Semi-retired*

*Regional*

When I first registered with Centrelink in about 2018 (I think), I did not hear anything back for months. So I phoned Centrelink to see what was happening.

Centrelink asked why I didn't have a Job Plan. I did not have the foggiest idea what they were talking about, so Centrelink told me to speak to an employment services provider, which I did, and they gave me the option of seeing them or being with the digital service.



I chose the digital service because I know how to look for a job. I've been in the workforce a long time, and I know how it all works. I don't need someone looking over my shoulder asking 'what are you doing?'

My Job Plan didn't sound too hard. It just said I had to do volunteer work and accept any consultancy work that came my way. Because I had an ABN, I just had to report my profit and losses to Centrelink every so often. I didn't have to report job searches.

Before I got the ABN though, I had to apply for an unrealistic amount of jobs. It was something like 7 or 10 jobs a fortnight. You just wind up applying for the same jobs over and over again in a small town like this.



Because of my job plan, and having an ABN, I didn't really look at the jobactive website. It is not really geared towards me anyway. It tells you about how to present at an interview and write a cover letter. I already know how to do those things. I've been writing professional correspondence for 40 odd years.



COVID-19 put a stop to both my consultancy and volunteer work. You see, I work in insolvency. So when the government put in place all the emergency rules to stop businesses going bankrupt, well then, I had no work. Most of the people in the company I was consulting for were put on JobKeeper, so all the work goes to them.

My volunteer hours also went down from 20 to 5 hours per week. It was quite boring for a while. Luckily, I was still able to do the training needed for my volunteer work online. My volunteer work is very technical, and well, it saves people's lives and their livelihoods on occasions. So, all the volunteers need to be well trained and prepared.



My Job Plan also changed when COVID hit. I don't know why. No one ever tells you a lot about why things happen...

Now I have to apply for 4 jobs a month, so I just put applications in here and there for financial services jobs. My applications aren't really going anywhere. There isn't a lot of work, and employers probably don't want to hire me because of my age.

You get told to apply for jobs regardless of your age, experience, and ability to do the job. The employment services system really isn't that helpful or appropriate for me. It's mainly a box ticking exercise.

I didn't receive any messages about changes to my mutual obligations or anything. I'd even registered for messages, but I heard nothing. My wife regularly got messages about mutual obligation changes, but not me. Then I got a message to say that my payment was being suspended because I didn't report in time.



Then they cut me off the digital service and sent me to a provider. The provider is ok, I only have digital appointments once a month. They know a lot about what's happening in the area so it can be helpful to talk to them about it all, but it also feels like a waste of time.

It's not like the interactions with the provider are negative, just not necessarily useful. That's why I preferred the digital service, because I don't need assistance.



I will be going on a medical exemption soon because I'm having an operation, but I also asked for an exemption because I am meeting my mutual obligations through my volunteer work. There have been some problems with the latter exemption though. The problems are at the Centrelink end, something to do with the volunteer organisations' registration. The provider is helping me sort that out. But beyond that, there is nothing more that they can help me with.



*Jessica*

*Age under 25*

*Enhanced Services*

*Studying . / working casually*

*Regional*

I studied nursing at university, and recently started full-time work as a registered nurse. Before this, I worked as a nurse assistant and in disability support.

I had enough hours until COVID-19 hit, and then my work all but stopped. My boss tried to put me on JobKeeper, but the organisation was not eligible, so I had to apply for JobSeeker.



I continued to work one shift a week, until one of my colleagues started bullying me. I had 2 choices: quit my job or kiss goodbye to my mental health. So I quit my job because I didn't think that it would be so hard to find another job. But all the nursing jobs said I didn't have enough experience. And all the barista jobs said, 'You've got a bachelors, we don't need you.'

To top it all off, I was living between homes too, so it was a time of real crisis for me. The one good thing I had, that really saved me from spiralling deep was the COVID-19 supplement. It really did make a difference between drowning and swimming.



It can be quite challenging to meet the mutual obligation targets where I live. There are not a lot of suitable jobs available, and often I would apply for jobs just to meet the target. I felt like I was just searching and applying for jobs for the sake of it, instead of that's a good job that I should go for... It didn't feel sincere or truthful to my future or career development really.

