

New Employment Services Trial 2019-2022

Risk Plan Details

Plan ID:	000842	Plan Status:	Retired
Plan Type:	Program	Risk Assessment Process:	Advanced
Restricted Plan:	No	Next Review Date:	31/07/2020
Organisation Unit:	51009254 - Trial Stakeholder & Project Management	Organisational Hierarchy:	> Department of Education, Skills and Employment
Version:	5		> Employment
Retirement Reason:	Covered by another risk plan		> New Employment Services Model Div
			> Enhanced Services Branch

Activity Objectives

The New Employment Services Trial (NEST) will test elements of the New Employment Services Model (NESM) in order to identify issues and unintended consequences and refine elements before they are rolled out in July 2020.

This includes:

- elements of Digital and Enhanced Services offerings
- payment structures
- flexible, points-based activation system
- provider performance framework
- job seeker assessment framework
- IT system/Digital Platform.

Departmental Outcomes

Foster a productive and competitive labour market through policies and programs that assist job seekers into work, meet employer needs and facilitate the growth of small and family business.

Operating Environment

Activity Environment

**** COVID-19 IMPACT ****

The Government has announced restrictions due to COVID-19 which impact the employment sector, including the delivery of employment services and job seekers mutual obligation requirements. This has impacted the delivery of NEST, OEST/VOEST which form a part of the NESM Reforms. Of concern is having sufficient data to inform the Second Pass Business Case and the New Model, and constraints on stakeholder engagement (duration and mode of consultation).

NEST is testing some of the elements of the new model (but not all) in two Employment Regions – Mid North Coast, NSW and Adelaide South, SA.

NEST will test new ways of delivering employment services to ensure that key aspects of the new model will work as intended. It will allow for innovative approaches, and allow for elements tested to 'fail'.

[s 22\(1\)](#)

Development of NEST Risk Plan:

On 28 October 2019, a risk workshop with key departmental stakeholders was held to identify the risks associated with the NEST. [s 22\(1\)](#)

Key legislative, contractual and compliance environment include:

- New Employment Services Trial Deed 2019-2022
- Social Security Act 1991 and Social Security (Administration) Act 1999
- Job Seeker Compliance Framework
- Contract Management Framework
- Employment Services Assurance Strategy
- Employment Services Charter of Deed Management
- Commonwealth Fraud Control Guidelines
- Commonwealth Risk Management Policy
- Secretary's Instructions 1.2 - Fraud Risk Management and Control
- Department Employment, Skills, Small and Family Business Corporate Risk Framework and Policy
- Fraud Control Plan 2017-2019
- Freedom of Information Act 1989
- Privacy Act 1988
- Public Governance, Performance and Accountability Act 2013 and associated instruments

[s 22\(1\)](#)

[s 22\(1\)](#)

Activity History

NEST previously referenced in risk plan 695 New Employment Services Model (retired).

Stakeholders

All providers in NEST region

Community and Welfare Service Organisations

Department of Education

Department of Employment, Skills, Small and Family Business

Department of Employment, Skills, Small and Family Business Executive

Department of Health

Department of Human Services (DHS)

Department of Social Services (DSS)

Department of Veteran Affairs

Digital Transformation Office (DTO)

Employment Facilitators

Job seekers

jobactive providers

Minister for Small and Family Business, Skills and Vocational Education

Minister for Small and Family Business, Skills and Vocational Education Office

National Indigenous Agency

Recruitment and Labour Hire (key users of ES)

Reference Group Members for the New Employment Services Trial

Regional Working Group Memebers for the New Employment Services Trial

SEEK

State and Territory Governments

State/Territory Departments of Education

State/Territory Departments of Health

State/Territory Departments of Housing

VET Training Providers

Plan Members

Member	Role
Melissa Ryan	Approver
s 47E(d)	Owner
	Editor
s 47E(d)	Editor
s 47E(d)	Editor
s 47E(d)	Editor
KELLIE HIPPIIT	Editor
s 47E(d)	Editor
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s 47E(d)	Editor
s 47E(d)	Editor

Treatment Owners

- s 47E(d)
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- Erin Rule
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- s 47E(d)
- Jodie Chamberlain
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- Louise O'Rance
- s 47E(d)
- Melissa Ryan
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s 47E(d)

Nicolle Johnston

s 47E(d)

s 47E(d)

Stuart Watson

Risk Event R011241 - Privacy breach – misuse and/or disclosure of personal or commercial information

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Possible	Major	High	Unlikely	Minor	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Possible	Severe	Extreme	Unlikely	Minor	Medium	NA	NA	NA

Treatment Effectiveness	Velocity	Confidence
High	Rapid	High

Causes

Personal information (for individuals and entities) does not have restricted access

A privacy impact assessment (PIA) is not performed

Inadequate IT security controls implemented

Staff understand the requirements for handling and releasing personal and entity related information

Treatments

	Status	Next Review Date	Owner
T053853 - IT Security certification for the digital services platform.	Ongoing	30/10/2020	Nicolle Johnston

Last Monitoring Note: Continuous monitoring of website occurs to ensure no privacy breach

T053856 - Ensure that Access and Authorisation system controls are built and appropriately tested in the digital services platform. This includes the ability to conduct an audit of unauthorised access, and detection capability for suspicious activity.	Ongoing	30/09/2020	Nicolle Johnston
Last Monitoring Note: Currently no changes to access or authorisation has occurred. All logins are logged and available for audit proposes. Small teams also monitors website			
T053857 - Develop a strong and clear governance framework around job seeker data protection, ensuring program and providers have common understanding of what should happen if a Privacy Breach is suspected or detected.	Ongoing	27/08/2020	s 47E(d)
Last Monitoring Note: Treatment Owner updated			
T053854 - Develop a process for Third party system accreditation.	Ongoing	30/09/2020	Nicolle Johnston
Last Monitoring Note: See note recorded on same date.			
T054372 - Conduct a Privacy Impact Statement for NEST in accordance with department requirements and the department's Privacy Officer.	Ongoing	1/10/2020	s 47E(d)
Last Monitoring Note: A Privacy Impact Assessment has been partially undertaken and is being finalised. The Privacy Impact Assessment is due to be in place by end of September 2020			
T054371 - Application of the NEST Privacy Guideline	Ongoing	26/02/2021	s 47E(d)
Last Monitoring Note: No change to treatment. Updated the next treatment review date.			

Risk Event R011242 - Consultants performance and/or capability does not meet requirement(s)

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Reputational Damage	Possible	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA

Treatment Effectiveness	Velocity	Confidence
High	Moderate	High

Causes

Requirements are not clearly defined in the Contract Management Plans

Change (where it deviates from the Contract Management Plan) is not appropriately communicated

Poor working relationship and/or contract disputes

Treatments

	Status	Next Review Date	Owner
T053851 - Set clear performance criteria and regular points of review between contractors and their supervisors	Ongoing	4/08/2020	s 47E(d)
Last Monitoring Note: KPMG were engaged in May to undertake work on the financial viability process. The engagement has clear (regular) review points and milestones that are built into the contract.			
T053849 - Ensure deliverable(s) for CONTRACT ID3640 are received and meet the criteria outlined in the terms and conditions of the CONTRACT ID3640.	Completed		s 47E(d)
Last Monitoring Note: On 17 December 2019, KPMG delivered the final products outlined in contract ID3640 – the PMO Handbook and associated templates.			
T053850 - Ensure contractors receive an induction, and are provided with clear instruction on deliverables/outcomes expected.	Ongoing	4/08/2020	s 47E(d)
Last Monitoring Note: KPMG were engaged in May to undertake work on the financial viability process. The engagement has clear (regular) review points and milestones that are built into the contract. Treatment will also be reviewed to say 'consultants' and not 'contractors'.			
T053848 - Alternative means of achieving objectives of CONTRACT ID3640 are assessed against the department's risk appetite during the procurement process.	Completed		s 47E(d)
Last Monitoring Note: A minute to Melissa Ryan, Assistant Secretary, New Employment Services Division was signed on 10 September 2019 for the procurement of KPMG's services. A part of this brief discussed the risks and sensitivities.			

