

Settlement Services International (SSI) response to the Department of Education, Skills and Employment Discussion Paper on the Proposed Licensing System for New Employment Services Model.

October 2020

This paper provides commentary on the New Employment Services Model and SSI's response to key issues and questions raised in the Department's Discussion Paper.

About SSI

Settlement Services International (SSI) is a community organisation and social business that supports newcomers and other Australians to achieve their full potential. Through collaboration and innovation, our services wrap around individuals and families to capitalise on their strengths, identify their priorities and meet their current and future requirements. SSI's merger with Access Community Services in 2018 enabled each organisation to capitalise on unique strengths to become a sector and market leader on Australia's east coast with over 800 staff who speak over 98 languages and 17 program areas.

Providing tailored support for culturally and linguistically diverse (CALD) communities is at the heart of many of SSI and Access's services, which draw on our organisation's in-depth knowledge of this area. We believe that finding and keeping a job is a crucial step in the journey towards social and economic independence and participation.

SSI's predominantly bilingual and cross-cultural workforce enables us to provide effective and person-centred service delivery to overcome many cultural and language barriers that inhibit access to economic participation. SSI has the unique ability to understand the intersectionality between culture and disability, what this means for job seekers and provide support to facilitate improved outcomes for job seekers.

SSI has a deep understanding of CALD communities, and our services and partners are embedded within the communities in which we deliver employment support services. SSI contextualises service delivery to be genuinely person-centred to meet the individual needs of each participant. Over 70% of SSI job seekers have been identified from CALD backgrounds.

SSI are experts in addressing crucial gaps with regard to cultural awareness and competency in service delivery. This understanding, expertise and knowledge has supported SSI to deliver employment support services in a unique way to all job seekers, especially those who are most vulnerable.

Our Employment and Enterprise Services provide labour market responsive job readiness training, skills development and individually tailored job seeker support that generates outcomes for refugees, people seeking asylum, youth from disadvantaged backgrounds, long-term unemployed job seekers, people with disability, and primary carer parents.

Our EES operate under 4 streams:

- **Job readiness training and skills development:** Skilling Queenslanders for Work, Youth Transitions, RTO and The Experience Centre
- **Employment Services:** ParentsNext, Opportunity Pathways, jobactive, Disability Employment Services, Refugee Employment Support Program and Yarrabilba Jobs Exchange
- **Social Enterprise:** Staples Bag, Humble Creatives, AES Building and Maintenance Solutions, Harmony Cafés
- **Entrepreneurship:** Ignite Small Business Start ups
- **Regional Employment & Settlement Support:** Work & Stay social enterprise

Executive summary

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities. Employment inclusion and participation are the cornerstones of the economic and social health of our society.

Contemporary employment services are significantly more sophisticated than the fundamental labour exchange service delivered by the former Commonwealth Employment Service (CES). Within the parameters of program architecture and resource allocation, providers deliver individually tailored services and harmonise the delivery of social services and labour market assistance to support job seekers overcome barriers, and prepare for, find and keep work, while also assisting employers with workforce planning, recruitment needs and skills development. For individuals, employment participation is more than an income; it provides connection, purpose and inclusion. Citizens who find themselves unemployed for long durations of time are amongst the most disadvantaged people in our community. Unemployment has negative impacts and people who are long-term unemployed are prone to experience issues including poverty, physical and mental illness, homelessness and social isolation. Economic participation and inclusion are key drivers of economic growth, underpinning quality of life of Australians by enabling access to such things as a well-functioning health system, quality education and a strong social safety net.

Australia's Employment Services have been designed to function in a labour market that is resilient and has good economic conditions. With the onset of the COVID-19 pandemic, immediate impacts on the labour market resulted in millions of Australian workers being affected and an unprecedented rise in unemployment. The changing landscape of the labour market also presented increased barriers for those people who were already unemployed or underemployed prior to the onset of the pandemic. This experience also highlights how disadvantaged job seekers and particular cohorts of job seekers, who do not receive additional intervention and support, are at high risk of being left behind in the post-pandemic recovery.

The New Employment Services model represents the most significant change to employment services since outsourcing.

SSI Response and Recommendations

SSI warmly welcomes the proposed reinstatement of Cohort Specialist providers in the New Employment Services Model. As a current provider of a NSW specialist contract, the Refugee Employment Support Program (RESP) SSI understands the significant contribution that specialist services can make to outcomes for disadvantaged cohorts.

SSI recommends that Cohort Specialists have the flexibility to service all job seekers, but the option to target their services and marketing to their chosen areas of speciality. SSI recommends that the Department consider allowing a Provider to operate as both a Cohort and Workforce specialist.

SSI believes that restricting the operations of Specialist Providers may risk a repeat risk of the 2003 Job Network contract experience where Specialist Providers across the country were nearly devastated within weeks of the new contract commencing because they were unable to service all job seekers until changes were made to the contract.

SSI strongly recommends that the Department be less prescriptive in identifying areas of specialisation and employment regions where there may be a need for Specialist Providers (cohort or workplace) and recommends that the Department consider alternative approaches to identifying need. For example, providers who are familiar with their local communities should have the opportunity to demonstrate long-term needs.

In regional areas in particular, the need for Specialist Providers could be better identified in collaboration and consultation with local Providers and communities to ensure the needs of the most vulnerable jobseekers are met and complex barriers to employment are overcome.

SSI adopts an employer led and demand driven approach to supporting labour market demand and employer needs. SSI currently works in close partnership with a number of employers and corporate partners who have specific diversity and inclusion and corporate social responsibility commitments and focus areas. SSI is keen to continue supporting employers in specific industries where there are skills shortages with workforce planning and particular cohorts with skills development and employment aspirations.

SSI supports the retention of market share and we believe that this is critical to the viability of the proposed licensing approach.

SSI supports the inclusion of quality benchmarks relating to job seeker and employer servicing and experience in the Provider Performance Framework, however, SSI would like to note that providers are likely to face tension in balancing job seeker satisfaction and enforcing mutual obligation requirements and we urge the Department to consider this to develop appropriate metrics. SSI encourages the Department to also consider focusing quality benchmarks on Provider Performance by recognising both employment outcomes and job seeker progression along the pathway to obtaining a job.

SSI supports the Department's proposal to offer initial licences for a 3-year term and the concept of allowing providers to service smaller areas within an Employment Region. This would maintain diversity in the market by enabling smaller providers with strong connections to local communities to obtain a licence.

SSI would like DESE to consider the impact on providers if they proceed with adding new licences to an Employment Region during the contract term. Providers who are awarded licences make significant long-term investments based on assumed market environment. Adding new licences to an Employment Region could have a dramatic impact on the strategic plans supporting these long-term investments.

SSI believes that Specialist Providers should be included on the Panel with Generalist Providers and have the same accreditation requirements as all providers and that Panel membership should be valid for at least 7 years. This would offer providers maximum certainty to make a long-term investment founded on high performance.

Overall, SSI is supportive of the fluid approach to licence reviews and the increased certainty that would be offered to high performing providers. SSI also supports making performance metrics publicly accessible to allow customers to make an informed choice of provider.