It is also hard to attend appointments with my provider because they clash with my working hours. Recently, I phoned my provider 4 times to change an appointment time. Four times! I was so stressed about losing my income support and not being able to pay rent.

I also had to look for work while I was waiting for my job to start. How futile is that? If I got interviews, I just let employers know that I was starting a full-time job in April, but could still work until then. Employers were just like, 'nup'.

The mutual obligation requirements don't really influence my job search efforts (except to apply for jobs that are not suitable or a little bit futile in the circumstances). I understand why it's there, but I would search for jobs anyway, so it is not helpful.



I really like the points based system as it accommodates my work requirements better. My provider told me about it during one of my last appointments. They also showed me a video, which was pretty good and simple.

Job search has its own points value and interview has its own points value and working a shift has its own points per hour and I have a set target to meet and I can bank points in that and if I meet that target then that's my mutual obligations and that replaces the job search. It's a lot easier and more flexible and I can bank points so that if I have a quiet week then I can use those banked points to count towards that target.

I didn't really get a choice about going onto PBAS. My provider just said 'You're doing this now,' and swapped me over.



Probably the only way that the PBAS could be improved is to include volunteer work. I volunteered to fight the fires and clean up after the floods recently, and it was not counted towards my job search at all. I think that volunteer work should be counted because you're helping the community and you're working hard. I worked as hard at the fire brigade as I would at a job. That felt a bit silly to me.

[PBAS is] better if you have some employment and are working towards more regular employment. If you're a contract worker then I imagine it would be easier to accurately report your employment circumstances. For me, because I've done 32 hours this week and will continue to do 32 hours and I'll probably be off the system soon, it feels unnecessary to put a résumé in for a job that I know I'm not going to get because I already have a job. It eases that anxiety that I'm not making it harder on an employer and inundating them with a useless résumé.



*Andrew*

*Age 30-45*

*Online / Digital Services*

*Studying / unemployed*

*Regional*

I have been unemployed for almost a year now. Previously I worked in sales and data analytics, but there are not too many jobs like this where I live.



I have started a trade certificate at TAFE because there is a lot of construction work available. So I am trying to retrain myself. I still apply for jobs in sales and data analytics, but I am looking to diversify my skillset to increase my chances of gaining employment.

It's either retrain, start doing a four-hour round trip to Sydney each day, pack up and move my family to a whole new location, or wait for employers to provide more work from home positions. I have family commitments, so can't do the first two things. There's a lot of talk about COVID-19 and people working from home more, but I can't seem to find positions that are advertising that as an option.



COVID-19 also means that there is increased competition in my field. Some of these people are more experienced than me, and other people are doing the work for less money. I need to work in a job that covers my basic bills, so this makes it hard to be competitive.



Unfortunately, I have never really found employment services, both online and face-to-face, that useful for me.

Neither the website nor the provider services seem to capture more professional type roles, and do not have a deep understanding of professional roles and the skills, knowledge, technical experience, and/or organisations associated with these roles. Therefore, I just use LinkedIn, SEEK, and other job portals.



The mutual obligations could also be a little more flexible. You know, the amount of job applications that someone submits is a little determined by their skills and what they are looking for...how many jobs are available in that area. I don't think 15 jobs a month is a lot for me, but it would be for others.

I think the mutual obligation requirements should also incorporate education and learning goals to help people reskill and improve their employability. I am not sure that these should be compulsory though, I think it just depends on the person.



I've never really thought about the difference between the Department of Education, Skills and Employment and Services Australia... I just assume all the messages I get are from Centrelink. It probably is important to know the difference. Otherwise, you can waste a lot of time going through websites trying to find information.



It is really important to find the information you need quickly on a website. If I do not get the user experience I want, I just stop using the website. Especially when I don't have reliable internet access.

The bandwidth in my area can become congested when a lot of people try to get online all at the same time. We have the NBN, but it is fairly new, and there have been some problems with that. But some parts of this area still only have 3G. That can make it quite difficult to do stuff online.

If I encounter problems, I try to find somewhere else to access the website, like a friend's house or sitting in a café with wi-fi, which can be challenging.

Obviously with other people's houses they've got to make sure that they are there... and I am finding areas where you can actually access wi-fi... there's only a few spots up here... So, there are a few cafés, but as I mentioned earlier, you are kind of sitting there in an area where it is quite busy and if you are trying to get stuff done...