Risk Event R011240 - Internal and external stakeholder relationships are compromised

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Likely	Major	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Financial Mismanagement or Loss	Likely	Major	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Likely	Major	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Likely	Major	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Treatment Effectiveness		Velocity		Confidence					
High		Moderate		High					

Causes

The Reference Working Group and Trial Regional Working Groups are not used effectively
Poor coordination of stakeholder consultation, user research and qualitative evaluation research leads to respondent fatigue and disengagement
Ineffective engagement with providers both within and outside of the NEST regions
Complementary programs (i.e. CTA, EST, NEIS) in NEST regions do not receive referrals
Community organisations that rely on WfD and Volunteer Work participants no longer receive referrals in NEST regions
NEST negatively impacts employment services programs outside trial regions
Employers find administrative elements more complex (particularly in relation to Digital Participants and Internships, Wage Subsidies)
Collaborative design approach does not eventuate
Stakeholders seek to undermine NEST
NEST Communication and Stakeholder Engagement is not strategic
Stakeholder analysis is not undertaken or is ineffectual
Engagement of experts perceived as selective or preferential
Disengagement by stakeholders (particular Reference Working Group and the Trial Regional Working Groups).

Treatments	Status	Next Review Date	Owner
T053874 - Regularly review and update Stakeholder Engagement Strategy and Stakeholder Analysis	Ongoing	6/08/2020	s 47E(d)
Last Monitoring Note: Currently, the NESM PMO is engaging stakeholders (both internal and external) through established governance and communication forums. A formalised Engagement Strategy and accompanying analysis, inclusive of agreed objectives covering NEST stakeholders will be developed by end July 2020.			
T053878 - Perform a social licence assessment in the two key NEST areas to ascertain levels of support and any blockages to adoption of services.	Ongoing	31/12/2020	s 47E(d)
Last Monitoring Note: Monthly meeting have been reinstated with providers and there continues to be ongoing dialogue			
T054373 - In conjunction with a stakeholder analysis, develop and undertake actions in accordance with a Stakeholder Engagement Strategy for the NEST, including specific engagement plans with implementation activities for each key stakeholder group	Ongoing	30/07/2020	s 47E(d)

Last Monitoring Note: Currently, the NESM PMO is engaging stakeholders (both internal and external) through established governance and communication forums. A formalised Engagement Strategy, encompassing agreed objectives covering NEST stakeholders will be developed by end July 2020. Consultation is about to commence on the licensing framework with CEOs of providers.

T053876 - In addition to the Project Management Office, establish a Change Management plan for NEST to oversee and coordinate all external and internal change, stakeholder engagement and communication activities.	Ongoing	4/08/2020	s 47E(d)
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Last Monitoring Note: Treatment ownership updated.

T053875 - Establish Trial Evaluation and Performance Working Group, which ensures research activities are not duplicative or inefficient, minimise burden on key stakeholders and ensure that data, findings and feedback are communicated to key areas.	Ongoing	26/08/2020	s 47E(d)
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Last Monitoring Note: Working group established with ToR. Meetings continuing.

T054374 - Develop and undertake actions in accordance with User-centred Design Research Plan	Ongoing	28/04/2021	s 47E(d)
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Last Monitoring Note: Actions being undertaken in line with UCD Research plans

T054375 - Develop and undertake actions in accordance with Evaluation Project Plan and Strategy	Ongoing	30/12/2020	s 47E(d)
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Last Monitoring Note: Ongoing low possibility...

T053879 - Develop a communication strategy for duration of NEST that addresses the key stakeholder groups with targeted messaging aimed to increase understanding of, and shift attitudes towards favourable adoption of the new employment services model.	Ongoing	4/08/2020	s 47E(d)
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Last Monitoring Note: Communications and messaging so far have occurred in the following ways: • Direct Messages – via sms and email • Contact Centre queries • jobactive.com website announcements This is with job seekers, providers, employers and interested stakeholders groups.

T053877 - Conduct a comprehensive stakeholder analysis for the duration of NEST which includes Primary, Secondary and Key Stakeholders.	Ongoing	29/07/2020	s 47E(d)
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Last Monitoring Note: Resourcing constraints have impacted the development of the Stakeholder Engagement Strategy which includes a stakeholder analysis. Currently, the NESM PMO is engaging stakeholders (both internal and external) through established governance and communication forums. A formalised Engagement Strategy and accompanying analysis, inclusive of agreed ob...

Risk Event R011234 - Innovative and agile nature of NEST unable to be achieved

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Major	Extreme	Possible	Moderate	High	Possible	Moderate	High
Non-Compliance	Likely	Major	Extreme	Possible	Moderate	High	Possible	Moderate	High
Financial Mismanagement or Loss	Likely	Major	Extreme	Possible	Moderate	High	Possible	Moderate	High
Underperformance	Likely	Major	Extreme	Possible	Moderate	High	Possible	Moderate	High
Reputational Damage	Likely	Major	Extreme	Possible	Moderate	High	Possible	Moderate	High
Treatment Effectiveness			Velocity		Confidence				
Moderate			Moderate		Low				

Causes

Department's culture does not support flexible, innovative practices/services

Evaluation/monitoring reviews are not undertaken early or regularly enough

User-centred research during the trial does not achieve its objectives

Program data is unavailable or unreliable

Confusion for service providers and departmental staff running both NEST and jobactive

The department does not provide clear and understandable Deed, Guidelines and supporting materials that allow providers to reduce red-tape or innovate with their servicing strategies

There is limited scope to change policy settings for complimentary programs (e.g. EST, EF, Wage Subsidies), including the need to risk assessments

