



**Submission- Proposed Licensing System for the New
Employment Services Model-**

Discussion Paper

October 2020

About Wirrpanda Foundation

The Wirrpanda Foundation aims to lead the provision of education and employment opportunities for Aboriginal and Torres Strait Islander people. The Foundation influences, inspires and supports the empowerment of Aboriginal people through its diverse workforce which is led by First Australian role models.

Since its inception in 2005, the foundation has reached over 35,000 Aboriginal and Torres Strait Islander people by working together to build capacity amongst individuals, their families and within the communities in which they live.

Priority areas for the foundation include:

- Increasing the retention and attainment of Aboriginal and Torres Strait Islander students in schools.
- Educating Aboriginal and Torres Strait Islander children to make healthy lifestyle choices.
- Assisting Aboriginal and Torres Strait Islander job seekers into sustainable employment opportunities.
- Providing pre-employment support to long-term unemployed job seekers.
- Working to sustain employment opportunities through cross-cultural training.

The Wirrpanda Foundation has established itself as a trusted service provider in the Indigenous community of Western Australia operating programs across education, employment, justice and sport programs for participants from early childhood to adult job seekers.

Wirrpanda Foundation's Submission

We are pleased to make a submission to the Australian Government's consultation on the Proposed Licensing System for the New Employment Services Model Discussion Paper. Our responses to each of the Discussion Paper questions are included below.

Chapter 2- Establishing a panel

2.1 Should generalist and specialist organisations be included on the same panel?

Given there will be a tiered structure to the panel with sub-panels sitting below the national panel for each employment region, for practical purposes generalist and specialist organisations could be included in the same panel. Each sub-panel would need to be able to clearly identify the specialist organisations within the region. It would also be necessary to make a distinction between an organisation that is a specialist and an organisation that is a generalist providing specialist services.

2.2 How long should the panel be in place for?

The proposed six year period for the panel standing seems a reasonable timeframe to allow the new model to be embedded into the employment services landscape and efficiencies to be recognised. The department should be cognisant of the need to ensure mechanisms are in place to account for the introduction of any new policies or program requirements that may not have formed part of the initial procurement exercise and subsequent deed of standing offer.

2.3 In what circumstances should a panel refresh occur?

The following circumstances should warrant a panel refresh:

- All providers on the panel have been awarded licenses and are delivering services at capacity ie there are no alternative providers sitting on the panel that are not already delivering services
- Labour market conditions change significantly across employment regions
- Market failure ie model is not working
- Poor provider performance
- Significant change in government policy
- If there is a notable panel member exiting the market

More specific detail is required with regard to how a panel refresh process would occur is required. Points that should be covered include:

- Will it be a targeted or open process?
- Will it require a written tender process?
- How will providers be informed about the refresh?

2.4 How else could the panel be used?

It could be possible to utilise this panel for other purposes such as:

- Targeted request for quote for similar services
- Focus group/ task force memberships to provide advice and regional intelligence to the department

- Specialist licence providers such as those working in the Indigenous employment space could be utilised to provide expert advice with regards to other policy areas such as health, housing etc as these issues often surface and are worked through as part of the employment service delivered to a job seeker.
- Participate in research.

Chapter 3- Issuing contractual licenses

3.1 How long should licenses be issued initially?

An initial licence should be issued for a period of three years. This will allow service providers an adequate period of time for the initial set-up of services including physical premises, employment of staff and achievement of quality and cyber accreditation standards. The initial licence period of three years will also offer service providers greater financial surety which is extremely important for workforce planning and overall viability of service delivery.

3.2 Should an organisation be allowed to service areas smaller than an Employment Region?

Organisations that are seeking a specialist licence should be able to service smaller areas within an employment region, particularly where they have a strong localised presence and connection to a particular community. This will allow services to be delivered in a manner that could keep administrative costs low. Service providers should have the discretion to determine whether or not their business structure is able to service an entire employment region or whether services will be delivered in smaller areas within the region. Geographically within WA employment regions are large and will have sub-region catchments.

3.3 Should the number of licenses be capped in each Employment Region?

A cap on licences in each employment region would be necessary to ensure provider viability and to stabilise the market. An assessment of each employment region should take place to ensure that there is an appropriate mix of general and specialist providers to service the regions jobseekers and employers and to ensure there is diversity of providers in the region. It is important to keep in mind that the end user of employment services is the job seeker and as such a diverse but limited number of options should be available to avoid confusion, disengagement and subsequently further disadvantage.

3.4 When should new licenses be added to a region?

There may be instances where new licences should be added to an employment region. This should include instances where a provider is unable to demonstrate employment licencing requirements and/ or has been unable to demonstrate suitable provider performance at the employment region level. There should also be a mechanism in place to add new licences to an employment region where the labour market indicates additional services are required for both generalist and specialist providers.