My wishlist for improving the online service... well some of these are bigger than the service, but important to me, nonetheless. I would like more transparency on the recruitment side of things. Like I would like to know the recruiter's assessment matrix, as this influences how much effort I put into applying for a role. I want to know what type of role they consider suitable for candidates such as myself. I would like to know whether I am wasting my time applying. I also want to know salary. Most jobs do not advertise this, but it is critical for me to know as I need to meet my daily living expenses.

Pretty much, I need a job search that allows me to set limits by area, salary, experience, and category to make it easier when I am on, but I don't have to continuously go on, and it is faster and more effective to find suitable roles.

... having a more defined scope around my job area... Being able to define it by salary, by experience, by category. You look at SEEK and SEEK does a very good job of it, you can search basically location, you can search your salary, you can search your classifications and in a way that allows people like myself where I'm not necessarily attached to a trade or to a specific occupation, it just gets me the ability to find those jobs faster and not have to sift through pages and pages and pages of [unsuitable] roles...



*Sam*

*Age 28*

*VLTU*

*Enhanced (T2)*

*Regional*

I haven't been able to find a real job in almost 10 years. It's not like I haven't worked at all or tried to find work. It's just that nothing sticks. I have injuries and stuff from a car accident when I was a kid, so it makes it hard to change things because my back hurts if I stand up for too long. There are not many jobs where I live either and I don't have my own car. I don't know, I just feel really low and depressed all the time.

I have tried heaps of different things. My previous provider, the one before NEST, really helped me too. They helped me do a Cert III in Retail, get better with maths, and reading and writing. I think I am dyslexic. They also helped me see a psychologist. I couldn't have done any of these things by myself. I wouldn't even know where to start.



I really liked my previous provider, but Centrelink transferred me because I was with them for too long. So I have been with my current provider since NEST started. At first, I didn't like them. The lady wasn't nice and made me nervous. She said she had over 200 people to look after, so I was just one person out of 200.



Things have gotten better with my new provider since the lady I was seeing left. It looks like there are more staff now too.

My new consultant told me about NEST, and helped me do a new Job Plan. I told them what I want to do, and we talked about it.



I've changed my mind about retail. I've been thinking about doing a Certificate III in Disability. My friend's mum runs a disability business, and she said she could help me with the course, and she might even give me a job when I finish.

I started something like this before, but I quit because it was too hard. I might ask my consultant about this once COVID-19 is over.



I started a new job in disability care not too long ago. My new consultant has been really helpful with everything that I've needed. One time, I actually forgot to apply for jobs one month, but my provider helped me sort that out.

... he sat down with me and went to SEEK and we did a job search there. He was helpful with that and so that was great...

They've made my car road-worthy and helped me with funding for that. They said they would help with getting me special orthotic shoes too. That has been a longer process though, and it is not very straight forward.



I lost the disability job two weeks ago. My client lost his NDIS funding for my services... I'm still really angry and upset about it. The boss has said that they will keep me on the books in case anything else comes up, but not to hold my breath.

I did find it hard to do some of the tasks I was asked to do as well, because of my weight, physical problems, and fitness. Some of my clients requested that I not be placed with them as I could not keep up with what they wanted me to do. I have been going to the gym though.

I'm still looking into my orthotic shoes, but the doctor has been booked out. It's been so disappointing, but I am trying not to let it get me down.

...I had to get a couple of quotes for orthopaedic shoes and I went to two different places which asked me to do and I got them to send their quotes into [provider]... then I called [the provider] up 4 weeks ago and they said they're still processing it... I said okay, can you let me know what's going on and a week went by and I called them again and they said, 'we haven't actually got any reply from our head office.'



I've been having telephone conversations with my provider, mainly because I was working on the days that the appointments were on. It wasn't the providers fault though. My shifts changed each week, so I couldn't tell them what days I was or wasn't available.

They did update my Job Plan when I started working though. After that, I had to look for 8 jobs per month.



I'm not sure if my mutual obligations have changed since I stopped working, because I haven't checked on the app. I also only told my provider about losing my job this morning, and they said that they will make an appointment, so I can come in and have a proper chat about it. I am pretty happy with my provider.

Every time I've asked for their help, they have tried.