Treatments

	Status	Next Review Date	Owner
T053809 - Project, issue and risk management arrangements allow for swift escalation	Ongoing	29/07/2020	s 47E(d)
Last Monitoring Note: For the Project Status Report, Issues and Risks Guides, there is a process for escalation of areas that are red or at risk of being red. The escalation process has been designed incorporating the department's Project Management and Risk Management Frameworks. Additionally, the Project Status Reporting Guide details a 'Go-to-Green' Plan which deta...			
T053813 - Involve DHS in IT build to understand the platform integration points.	Completed		s 47E(d)
Last Monitoring Note: Discussion with Services Australia on the build for NEST have now been completed. Further discussions will occur as part of NESM and Fast Track.			
T053817 - Interim/early insights from Evaluation shared on a regular basis	Proposed	30/12/2020	s 47E(d)
Last Monitoring Note: Ongoing - insights shared as they become available - still appropriate.			
T053811 - Guideline and Deed reviewed to reduce red tape	Ongoing	26/02/2021	s 47E(d)
Last Monitoring Note: In progress - delayed to COVID. Project being resumed.			
T053810 - Governance structure allows for rapid responses and policy solutions	Ongoing	2/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T054376 - Feedback from stakeholders through UCD workshops, roudtables, Reference Working Group, Trial Region Working Groups is recorded and adressed.	Ongoing	5/08/2020	s 47E(d)
Last Monitoring Note: Monitoring note attached to treatment 54378 captures feedback from Providers and employers through the Trial Region Working groups. Feedback from UCD micro-policy fieldwork is captured in an interim report produced by the Trial Performance, Reporting and Licensing Team. Additionally, the UCD research project to develop functionality for Digital...			
T053808 - Establish Agile monitoring by the Digital Transformation Agency and allocate Agile coaches for NEST.	Proposed	30/09/2020	s 47E(d)
Last Monitoring Note: We will review after SI is onboarded and we have had established the governance structures that will control and monitor our agile development			
T053814 - Engage with ICT industry to inform IT build of the new model to increase contact and representation from technology specialists (Microsoft, IBM, etc.) as well as job aggregators such as SEEK, LinkedIn and Adzuna.	Ongoing	2/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053815 - Digital Foundations project to prepare ICT areas to be more flexible and responsive	Completed		s 47E(d)
Last Monitoring Note: The digial foundations project was completed with our Major release starting 26/6.			
T053818 - Desired behaviours included in FAS, AS and Project Lead (EL2) performance agreements in all Divisions/Branches/Sections undertaking NEST related work.	Ongoing	10/12/2020	Melissa Ryan
Last Monitoring Note: Ongoing engagement with leadership team on need to demonstrate appropriate behavouours.			

T053816 - Communicate with Providers, and grant flexibility within Guidelines and Assurance processes, so that they can innovate in the delivery of the NEST	Ongoing	8/05/2021	KELLIE HIPPIIT
Last Monitoring Note: Payment guideline consulted on and based on feedback added guidance but retained flexibility, seeking option for flexibility in EF guideline for NEST to support innovation, work with legals and procurement to kick off Deed and guideline principles for NESM. Review set after Budget as limited new guidelines.			

Justification Note

The New Employment Services Division will continue to work on and refine its approach to risk management for the NEST. This includes creating new ways of treating risk, and increasing treatment effectiveness.

NEST is a new way of delivering employment services which Government has not undertaken before, and as such, there are a lot of 'unknowns'.

Risk Event R011235 - Elements of NEST are not implemented to schedule and/or budget

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Financial Mismanagement or Loss	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Reputational Damage	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Treatment Effectiveness			Velocity	Confidence					
High			Moderate	High					

Causes

Significant variances identified between forecast expenditure for each program and actual expenditure
Significantly lower or higher than expected uptake of the NEST
Lack of clarity about operational matters
Iterative elements of NEST are not implemented to schedule
Policy and implementation decisions are not finalised in a timely manner
Project delivery dependencies within the department are not be understood or effectively managed
DHS is not able to respond within required timeframes or allocated budget
Inadequate or ineffective governance and project management processes
Poor internal/external collaboration
Providers do not meet deed and guideline requirements
Multiple competing priorities for implementation resources

Treatments	Status	Next Review Date	Owner
T053827 - Regular monitoring and reporting of economy and labour market conditions to identify project vulnerabilities	Ongoing	28/10/2020	Louise O'Rance
Last Monitoring Note: Rapidly declining labour market situation, and primary of policy response to recession, has triggered reprioritisation of delivery of NEST elements			
T053824 - Governance arrangements with DHS are agreed and documented	Ongoing	25/11/2021	s 47E(d)
Last Monitoring Note: NEST updates continue to be a feature of the quarterly governance committee meetings with Services Australia. The governance arrangements are currently under review by DESE/SA Corporate Groups.			
T053821 - Governance and Reporting Arrangements track project spent – Departmental Funds (including for IT) - to identify budgetary concerns.	Ongoing	4/12/2020	Melissa Ryan
Last Monitoring Note: 11 November 202 met with Finance Division to set up reports to track key expenditure. Regular reports are being developed.			
T053820 - Governance and Reporting Arrangements track Administered Funds - actual and forecasted expenditure - to identify budgetary concerns.	Ongoing	30/06/2021	s 47E(d)
Last Monitoring Note: NEST expenditure reports are provided to ESC on a monthly basis.			
T053819 - Governance and Reporting Arrangements for the NEST track the implementation schedule.	Ongoing	2/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			

s 22(1)

Risk Event R011236 - Data/information about the NEST is not sufficient for operational and evaluation purposes

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Minimal	Low	Unlikely	Minimal	Low	NA	NA	NA
Non-Compliance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Underperformance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Treatment Effectiveness			Velocity		Confidence				
Moderate			Slow		High				

Causes
Stakeholders (particularly NEST providers, Reference Group and Working Groups) do not share information and insights

Inability to retain cohesion between NEST regions
User-centred research during the trial does not achieve its objectives
Evaluation of NEST does not achieve its objectives
Stakeholder engagement does not achieve its objectives
Competing priorities for monitoring and evaluation resources
Data availability is limited by ICT implementation priorities and decisions
Metadata is lacking or of limited quality
Budget decision timelines restrict the type and scope of data that can be considered
Demand for monitoring data lacks strategic focus and takes precedence over insightful reporting
Providers attempt to game performance assessments

Treatments	Status	Next Review Date	Owner
T053839 - User-centred Design Research Plan sets out clear parameters for the information required for successful and timely evaluation of elements of the NEST, whilst also being agile and flexible.	Completed		s 47E(d)
Last Monitoring Note: UCD methodology include ongoing use of Research Plans. Mitigation can be closed due to NEST being completed.			
T053836 - Trial, Performance and Evaluation Working Group is used to test understanding of requirements and provide feedback	Ongoing	30/12/2020	s 47E(d)
Last Monitoring Note: Ongoing			
T053843 - Monitoring and performance measures are developed and rolled out iteratively to allow testing and feedback	Ongoing	28/09/2020	Louise O'Rance
Last Monitoring Note: A range of performance and monitoring measures have been circulated internally for feedback; detailed development and testing has commenced.			
T053840 - Liaise with relevant areas of the department to capture key policy questions to be addressed through data analysis and reporting.	Ongoing	27/08/2020	s 47E(d)
Last Monitoring Note: policy and data analysis questions have been identified and re being pursued			
T053831 - Internal Working Groups established to share information on operational aspects of NEST, with appropriate record keeping	Ongoing	20/08/2020	s 47E(d)
Last Monitoring Note: Ref Group: was established in August 2019 with the first meeting held in September 2019. Members represent Business, Industry, the community and welfare sectors and employment services providers. Mid-North Coast: was established in September 2019 with the first meeting held in October 2019. Members represent local business and industry, the commu...			
T053833 - Flexible Work Order [further edits suggested]	Ongoing	30/12/2020	s 47E(d)
Last Monitoring Note: Ongoing...			
T053832 - Document and share lessons learned on an ongoing basis, including: • lessons derived from stakeholder engagement and change management, • after each project Phase.	Ongoing	1/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
s 22(1)			
T053838 - Current Employment Service Reports are reviewed and enhanced to support data for NEST Providers and Contact Centre.	Proposed	20/08/2020	s 47E(d)
Last Monitoring Note: Employment Service Reports have been reviewed and updated to be relevant for NEST Providers. Reports now include a NEST column indicating service level ('Tier 1' or 'Tier 2'), JSCI level ('medium' or 'high') and a Very Long Term Unemployment Indicator			

