

A young woman with dark hair in a braid, wearing a blue apron over a black shirt, smiles warmly at the camera. She is standing behind a wooden counter, holding a white disposable coffee cup with a brown beverage and a dusting of brown powder. The background is a plain, light-colored wall with a white electrical outlet visible on the right.

Response to Discussion Paper Proposed licensing system for the New Employment Services Model

**Prepared for Australian Government Department
of Education, Skills and Employment**

Prepared by The BUSY Group Ltd





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Response to Proposed licensing system for the New Employment Services Model: Discussion Paper

1. About The BUSY Group

The BUSY Group, incorporating employment and apprenticeships services provider BUSY At Work, disability services provider BUSY Ability (formerly ON-Q), The BUSY School special assistance schools and Skill360 group training and registered training organisation, is an existing, national provider of employment and training services and supports. Employing over 350 staff across Australia, with a presence in every State and Territory, The BUSY Group has grown from its inception as a not for profit organisation in 1977 on the Gold Coast (Backing Unemployed Southport Youth) to become a large provider of innovative supports from over 45 offices.

1.1 An Experienced, Multi-Faceted Employment and Associated Services Provider

Current programs delivered by The BUSY Group include:

- jobactive (currently partnered with CoAct)
- Australian Apprenticeship Support Networks
- Disability Employment Services
- Transition to Work
- Youth Jobs PaTH (Prepare, Trial, Hire) Industry Pilots
- Skills Checkpoint for Older Workers
- National Disability Coordination Officer Program
- National Disability Insurance Scheme
- Parliament and Civics Education Rebate
- The Australia Awards
- Commonwealth Scholarships for Young Australians
- Victorian Apprenticeship Field Services
- Victorian Early Childhood Scholarships and Incentives Program
- Skilling Queenslanders for Work projects
- Community housing (Queensland)
- Registered Training Organisation 1607
- Group Training Organisation
- Licensed Labour Hire services
- The BUSY School, Non-State, Special Assistance Schools in Queensland

1.2 BUSY Response

The BUSY Group welcomes the opportunity to provide a response to the Discussion Paper 'Proposed licensing system for the New Employment Services Model'.

As one of Australia's leading jobactive providers by star ratings, the depth and breadth of The BUSY Group's services, contracts and experience in assisting Australians into work and training ensures that the organisation is well positioned to provide evidenced opinions on the proposed licensing system. Some relevant achievements informing our understanding include:

- Consistent and upward-trending high performance in the current jobactive employment services contract;
- Assisting over 350,000 apprentices and trainees and over 60,000 employers to engage in the apprenticeship system across Australia through the Australian Apprenticeship Support Network;
- Retention rates of over 85% of full-service apprenticeships at 12 months;
- Achievement of 168% of Transition to Work targets in 2018-19;
- In excess of 85% employment outcomes for employer-led, customised skills and training programs;
- Responding to over 66,000 inbound contacts from job seekers, employers and industry in the past 12 months;
- Award winning Indigenous youth mentoring services resulting in 84% completion rates; and
- 100% compliance in delivering Australian Government contracts.

In alignment with the market-led approach sought by the Australian Government for the New Employment Services Model, The BUSY Group's innovative, responsive and industry-demand driven practices across its employment programs have proven that success in skilling, re-skilling and placing job seekers into work and encouraging employer trust for job creation is dependent on:

- High level and in-depth engagement with industry and employers to fully understand their needs;
- Understanding current, changing and emerging labour markets;
- The ability to quickly stand up innovative programs to ensure job seekers have the skills and qualifications to meet labour market demands;
- Collaboration with industry groups; and
- Having great respect for Australians seeking employment and understanding the circumstances surrounding their lives.



1.3 The New Model Requires New Capabilities

While there is no doubt that experience in delivering employment services is valuable and will assist providers to support job seekers and industry in the New Employment Services Model, The BUSY Group understands the need to move to a new model that is innovative, dynamic and reflective of changes to the way Australian jobs are created and supported. Therefore, it is imperative that all providers and new entrants are able to adapt with the model to deliver innovative and responsive employment services.

We recognise that a new model needs new strategies for servicing and new strategies for provider management including the proposed Licensing System. The BUSY Group views the new model as being about swiftly, effectively and efficiently addressing vocational and non-vocational barriers through real engagement. As an innovative organisation, The BUSY Group is ready for the challenge of doing things differently to increase employment outcomes in Australia.