3.5 In what circumstances should short-term licenses be issued?

The ability to issue a short term licence to an established provider who has achieved consistent performance outcomes would be useful when there are instances of market failure. This will allow the department to be responsive in a timely manner and ensure a continuity of services within the employment region. A short term licence could also be used as a mechanism to respond to fluctuating local needs at certain periods of the year as a way of meeting jobseeker and employer needs. There may also be a requirement for short term specialist licences to be issued in response to industry specific needs ie. New projects, mass redundancies, seasonal work.

Chapter 4- Licence Reviews

4.1 How many performance groupings should there be?

The proposed performance groupings of high performance, moderate performance and low performance are suitable. Performance ratings should be two-fold and cover an overall organisation performance rating, as well as an employment region specific rating. Organisation performance should also be assessed against specialist demographics as determined by the department.

4.2 How frequently should Licence Reviews occur?

Providers should be given 12 months to establish as a service provider within the employment region. This will allow for the effective establishment of service processes and collection of outcomes data to more accurately illustrate performance in both employment outcomes and jobseeker progress towards employment.

More detail is required with regard to an organisations overall performance in meeting panel requirements of demonstrating compliance of conditions of participation, commercial and legal capability, and progress towards and/or maintenance of quality and other accreditations.

4.3 How often should providers receive performance data?

Providers should receive data on their performance at least quarterly and in addition to the formal licence review process. Providers should have live access to the digital services platform and be able to utilise granular level data in order to respond to local needs in an efficient and effective way.

4.4 Should provider performance be publicly accessible?

The Wirrpanda Foundation has no concern with performance data being publicly accessible. Any data that is made publicly accessible will need to ensure that it is de-identified and all jobseeker information is handled in accordance with privacy and information sharing legislation.

4.5 When should the first Licence Review occur?

Providers should be given 12 months to establish as a service provider within the employment region. This will allow for the effective establishment of service processes and collection of outcomes data to more accurately illustrate performance.

4.6 Should the first Licence Review be any different to later reviews?

The first licence review should attribute a greater weighting towards the establishment of service operations, this will allow for the transition period and support the evidence that suggests it may take service providers up to 12 months to establish and implement an effective service model and collect robust outcomes data. Employment targets should be modified to reflect the onus on establishing operations within the first 12 months. With particular reference to new providers, the first licence review should be viewed by the department as a learning opportunity.

Chapter 5- Specialist licences

5.1 Should cohort specialists only be referred job seekers from their target cohort?

Jobseekers who are classified into a specialist cohort should be prioritised for referral to a provider with that specialist licence in the first instance and should they choose or be required to access generalist services that should be at their discretion. Service providers with specialist licences for particular target cohorts should receive the market share of referrals for these jobseekers.

5.2 Which cohort types should have specialists?

The Wirrpanda Foundation experience supports the need for specialist cohort types of Youth, Indigenous people and Ex-Offenders as a result of our history in service delivery to these populations throughout Western Australia. There could also be value in exploring where jobseekers may fit into more than one cohort type and how this could be reflected in specialist licencing for example Indigenous Youth and Indigenous Ex-Offenders.

We also recognise the need for CALD specialist licences.

In addition to the cohorts identified in the discussion paper there is also a need for a cohort specialist group Long Term Unemployed, Very Long Term Unemployed and people aged over 55 years, these cohorts require more investment to better address their barriers to employment. Consideration should also be given to maximum timeframes of these cohorts being in employment services.

5.3 What factors should determine where specialists are located?

The primary factor in determining the location of cohort specialist licences would be demographic data of where jobseekers of a particular cohort are more heavily concentrated. However, majority of the identified specialist cohort groups are likely to be

more complex in service needs and require more individually tailored assistance and case management and this may impact a providers ability to service the whole cohort. The location of specialists would also benefit from having access to other complementary services within the same region including employment programs such as Transition to Work and Parents Next.

Local employment opportunities could also drive the need for specialist services.

The Request for Tender should provide guidance by the department that indicates the locations that are appropriate for a cohort specialist provider and ask the service provider to demonstrate the population need for such a specialist service. Further, providers should indicate if there are additional employment regions that would benefit from a specialist and demonstrate the local need for this.

5.4 How should the new model interact with complementary programs (eg Transition to Work, Work for the Dole)?

Both generalist and specialist licence providers should work with providers delivering complementary services such as Transition to Work, VTEC and Parents Next to ensure that the job seeker is receiving the support they require to progress employment and progress their employability. It will be important that these programs complement and work effectively with the new model and its service provider once operational, to meet the diverse needs of job seekers and employers and achieve the best outcomes possible.