T053837 - Consultation with Reference Group, Trial Region Working Groups [further edits suggested]	Ongoing	30/12/2020	s 47E(d)
Last Monitoring Note: Ongoing			
T053829 - Clearly articulated and agreed objectives set for User-Centred Design Research	Completed		s 47E(d)
Last Monitoring Note: UCD method include processes to capture and maintain agreed objectives. Due to NEST being completed this mitigation can be retired.			
T053830 - Clearly articulated and agreed objectives set for Stakeholder Engagement	Ongoing	31/07/2020	s 47E(d)
Last Monitoring Note: Resourcing constraints have impacted the development of the Stakeholder Engagement Strategy. Currently, the NESM PMO is engaging stakeholders (both internal and external) through established governance and communication forums. A formalised Engagement Strategy, encompassing agreed objectives covering NEST stakeholders will be developed by end of Ju...			
T053828 - Clearly articulated and agreed objectives set for Evaluation	Ongoing	30/12/2020	s 47E(d)
Last Monitoring Note: Ongoing...			
T053841 - All areas of the department that intend to conduct surveys/research on NEST participants coordinate through the Performance and Evaluation WG	Ongoing	28/09/2020	Louise O'Rance
Last Monitoring Note: Performance and Evaluation WG remains on hold. Post-Program Monitoring surveys of NEST participants to commence late June.			

Risk Event R011237 - Digital Platform infrastructure and software does not adequately support the NEST

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Major	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Major	High	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Treatment Effectiveness		Velocity		Confidence					
Moderate		Rapid		Moderate					

Causes

Digital eco system does not support policy intent

Policy and implementation decisions are not finalised in a timely manner

ICT transformation are too complex to deliver on time, particularly as they relate to referrals, assessment, activities, transfer processes and payment model

ICT development requires too many updates, which are too complex to deliver on time

IT tools/systems/programs required to build a well performing infrastructure are unavailable

Digital platform performance requirements are not considered in enough detail

Inadequate governance and project management processes

Complexities of transition to new systems, including data migration are not considered.

System failures result in the department being unable to deliver core business priorities

Treatments	Status	Next Review Date	Owner
T053909 - Robust increment planning for NEST and DSD project deliverables/outcomes.	Ongoing	30/09/2020	s 47E(d)
Last Monitoring Note: PMO has been working with NEST Team and the PI Planning session for PI 1 2020 - 2021			
T053908 - Perform in depth user testing for each system iteration, i.e. BAU testing.	Ongoing	30/09/2020	Nicolle Johnston
Last Monitoring Note: All releases have been tested by system testers.			
T053910 - NESM Project Leads to work in close collaboration with DSD Project Manager.	Ongoing	4/12/2020	Melissa Ryan
Last Monitoring Note: close working arrangements are in place to reflect the agree governance arrangements.			
T053913 - IT risks and mitigations are managed in accordance with Branch Risk Plans within the Digital Services Division	Ongoing	29/11/2020	Kerryn Kovacevic
Last Monitoring Note: Reviewed and set next review date			
T053912 - Establish digital platform performance monitoring and reporting (data daily reports).	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: To review ongoing need in context of branch planning.			
T053911 - Develop clear Business Requirements and Business rules for digital platform/solution.	Ongoing	11/01/2021	s 47E(d)
Last Monitoring Note: Si will seek to look at issue in first phase of their engagement which is due to be completed in early Jan			
T053914 - Develop a Project Management Office Handbook which outlines strong governance and risk management arrangements, including regular monitoring of the NEST and swift escalation of issues where needed.	Ongoing	6/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053915 - Contingency Plans developed and reviewed on a regular basis.	Ongoing	27/08/2020	KELLIE HIPPIIT
Last Monitoring Note: Updated Treatment Owner			

Risk Event R011238 - Providers are unable to adapt to the new servicing approach under the NEST

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Non-Compliance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Underperformance	Possible	Major	High	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Possible	Severe	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Treatment Effectiveness			Velocity	Confidence					
Moderate			Moderate	Moderate					

Causes

Providers are not financially viable to participate in the Trial
Provider business models do not maximise job seeker outcomes
The incentive structure for providers is not effective
Demographics of regions are not adequately considered in policy design
Guidelines, Deed and elements of the NEST are not fit for purpose
Providers do not deliver a service that allows job seekers to have more personal agency and greater choice
Poor or inadequate communication with stakeholders does not support cultural change during the NEST
The new design for enhanced services being tested does not meet the needs of job seekers
Employer engagement in NEST regions is poor and compromises the achievement of employment outcomes for NEST participants (both digital and enhanced services)
Providers cannot meet employer recruitment needs
Employers have access to competing job boards and do not increase their usage of jobactive.gov.au
Providers do not refer job seekers to complementary programs
Preferential treatment is given to Contact Centre
Providers fail to invest in long-term strategies for job seekers with complex needs
Providers are unable to retain, recruit or utilise sufficiently skilled people to service disadvantaged job seekers
Insufficient re-investment in the enhanced services model

Treatments	Status	Next Review Date	Owner
T053899 - Stakeholder engagement strategy includes specific engagement plans with implementation activities for various providers	Ongoing	30/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			

s 22(1)

T053904 - Perform social media intelligence gathering nationally and in the two NEST locations, including social media opinion leader mapping and monitoring to be able to respond in an agile manner and feed the engagement and communication strategies and targeted content.	Ongoing	6/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053897 - Payment structure to be monitored to identify any unintended consequences.	Ongoing	21/12/2020	s 47E(d)
Last Monitoring Note: Consultant engaged to undertake financial viability analysis of the new model. Findings will inform adequacy of the new payment structure.			
T053905 - Monitoring of complaints received (via NCSL, Ministerials or tip offs) from employers and job seekers about provider or Contact Centre servicing.	Ongoing	14/07/2021	s 47E(d)
Last Monitoring Note: Ongoing monitoring and reporting through PISCES to identify trends in all program feedback data. Ongoing information sharing and reporting capability for the contact centre on NCSL data captured for Digital Jobseekers.			
T053901 - Monitor implementation of online compliance/mutual obligation requirements and its impact on provider behaviour.	Ongoing	18/11/2020	s 47E(d)
Last Monitoring Note: PBAS is yet to commence. Stakeholders have been provided with a presentation and training material for PBAS. It is due to commence on 26 October 2020			
s 22(1)	Ongoing	21/12/2020	s 47E(d)
s 22(1)			
T053906 - Establish and maintain communications and guidance channels about transition and experience interacting with Digital services.	Completed		Shane Wilson
Last Monitoring Note: NEST Transition now completed.			
s 22(1)	Ongoing	6/08/2020	s 47E(d)
s 22(1)			
T053900 - Engage service providers to validate the new employment services performance framework	Ongoing	20/08/2020	s 47E(d)
Last Monitoring Note: The Division is actively engaging service providers to validate the new Performance Framework. UCD Research feeding into the Performance Framework has been completed with service providers (amongst others) participating in research sessions. Findings from Sprints 5 and 6 will be included in the draft report that is due in mid-July. The Employme...			
T053898 - During the NEST, engage with service providers to share data and assumptions on key model parameters so they can undertake financial viability modelling.	Completed		s 47E(d)
s 22(1)			
T053903 - During the NEST monitor performance of service providers through evaluation, program assurance and user-centred design mechanisms	Ongoing	20/08/2020	s 47E(d)
s 22(1)			