1.4 Contact

The BUSY Group welcomes the opportunity to discuss this response in further detail should this be required. Please contact:

Paul Miles
Managing Director

Leonie Carlile
Chief Operating Officer

Phone 13 BUSY (13 28 79)
<https://www.busyatwork.com.au/find-us/contact/>



2. Establishing a Panel

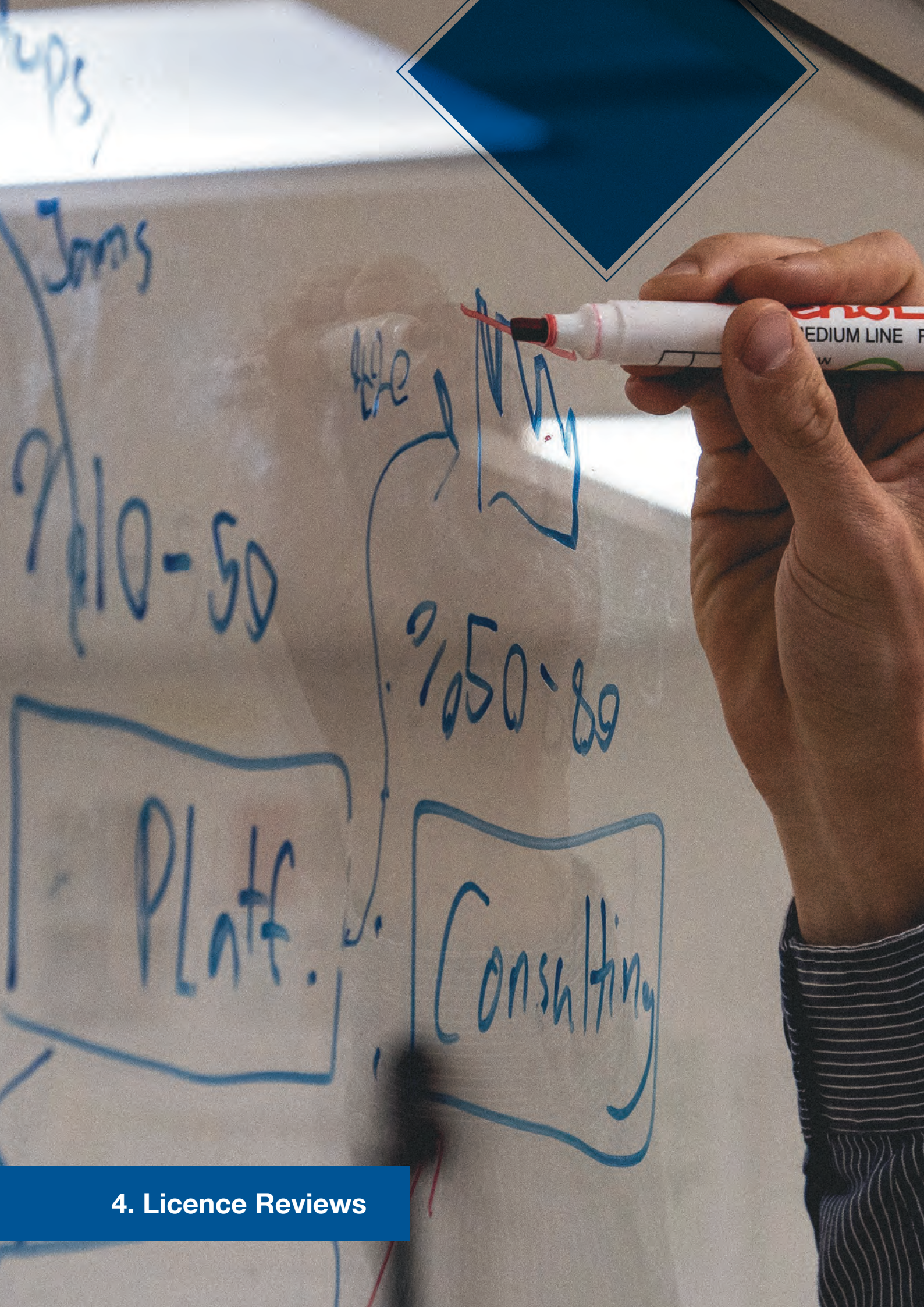
No.	Question	The BUSY Group Response
2.1	Should generalist and specialist organisations be included on the same panel?	<p>Yes. The inclusion of both generalist and specialist organisations on the same panel contributes to the goal of reducing red tape for providers and ensures that specific cohorts receive services from providers that understand their specific needs and circumstances, both as individuals and in the context of the wider labour market.</p> <p>For example, services such as Transition to Work have proven invaluable in engaging young people with a service that they are comfortable and motivated to participate in, through the provision of consultants who are skilled in interaction with young people as well as providers who understand and can successfully navigate labour market perceptions of this cohort and specific gaps and challenges young people may experience when attempting to enter or stay in the workforce. This in-depth understanding must be coupled with providers with capacity to develop and deliver innovative and industry-led approaches to bridging these gaps for young people and industry mutual success.</p> <p>Workforce Specialists may require a separate Deed due to the likely need for different capabilities and performance indicators.</p>