Dependent on the departments categorisation of job seeker cohorts, every effort should be made to avoid duplication of specialist services.

Chapter 6- Market share

6.1 How should market share operate?

There should be an analysis done to determine the proportion of each specialisation cohort within the overall market, providers should be awarded market share based upon the regional cohort needs. The overall market should then be broken into multiple markets based on the cohort needs.

Every jobseeker who identifies in a specialist cohort should be, as a preference, serviced by a specialist provider, if a specialist exists in their employment region. Jobseekers who identify as belonging to a specialist cohort will be allocated on preference to their corresponding specialist, but also have choice to move from specialist market to general market.

If there are multiple specialist providers within a region, then the specialist market would be shared and align with the needs of the employment region.

The department will also need to give consideration to the market share that is nominated by the service provider. There should also be a minimum market share able to be allocated.

6.2 How should tolerance work?

Tolerance should be driven by data provided by the department in the RFT document, in conjunction with data provided by the service provider. An annual review of this should occur.

Given the COVID-19 experience, the department will need to have enough flexibility to adjust tolerance levels and/ or funded places on a short term basis with major changes to labour market trends.

6.3 Should a portion of market share remain unallocated?

A minimal portion of no more than 5-10% should remain unallocated and only during the first 12 months of operations. After that the market should stabilise and be driven by data.

Chapter 7- Red tape reduction

7.1 How can the licensing system help cut red tape?

The reduction in the frequency of time intensive tender applications would allow providers to reduce their administrative burden. The three year licence and extension process will offer service providers the opportunity to attract and maintain a stable workforce and manage operational costs such as office space.

The use of the online employment services platform will assist organisations in providing information to the department to demonstrate service activity.

7.2 What would assist smaller organisations to enter the provider market?

Smaller providers may require support/ assistance to establish business processes such as a quality assurance framework to ensure governance and operational systems are embedded into the service model.

The ability to tender and service a smaller region within an employment region would also benefit smaller organisations ability to enter the market.

Chapter 8- Performance Framework and cyber security

8.1 What measures could be included in the Provider Performance Framework?

The performance framework needs to include both qualitative and quantitative measures that will be consistent across employment regions and both generalist and specialist licences. The framework needs to recognise not only employment outcomes but also the progress towards employability that a job seeker makes so as to ensure that provider success includes the individually tailored case management of job seekers. Quality of service delivery provided to the job seeker irrespective of employment outcome should also be measured.

The framework should take into account known difficulties experienced by service providers in servicing certain cohorts both from within the generalist and specialist licence pools.

Current jobactive star ratings should not carry forward into the new employment services model as this could act as an unfair advantage for current providers and make it more difficult for new service providers to enter the market.

Incentives such as contract extensions should be built into each of the performance ratings. To encourage good performance and continuous quality improvements, those initially assessed as low/moderate performers should be able to earn back contract extension opportunities should they demonstrate improved performance and outcomes.

8.2 What features in the Provider Performance Framework would support the classification of high, medium and low performance?

The Provider Performance Framework should be clear and transparent. It should include clear measures for success with realistic benchmarking for an employment region. Whilst the discussion paper indicates that the performance framework will be able to be consistently applied across all business models, it would be essential for performance measures to take into account the maturity of a provider/ business model within an employment region and the level of disadvantage/ difficulty of servicing particular cohorts within an employment region.

Ultimately the framework should measure; the number of employment placements, retention, quality of service delivered and quality of compliance to the deed.

8.3 How can the department ensure job seekers and employers are receiving quality service?

The department will monitor performance through job seeker participation, progress towards employment and employment outcomes as recorded within ESCN. This information would be readily available through the online digital platform.

The provider performance framework should include touch points with job seekers and employers to gauge client satisfaction at regular points throughout the funding life cycle. The department should also gather local intelligence through engagement with the community, stakeholders and service providers within an employment region.

8.4 How can providers' cyber security be improved in the new model?

The use of the Right Fit for Risk approach is a positive risk based approach and a positive tool that assists the organisation to ensure they have processes and ICT infrastructure in place to support the new model. The new model will ensure that organisations work toward and maintain best practice in information security management practices.

Education should be provided to service providers as to how they can improve in this area.

Chapter 9- Next Steps

9.1 What would ensure an effective transition from jobactive to the new model?

There will need to be a clearly defined and resourced transition period, in particular where new providers are entering the market to ensure that operational aspects such as premise fit out and employment of staff occurs prior to the commencement of the service delivery period.

A clearly defined marketing and communications strategy that places onus on connection to industry and employers.

9.2 What lessons can be learnt from previous program transitions?

Adequate time is needed from the award of the contract and commencement of services.

The department facilitating between outward and incoming service providers.

A forum for all providers to focus on shared learning from previous program transitions.