Risk Event R011239 - Job seekers are unable to adapt to the new servicing approach under NEST

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Major	Extreme	Possible	Moderate	High	Unlikely	Minor	Medium
Non-Compliance	Likely	Major	Extreme	Possible	Moderate	High	Unlikely	Minor	Medium
Financial Mismanagement or Loss	Likely	Major	Extreme	Possible	Moderate	High	Unlikely	Minor	Medium
Underperformance	Likely	Major	Extreme	Possible	Moderate	High	Unlikely	Minor	Medium
Reputational Damage	Likely	Severe	Extreme	Possible	Moderate	High	Unlikely	Minor	Medium

Treatment Effectiveness	Velocity	Confidence
Moderate	Moderate	Low

Causes

Job seekers find increased flexibility too complex

There is no change in job seekers ownership and interest in their pathway to employment

Referral of job seekers is unsophisticated and fails to identify the correct level of service

4 mth Intensive Activity, 6 mth Diversification process and 12 mth Intensive Activity is inappropriate or ineffective

Advice provided to job seekers via Digital Platform is not relevant, practical or related to the job opportunities available

Points-based activation prototype results in unnecessary compliance actions

The new design does not meet the needs of job seekers

The department does not get the balance right between personal agency, individual pathways and strong activation

Contact Centre capability and capacity is compromised, particularly due to a lack of investment in staff training and development

Contact Centre guidelines and procedures are not adequate to address job seeker concerns

Treatments	Status	Next Review Date	Owner
T053882 - Test learning module content and assess job seekers for tangible outcomes flowing from participation in online learning s 22(1)	Ongoing	17/08/2020	Shane Wilson
T053893 - Report on and monitor digital caseload and propose interventions to address problems and policy or process changes to improve efficiency or effectiveness of services. s 22(1)	Ongoing	17/08/2020	Shane Wilson
T053880 - Provide training and communications to job seekers for the Point-based Activation System, whilst ensuring the Points-based Activation System is simple in design and use, and informed by a user-centred design approach.	Ongoing	15/12/2020	s 47E(d)
Last Monitoring Note: PBAS is still delayed. All products have been drafted and cleared. Just awaiting the go ahead from the MO.			
T053889 - Perform regular evaluations of user experience of digital services including Contact Centre.	Ongoing	29/01/2021	Erin Rule

Last Monitoring Note: NEST Insights report has been developed and disseminated to the key program and policy teams. The report synthesises evidence from NEST research as well as other evaluation sources and UCD research to assist understanding of key evidence for the trial.			
T053894 - Monitor uptake, delivery and effectiveness of digital literacy training for job seekers transitioning to Digital services.	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: Item impacted due to COVID. Looking at Digital Literacy needs ongoing.			
T054379 - Monitor the progress of job seekers using digital services through responses to the messages being sent, completing their job search and reporting as expected.	Ongoing	4/08/2020	Shane Wilson
Last Monitoring Note: Treatment ownership updated.			
T053891 - Establish Virtual job fairs and run job fairs in NEST regions.	Completed		s 47E(d)
Last Monitoring Note: NEST region virtual job fair was held in May 2020. No plans for future NEST virtual job fairs. This series has concluded.			
T053887 - Establish triggers for re-assessment by the Contact Centre, including a re-assessment at a minimum 6 months.	Ongoing	30/04/2021	s 47E(d)
Last Monitoring Note: Successive contingencies (bushfire and Covid -19) impacted the standard BAU performance of the 6 month assessment across the digital caseload. Assessments are likely to recommence in October 2020.			
T053890 - Establish regular monitoring, data analysis and reporting, including tracking the number of opt outs from digital services.	Ongoing	20/08/2020	s 47E(d)
s 22(1)			
T053892 - Establish processes to review and update the systems override protocol.	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: To review ongoing need in context of 2020-21 systems enhancements.			
T054380 - Develop digital literacy training for job seekers across Digital First, Digital Plus and Digital Enhanced service offerings.	Ongoing	31/12/2020	s 47E(d)
Last Monitoring Note: Assessment of service offering is ongoing and latest assessment indicates positive feedback			
T053884 - Develop and test a mechanism to opt out of specific digital service tier to enable the job seekers to move between the service tiers, i.e. from Digital Plus to Enhanced Services.	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: Further review in the context of 2020-21 systems enhancements.			
T053885 - Develop and test a comprehensive online job seeker assessment, including digital capability, motivation and soft skills.	Ongoing	1/12/2020	s 47E(d)
Last Monitoring Note: DLA has been a 'success' and will now be built into formal operating procedures from October 2020 in both the OES and NEST.			
T053881 - Develop an agreed editorial policy for developing, clearing and testing job search advice on NEST	Ongoing	30/06/2021	s 47E(d)
Last Monitoring Note: Ongoing			
T053895 - Develop a communication strategy for duration of trial that addresses jobseekers with targeted messaging aimed to increase understanding of, and shift attitudes towards ownership of their pathway to employment.	Ongoing	30/06/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053888 - Contact Centre staff undergo training on NEST Guidelines, FAQs and Procedure manuals.	Ongoing	1/03/2021	s 47E(d)
Last Monitoring Note: changing treatment owner 25/11/20			

Justification Note

The New Employment Services Division will continue to work on and refine its approach to risk management for the NEST. This includes creating new ways of treating risk, and increasing treatment effectiveness.

NEST is a new way of delivering employment services which Government has not undertaken before, and as such, there are a lot of 'unknowns'.

Risk Event R011233 - NEST program does not meet its objectives

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Severe	Extreme	Possible	Moderate	High	Possible	Moderate	High
Non-Compliance	Likely	Severe	Extreme	Possible	Moderate	High	Possible	Moderate	High
Financial Mismanagement or Loss	Likely	Severe	Extreme	Possible	Moderate	High	Possible	Moderate	High
Underperformance	Likely	Severe	Extreme	Possible	Moderate	High	Possible	Moderate	High
Reputational Damage	Likely	Severe	Extreme	Possible	Moderate	High	Possible	Moderate	High
Treatment Effectiveness			Velocity		Confidence				
Moderate			Slow		High				

Causes

Trial is not easily scalable, particularly due to cultural change required
The selected regions and number of providers for the NEST are not be representative of regions/providers with very large caseloads or very weak labour market conditions
Timeframes are too tight to accurately test and evaluate the NEST before rollout of the new model
Sufficient information is not available in a timely manner to inform the SPBC and/or the final employment services model
System functionality gaps and servicing gaps are not identified through the NEST
Changes in policy environment jeopardises integrity of the NEST
Employer and job seeker perspectives are not adequately addressed in content design
Required project scope is not delivered

Treatments	Status	Next Review Date	Owner
T053806 - The digital and data ecosystem will consider regional dimensions, considering learnings from the OEST and regional considerations for mutual obligations.	Ongoing	29/01/2021	s 47E(d)
Last Monitoring Note: Regional considerations will be part of the development of the new model. Evidence from the OEST and NEST will feed into this.			
T053799 - Review and assess how fit for purpose current systems and tools used to track data related to NEST, particularly Digital Services	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: Further review in the context of 2020-21 systems enhancements.			
T053807 - Regular reporting to ESC, EBMC, PISCES, and Audit Committee.	Ongoing	30/10/2020	s 47E(d)
Last Monitoring Note: An update on the New Employment Services Model occurs at ESC and EBMC weekly and project status reports are provided monthly.			