No.	Question	The BUSY Group Response
2.2	How long should the panel be in place for?	<p>The BUSY Group believes the panel should be in place for 5 to 6 years.</p> <p>A longer panel duration provides more sustainability for providers, however constrains innovation, while a shorter panel duration provides less opportunity for panel providers who are not initially awarded a licence.</p> <p>For the Australian Government, a panel of 5 to 6 years reduces procurement costs whilst allowing for innovation and opportunity for new entrants to the market and the new service model.</p>
2.3	In what circumstances should a panel refresh occur?	<p>A panel should be refreshed in the following circumstances:</p> <ul style="list-style-type: none"> • Where there have been significant changes to the labour market and industry demand in a particular Employment Region; • Where there is an identified lack of diversity of providers (market share allowing); • Where existing panellists are not performing and exit the region; • Where a panellist is found to be in significant serious breach of its contractual obligations; • Where a panellist enters into administration, bankruptcy or liquidation of assets; and • When it can be established that a specialist is needed to service a specific cohort that otherwise does not exist within the panel.
2.4	How else could the panel be used?	<p>The BUSY Group believes that the Australian Government could save significant procurement costs through procuring related employment and training services from the pre-qualified, national panel – a recognised goal of the Commonwealth Procurement Rules (specifically 6.4 Economical Procurement).</p> <p>Employment Region panellists could also be utilised (where they have capacity and capability) for conducting pilot and trial programs specific to the region.</p>



3. Issuing Contractual Licences

No.	Question	The BUSY Group Response
3.1	How long should licences be issued for initially?	As a high performing employment services organisation, The BUSY Group agrees with the proposed three year licence with extensions.
3.2	Should an organisation be allowed to service areas smaller than an Employment Region?	Yes. This approach allows smaller organisations who may be deeply embedded within their community to participate in the market and supports the Australian Government's goal of diversification of providers.
3.3	Should the number of licences be capped in each Employment Region?	Yes, having regard to the needs of the Employment Region and recognising the ability of smaller organisations who are entrenched in their communities to service particular parts of an Employment Region. However, The BUSY Group advocates for an arrangement allowing the addition of new licences to an Employment Region under circumstances such as those indicated below at 3.4.
3.4	When should new licences be added to a region?	<p>Additional licences should be added to an Employment Region where there have been significant changes to the labour market and industry demand in a particular Employment Region, and/or in circumstances where there is an identified lack of diversity of providers and the market is robust enough to support provider viability.</p> <p>Allowing the addition of new licences to an Employment Region allows the Australian Government to be more easily responsive to changing labour market and job seeker needs within an Employment Region.</p>
3.5	In what circumstances should short-term licences be issued?	Short term licences should be issued in circumstances where an Employment Region experiences localised disaster such as bushfire or flood, or in extraordinary circumstances such as the COVID-19 Pandemic.