T053795 - Monitor and conduct review of transition in order propose to policy or process changes that address problems to improve efficiency or effectiveness of services for national rollout	Ongoing	17/08/2020	Shane Wilson
Last Monitoring Note: Continuing review of transition data.			
T053805 - Establish rigorous project management processes	Ongoing	1/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053801 - Establish Change Control processes to review impact of any changes to NEST scope	Proposed	1/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053800 - Document and share lessons learnt during NEST, and incorporate lessons learnt from other employment services programs	Ongoing	27/08/2020	s 47E(d)
Last Monitoring Note: Evaluation and program monitoring underway.			
T053804 - Develop performance measures for Enhanced Services	Ongoing	20/08/2020	s 47E(d)
Last Monitoring Note: The Employment Services Reporting and Analysis Branch has developed a draft suite of Performance Measures for testing, including for Enhanced Services. They include, but are not limited to, measures on the following topics: • Job placements and Employment Outcomes • Exits from program • Changes in earnings of participants • Changes in disadvantage ...			
T053802 - Develop performance measures for Digital Services	Ongoing	1/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053803 - Develop performance measures for Contact Centre	Ongoing	1/03/2021	s 47E(d)
Last Monitoring Note: changing owner			
T053796 - Conduct user-centred design research	Ongoing	28/04/2021	s 47E(d)
Last Monitoring Note: UCD being used to support NESM program			
T053798 - Conduct stakeholder consultation within and outside of the NEST regions	Ongoing	2/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053797 - Conduct a comprehensive evaluation of the NEST, including NEST design scalability	Ongoing	30/12/2020	s 47E(d)
Last Monitoring Note: Delays due to Covid-19. Changes to timetables			

Justification Note

The New Employment Services Division will continue to work on and refine its approach to risk management for the NEST. This includes creating new ways of treating risk, and increasing treatment effectiveness.

Risk Event R011127 - Failure to protect or mistreatment of children and vulnerable program participants.

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Possible	Severe	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Non-Compliance	Possible	Severe	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Financial Mismanagement or Loss	Possible	Severe	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Possible	Severe	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Possible	Severe	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Treatment Effectiveness			Velocity	Confidence					
Moderate			Rapid	Moderate					

Causes

NEST Providers, Contact Centre and DHS staff do not apply the policy and operational guidelines correctly, including imposing demerits or financial penalties on genuine job seekers/participants where they shouldn't
Contact Centre capability and capacity is compromised
Incorrect application of the compliance framework by the digital platform or contact centre
NEST providers' WHS processes are inadequate or not clearly understood by staff
Failure of NEST providers to meet their contractual obligations with regard to WHS provisions in the Deed and relevant Guidelines

Treatments	Status	Next Review Date	Owner
T053859 - Risks and mitigations are managed in accordance with Assurance Coordination Branch risk plan(s) and Strategies.	Ongoing	26/02/2021	Jodie Chamberlain
Last Monitoring Note: Assurance plan has been reviewed and updated to reflect priorities			
T053858 - Relevant checks conducted and recorded, including criminal records and Working with Children and Working with Vulnerable People, for Contact Centre staff.	Ongoing	1/03/2021	s 47E(d)
Last Monitoring Note: changing treatment owner 25/11/20			
T054381 - Providers for NEST are engaged in accordance with the Commonwealth Childsafe Framework and the departments Child Safety and Wellbeing Risk Plan.	Ongoing	1/07/2020	s 47E(d)
Last Monitoring Note: Treatment review date delayed due to the impact of COVID-19			
T053861 - NEST Providers and Contact Centre staff must successfully complete a quiz, demonstrating their understanding of TCF.	Ongoing	31/03/2021	s 47E(d)
Last Monitoring Note: Ongoing mandatory training for TCF			
T054382 - NEST Deed contains clauses that ensures all Provider staff in roles recognised as child related work meet regulatory requirements including working with vulnerable people/children	Ongoing	26/02/2021	s 47E(d)
Last Monitoring Note: Child safety clauses rolled out across employment services deeds, including the NEST Deed. The changes come into effect from 1 July 2020.			
T053860 - Ensure guidance material is regularly reviewed and updated where appropriate, to provide clear advice and guidance.	Ongoing	5/08/2020	s 47E(d)
Last Monitoring Note: Guidance material for jobseekers, providers and employers regarding NEST and NESM is regularly published on the Department's website. The NEST Deed and Guidelines clearly articulate the department's position on protecting vulnerable participants and children from mistreatment.			

Risk Event R011133 - Fraudulent manipulation or misuse of employment services programs

Category	Inherent Risk Likelihood	Inherent Risk Consequence	Inherent Risk Rating	Residual Risk Likelihood	Residual Risk Consequence	Residual Risk Rating	Target Risk Likelihood	Target Risk Consequence	Target Risk Rating
Harm to People	Likely	Moderate	High	Unlikely	Minor	Medium	NA	NA	NA
Non-Compliance	Likely	Major	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Financial Mismanagement or Loss	Likely	Major	Extreme	Unlikely	Minor	Medium	NA	NA	NA
Underperformance	Likely	Major	Extreme	Unlikely	Moderate	Medium	NA	NA	NA
Reputational Damage	Likely	Severe	Extreme	Unlikely	Minor	Medium	NA	NA	NA

Treatment Effectiveness	Velocity	Confidence
Moderate	Moderate	High

Causes

Assurance monitoring fails to identify indications of sharp practice

Changes to IT systems (either departmental or provider) have unintended consequences that affect IT controls

Due to iterative nature of IT build, and manual workarounds, payments are claimed inappropriately

Provider or Contact Centre staff has a conflict of interest with a job seeker, employer or supplier

Payments to job seekers and providers do not abide by the relevant guidelines

NEST Provider governance and management processes are ineffective

The department does not provide clear and understandable Guidelines and supporting materials to Providers and Contact Centre staff

Providers or Contact Centre staff engage in fraudulent behaviour/sharp practices to obtain financial or material gain

Treatments

	Status	Next Review Date	Owner
T053868 - Utilise the Remedial Action Framework Breach Management Framework where appropriate for instances of misuse, non-compliance or fraud.	Ongoing	26/02/2021	s 47E(d)
Last Monitoring Note: No change to treatment. Updated the next treatment review date.			
T053865 - Risks and mitigations are managed in accordance with Assurance Coordination Branch risk plan(s) and Strategies.	Ongoing	30/11/2020	Jodie Chamberlain
Last Monitoring Note: Assurance plan has been reviewed and updated			
T053864 - NEST Deed clearly outline providers' obligation and rules regarding fraud.	Ongoing	26/02/2021	s 47E(d)
Last Monitoring Note: No change to treatment. Updated the next treatment review date.			
T053869 - Key policy parameters are built into the IT System (ESS Web) in order to enforce compliance within Contact Centre.	Ongoing	30/09/2020	s 47E(d)
Last Monitoring Note: Treatment delayed due to impact of COVID and subsequent impact of availability of IT resources to make system changes.			