4. Licence Reviews

No.	Question	The BUSY Group Response
4.1	How many performance groupings should there be?	The BUSY Group agrees with the proposed three performance groupings. Whilst we are confident in our ability to deliver the required outcomes for the New Employment Services Model, we appreciate that a notification of low or moderate performance will enable other providers to attempt to increase their performance for the benefit of job seekers accessing their services and to increase the overall quality of services provided under the New Model.
4.2	How frequently should Licence Reviews occur?	The BUSY Group would welcome annual licence reviews to ensure that providers with unaddressed, unsatisfactory performance are exited and replaced in a timely manner, providing a higher quality of service to job seekers more quickly. If a provider is unable to swiftly and efficiently address performance concerns in the New Employment Service Model after the first two years of servicing then it is likely their approach is not conducive with the new, dynamic and responsive model.
4.3	How often should providers receive performance data?	Rolling live data would enable providers to review and address their performance in real time. Should this not be possible, quarterly performance data that is delivered within four weeks of the end of a performance period will assist providers to make meaningful change in the next performance period.
4.4	Should provider performance be publicly accessible?	As a high performing jobactive provider, The BUSY Group believes in transparency and accessible results. Given the size and reach of this program, The BUSY Group believes that jobseekers and more broadly, the Australian public, have a right to visibility of provider performance and information to inform the committed job seeker's ability to truly select the best option available for them to engage with.
4.5	When should the first Licence Review occur?	The BUSY Group believes that the first (indicative) Licence review should take place 12 months after contract commencement, to enable the swift resolution of performance issues and stabilise providers servicing the contract after the initial 12 months.
4.6	Should the first Licence Review be any different to later reviews?	The BUSY Group suggests that the first licensing review be indicative to allow providers to experience and fully understand the Licence review process.



5. Specialist Licences

No.	Question	The BUSY Group Response
5.1	Should cohort specialists only be referred job seekers from their target cohort?	<p>Yes. As the Discussion Paper has addressed, evidence indicates that specialist providers achieve better outcomes for their cohorts than generalist providers.</p> <p>Encouraging specialist providers to focus on what they do best ensures that this ability provides maximum value to job seeker cohorts and the Australian Government.</p> <p>The introduction of recognised specialist licences also ensures ‘generalist’ providers are effectively restricted from positioning themselves as specialising in a particular cohort which has the potential to result in the market share under the new licensing system not behaving as predicted in terms of servicing ‘general’ job seekers and specialist cohorts.</p> <p>The move for those most likely to find their own employment to receive digital servicing independent of a provider, coupled with the introduction of specialist providers, will ensure that the remaining ‘generalist’ providers are able to concentrate their resources and skill development into specialising in the swift addressing of barriers to improve employability for those most in need of assistance. This approach ensures a more efficient Australian Government spend on employment services rather than providers attempting to spread themselves across all specialties and levels of servicing.</p>
5.2	Which cohort types should have specialists?	<p>The BUSY Group agrees with the cohorts set out in the discussion paper.</p> <p>In particular, The BUSY Group stresses the importance of Youth Specialist licences to assist young people who have achieved the maximum length of service and derived the maximum benefit possible from Transition to Work and must transition into Employment Services.</p>
5.3	What factors should determine where specialists are located?	<p>The BUSY Group believes that specialists locations should be determined by:</p> <ul style="list-style-type: none"> • Areas with a large enough population of specialist cohorts to ensure viability of the specialist provider; • Whether the location is likely to ensure ongoing supply of job seekers in the specialist cohort; and • Provider and location capability to ensure accessibility for the job seekers in the specialist cohort.

No.	Question	The BUSY Group Response
5.4	<p>How should the new model interact with complementary programs e.g. TtW WftD</p>	<p>Whilst The BUSY Group does not necessarily believe that currently separate but complementary services, such as Transition to Work, should combined into the New Employment Services Model, it would recommend the following:</p> <ul style="list-style-type: none"> • Referral relationships between programs be visible; • Programs could be marketed together where a provider delivers both services; and • Incentivising referral to separate but complementary programs through outcome payments and/or concurrent shared caseloads would assist these programs to complement each other.

No.	Question	The BUSY Group Response
5.5	How should workforce specialists operate?	<p>The BUSY Group welcomes and fully supports the proposal to include Workforce Specialists as part of the Employment Services Model. This initiative is in alignment with industry feedback we have received for many years.</p> <p>The BUSY Group believes that workforce specialists should hold licences at least at State level, if not Nationally, to truly allow employers to have a single point of contact for national business. We recognise that for this approach to be viable, providers will need to demonstrate the capacity and capability for a component of out-of-region servicing to allow large employers to truly engage with a single provider who invests in understanding and meeting their needs.</p> <p>Linkages of Workforce Specialists with particular industry bodies would ensure that workers supplied to the relevant industry receive best-practice training and upskilling to ensure their success in the sector. For example, the National Skills Commission Emerging Occupations Report (August 2020) identified emerging occupations in Data Analytics, Digital Deepening and Emerging Business Practices as a result of COVID-19. Close relationships with the hospitality and warehousing sectors, for example, will enable Workforce Specialists to tailor skilling and re-skilling programs to meet the specific needs of these industries. Although emerging occupations may span multiple industries, the application of these roles are likely to be vastly different according to the industry requiring them. Workforce Specialists should be continuously working towards ensuring job seekers are gaining skills relevant to emerging industries and occupations, whilst managing the transition of workforces from industries and sectors that are experiencing decline. The National Skills Commission's research and JEDI analytics system can inform job seeker skills development whilst simultaneously providing insight into transferable skills from declining industries.</p> <p>The ability to engage with a Workforce Specialist that understands their needs is proven to create better outcomes for job seekers. For example, The BUSY Group has engaged with large employers such as Allianz and BHP through the Australian Apprenticeship Support Network and maintaining these relationships at a high level has enabled these large employers to increase their recruitment and retention of apprentices and trainees across Australia. These outcomes are transferrable to employment services and are likely to increase employer engagement over the largely static figure of 7% employer engagement we have seen in employment services.</p>



6. Market Share

No.	Question	The BUSY Group Response
6.1	How should market share operate?	The BUSY Group supports allocated Market Share and would welcome rewarding high performance with the ability to take additional market share through expanded tolerance limits for high performing providers.
6.2	How should tolerance work?	<p>The BUSY Group agrees with the Australian Government's proposed approach to tolerance as set out in the Discussion Paper.</p> <p>The ability to nominate a licence share ensures that providers can enter the market and scale up capacity in line with growing capability, rather than being awarded an unmanageable share. This aligns with the Australian Government's goal to enable diversification of the market as well as participation of smaller and specialist providers.</p> <p>100% allocation without tolerance would restrict the Australian Government's ability to reward high performing providers and maintain a market that is dynamic, flexible and responsive to the needs of each Employment Region.</p>
6.3	Should a portion of market share remain unallocated?	<p>With the exception of tolerance, no. The BUSY Group would welcome rewarding high performance with additional market share whilst ensuring providers have the capacity and capability to provide effective service to an expanded caseload.</p> <p>It is imperative to have a structure in place to incentivise and reward high performance in order to keep providers focussed on delivering the best possible service to industry, employers and job seekers and provide increased outcomes for Australians and the Australian Government.</p>



8. Performance Framework and Cyber Security

No.	Question	The BUSY Group Response
8.1	What measures could be included in the Provider Performance Framework?	<p>The BUSY Group recommends the following inclusions:</p> <ul style="list-style-type: none"> • A specific category to acknowledge placement of job seekers into Apprenticeships and Traineeships; • Recognition of progressing job seekers who a) are transitioning out of declining industries and/or b) placed into emerging occupations, identified through the use of JEDI and the Labour Market Information Portal or similar; • Recognition of placement of job seekers into identified skills shortage areas such as healthcare; • Recognition of the placement of long term unemployed persons, and the percentage of a provider's caseload who become independent of benefits; • Recognition of the conversion of 'gig economy' type placements into sustainable employment outcomes; and • Compliance with contractual requirements.
8.3	How can the department ensure job seekers are receiving a quality service?	<p>The BUSY Group believes quality of service will be ensured through:</p> <ul style="list-style-type: none"> • Mandatory accreditations to quality and cyber security and rigorous auditing to ensure these continue to be adhered to; • A strong performance framework; • Additional gathering of employer and industry understanding of, and attitudes toward, employment services; and • A strong licensing and review system.
8.4	How can providers/cyber security be improved in the new model?	<p>The BUSY Group supports the implementation of Right Fit For Risk and accreditation. The BUSY Group recommends this compliance requirement be firm for the duration of the initial contract to avoid unnecessary cost for providers required to meet multiple, changed compliance requirements across this space throughout the contract.</p>



9. Next Steps

No.	Question	The BUSY Group Response
9.1	What would ensure an effective transition from jobactive to the new model?	<p>The BUSY Group recommends a lengthy and multi-channel communication strategy for job seekers in particular about changes to their servicing.</p>
9.2	What lessons can be learned from previous program transitions?	<p>Based on our experience in previous program transitions, The BUSY Group recommends ensuring the cooperation of exiting providers through incentivising smooth transition-out. In our experience, it can be difficult to motivate exiting providers to progress the caseload during the transition period or to provide the incoming provider with quality information.</p> <p>In addition, enabling appropriate visibility of communications between job seekers and the Australian Government will ensure that providers can fully align their own messaging around service delivery with the Australian Government's messaging, strengthening and amplifying the Government's communication goals.</p>