T053866 - Establish Governance and program assurance arrangements (including the program assurance plan) for the Contact Centre.	Ongoing	1/03/2021	s 47E(d)
Last Monitoring Note: changing treatment owner 25/11/20			
T053867 - Ensure NEST providers and Contact Centre staff are aware of the Tip off hotline and complaints process for the department.	Ongoing	5/02/2021	s 47E(d)
Last Monitoring Note: A tip-off line fact sheet has been developed and provided to Contact Centre management that has been tailored for Contact Centre staff. Information sessions have been scheduled (6 August) with Contact Centre staff regarding the tip-off line, its purpose and how to engage. Bulletins on the tip-off line are regularly rotated on the Provider Portal ad...			
T053870 - Contact Centre implements internal policies, processes and training around the proper use of administered funds, managing conflict of interests and complaints.	Ongoing	1/03/2021	s 47E(d)
Last Monitoring Note: changing treatment owner 25/11/20			

MS21-900270

Ministerial Submission

Urgent/High Complexity



Australian Government

Department of Education,
Skills and Employment

To Minister for Employment, Workforce, Skills, Small and Family Business

Subject The Points Based Activation System and Workforce Specialists in the New Employment Services Model - correspondence to the Prime Minister

Action date Please action by 10 December 2021 in order to confirm the final design for the Points Based Activation System framework and seek agreement to the expansion of eligibility for Workforce Specialists via correspondence with the Prime Minister by the end of 2021.

Recommendation(s) - That you:

- | | |
|---|--------------------------------|
| 1) approve the Points Based Activation System framework as outlined at <u>Attachment A</u> . | approved / not approved |
| 2) note the issues identified with the Points Based Activation System framework as outlined at <u>Attachment B</u> and consider the alternative options proposed. | noted / please discuss |
| 3) s 22(1) [REDACTED] | approved / not approved |
| 4) sign the letter to the Prime Minister at <u>Attachment C</u> . | signed / not signed |

Signature: _____

____/____2021

Comments

Executive summary

Points Based Activation System

1. s 34(2) [REDACTED] s 34(3) [REDACTED]
2. [REDACTED]
3. [REDACTED] s 34(2) [REDACTED]
4. The final design of the PBAS framework has been informed by user centred design with job seekers and providers, and learnings from the New Employment Services Trial (NEST) evaluation, where PBAS is being monitored as the trial progresses. Learnings have shown that job seekers respond positively to the independence and empowerment PBAS provides and it rewards participation and activation. Feedback received through comprehensive consultation on PBAS with providers and peak bodies also informed the framework including the requirement to have minimum job search and the weightings for some points for tasks and activities (details at Attachment A).

5. The PBAS empowers job seekers with personal responsibility around the way they manage and meet their mutual obligations. It recognises a diverse range of tasks and activities that a job seeker can choose to undertake to meet their requirements. It is designed to encourage upskilling to meet labour market opportunities, recognise diverse pathways to employment, increase quality job search applications and maintain strong activation requirements for job seekers. The framework will also reduce the administrative cost of unsuitable applications on employers. It has been supported by business, current employment service providers, and peak bodies.

s 22(1)

6. s 22(1)

- 7.

8. This brief seeks your approval on the final design of the PBAS framework for the new model (Attachment A) s 22(1). A letter has been prepared for you to sign to the Prime Minister (Attachment C) confirming these elements for the new model.

Key points

Points Based Activation System

9. The introduction of the PBAS responds to a recommendation in the *I Want to Work Employment Services 2020 Report* that the new model include a points-based activation approach whereby job seekers engage and participate in tasks and activities to meet a points target each month.
10. Quality job search remains a core component of PBAS for all job seekers and job seekers will have a minimum number of job searches to meet each month as part of the points target.
11. PBAS maintains strong mutual obligations through the application of the Targeted Compliance Framework (TCF) for job seekers who fail to meet their mutual obligation requirements without a valid reason and the introduction of mandatory activation points, which are earlier and more frequent than under the current model, jobactive.
12. A detailed overview of the final design of the PBAS framework is included at Attachment A.
13. Following the deep dives on the PBAS framework, when working through implementation, some issues were identified with the settled framework. The proposal to refer job seekers to a provider after three demerits has not been included in the framework as it would require authority and additional funding. This issue and others identified are outlined at Attachment B, with alternative options for consideration.

s 22(1)

Government policy issues and impact on other portfolios

17. The introduction of PBAS does have impacts on processes undertaken by Services Australia. The department is working closely with Services Australia to ensure impacts are minimised.
18. The department has worked closely with other government departments to recognise relevant programs under PBAS including the Adult Migrant English Program (Department of Home Affairs).
19. The new model will have the flexibility to incorporate future tasks and activities as required. The points values for these tasks and activities will be informed by the principles outlined in Attachment A and agreed by the department or Minister.

Key risks and mitigation

20. All job seekers will use PBAS to manage and meet their mutual obligations in the new model. There is a risk that vulnerable job seekers could find using PBAS challenging. Safeguards will ensure these job seekers are identified and referred to Enhanced Services where they will be supported to use PBAS by a provider.
21. Transitioning to the new model and introducing PBAS will involve significant transition and implementation risks given the change for job seekers and providers. There will be a suite of communication materials on PBAS to support stakeholder understanding of PBAS and reduce the risks associated with transitioning to PBAS.
22. The Streamlined Participation Requirements and Other Measures Bill 2021 has been introduced to amend the Social Security Act 1991 and the Social Security (Administration) Act 1999. The Bill supports flexible activation and the introduction of PBAS. It is not required to be passed for PBAS to be implemented in the new model, but it reduces risk through clarity around the ability for job seekers to self-manage and meet their requirements online.

s 22(1)

Communications and media strategy

24. Following approval by the Prime Minister, information on the final design of PBAS will be provided to the market.
25. Prior to the commencement of PBAS, the department will conduct training sessions with Enhanced Services providers and the Digital Services Contact Centre (DSCC) to provide information on PBAS and how it will operate. There will be a suite of communication and training products made available including IT demonstrations, guidelines and a series of training modules that will support providers and the DSCC staff.
26. Support will be available for job seekers who will commence in PBAS. This includes clear onboarding messages, inbox, email and SMS notifications, as well as IT demonstrations and videos to help them understand PBAS. The DSCC will also be available to respond to questions from Digital Services job seekers.

Stakeholder consultation

27. Comprehensive consultation has been undertaken with external stakeholders, including bi-lateral meetings with all NEST providers and webinars with jobactive providers, peak bodies and other interested stakeholders. These meetings have served to clarify the intent of PBAS and collect feedback to inform the final design of PBAS in the new model. There was broad support for introducing a point-based approach and for the key elements of the framework proposed.
28. Stakeholder feedback through the Exposure Draft process indicated strong support for a points-based approach to support job seekers to meet their requirements, with stakeholders requesting further detail on elements of the PBAS, including setting points targets and point values for tasks and activities.

Attachments

- Attachment A Points Based Activation System Framework
Attachment B Points Based Activation System Framework – issues identified
Attachment C Letter to the Prime Minister

Clearance

Primary Contact Officer: Kellie Spence	Assistant Secretary
Digital Services Branch	Ph: s 47E(d)
Emp NESM Program Implementation	Mobile: s 47E(d)
Clearance Officer: Melissa Ryan	First Assistant Secretary
Emp NESM Program Implementation	Ph: s 47E(d)

Attachment A

Principles for the Points Based Activation System

The principles

- The Points Based Activation System (PBAS) seeks to empower personal responsibility for job seekers, encourage upskilling to meet labour market opportunities, recognise diverse pathways to employment and maintain strong activation requirements for job seekers.
- The PBAS must remain simple for the job seeker to understand and meet their requirements.
- A consistent framework for determining points values will inform future tasks and activities that may be added to the New Employment Services Model. The points values will:
 - incentivise skills development
 - consider the contribution of activities to gaining employment
 - consider the level of engagement/hours required and frequency of the activity
 - recognise and reward success.

Points Framework

- The points target will generally be 100 points per reporting period (4 weeks). An individual's target may be reduced by a credit in specified circumstances to reflect the local labour market conditions and/or personal circumstances. Credits may be:
 - up to 20 points for poor labour markets with low suitable vacancies
 - up to 40 points for personal circumstances such as partial capacity to work requirements (15-29 hours per week), caring responsibilities, age, homelessness, short-term family emergency, community service orders, and observance of cultural or religious beliefs.
- There will be a minimum job search of 25 points per reporting period (5 job searches), exceptions include
 - where a job seeker is fully meeting mutual obligations as per legislation
 - participation in activities/relocation where there is a high likelihood of a job
 - exceptional circumstance adjustments by providers or the Digital Services Contact Centre (DSCC).
- Job seekers will be rewarded for extra effort and can bank additional points they have received for the next reporting period. Job seekers may bank up to half of their target points, which must be used in the following month.
- A simplified Mutual Obligation Agreement (currently referred to as a Job Plan) will include the requirement for job seekers to meet their points target and minimum job search. Failure to meet this requirement without a valid reason will result in a points-based failure and incur a demerit under the Targeted Compliance Framework (TCF). The job seeker will be required to re-engage by completing the relevant number of job searches to meet their requirement.

Points Based Activation System in the New Employment Services Model – **OFFICIAL** points values for tasks and activities

Appendix 1

Tasks and activities	Digital Services	Enhanced Services	Point adjustment ⁽¹⁾	Rationale
Relocation for a job	100 points	100 points		Where a job seeker relocates for work using the department's relocation assistance program, they will fully meet their points target for that reporting period.
PaTH Internships	25 points per week	25 points per week		Undertaking these activities will fully meet a job seeker's requirements over a four-week period (25 points per week) as there is a reasonable prospect of employment. Job seekers will not need to complete the minimum job search requirement.
National Work Experience Programme	25 points per week	25 points per week		
New Enterprise Incentive Scheme training	25 points per week	25 points per week		
Launch into Work	25 points per week	25 points per week		
Starting a job	20 points	20 points	✓	Recognises the significance of securing paid employment (even if it is short-term). Providers may increase the points value where this is a major step towards sustainable employment for an individual, for example long-term unemployed.
Attending a job interview	20 points	20 points	✓	Recognises the level of engagement often required in preparing for and attending a job interview. Strongly supported by employer peak bodies. Providers may increase the points value where this is a major step towards sustainable employment for an individual, for example long-term unemployed.
Driver's licence attainment	N/A	20 points		Allocated on completing their driver's licence. This recognises the significance of securing a driver's licence for increasing employment prospects.
Career coaching	20 points	N/A (not eligible)		Career coaching sessions will be offered to digital job seekers through Transition to Work (Youth Advisory Sessions) and the National Careers Institute. Sessions for each job seeker are limited. Allocation of 20 points will incentivise job seekers to participate.
Job Fairs	20 points	20 points		To incentivise attending a local jobs fair, including a job fair held virtually. These opportunities are usually no more than once per year in a region.
Work for the Dole	N/A	20 points per week (full-time) 15 points per week (part-time)		Points values would incentivise job seekers to undertake this program to improve their job readiness and develop soft skills. The points values are reflective of the high contact hours (generally up to 25 hours per week for full-time participation). Job seekers will be required to continue to look for work and will need to complete the minimum job search requirement.
Employability Skills Training	20 points per week (full-time) 15 points per week (part-time)	20 points per week (full-time) 15 points per week (part-time)		Points values are consistent with Work for the Dole as the effort and commitment required is similar.
Career Transition Assistance	20 points per week (full-time) 15 points per week (part-time)	20 points per week (full-time) 15 points per week (part-time)		Points values are consistent with Work for the Dole as the effort and commitment required is similar. This program is available to all job seekers over 45 years of age.

Points Based Activation System in the New Employment Services Model – **OFFICIAL** points values for tasks and activities

Appendix 1

Observational work experience	N/A	20 points per week (full-time) 15 points per week (part-time)		Effort and commitment required to complete this activity by some job seekers is consistent with the principles for allocating points for Work for the Dole and Employability Skills Training. This form of work experience does not have the likelihood of a job and minimum job search will continue to apply.
Provider sourced voluntary work	N/A	20 points per week (full-time) 15 points per week (part-time)		Effort and commitment required to complete this activity by some job seekers is consistent with the principles for allocating points for Work for the Dole and Employability Skills Training.
Study and training	20 points per week (full-time) 15 points per week (part-time)	20 points per week (full-time) 15 points per week (part-time)		Points values reflect the level of engagement and commitment required to complete full-time or part-time study. Job seekers will be required to continue to look for work and will need to complete the minimum job search requirement.
Skills for Education and Employment	20 points per week (full-time) 15 points per week (part-time)	20 points per week (full-time) 15 points per week (part-time)	✓	Points values are consistent with those points allocated for study and training as the effort and commitment required to complete this activity is similar. Providers and the Digital Services Contact Centre have flexibility to adjust the minimum job search requirement.
Adult Migrant English Program	20 points per week (full-time) 15 points per week (part-time)	20 points per week (full-time) 15 points per week (part-time)	✓	Points values are consistent with those points allocated for study and training as the effort and commitment required to complete this activity is similar. Providers and the Digital Services Contact Centre have flexibility to adjust the minimum job search requirement.
Work related licences/qualifications (forklift licence/white card)	15 points	15 points	✓	These licences are generally undertaken as a half-day to 3-day training course. A job seeker will earn 15 points on completion of the licence or qualification. This category is similar to part-time study of up to 15 hours per week. Providers and the Digital Services Contact Centre will have flexibility to adjust the points value for the licence/qualification based on individual circumstances.
Defence Force Reserves	10 points	10 points	✓	The minimum requirement is based on a job seeker's participation in the reserves on one weekend per reporting period. A provider or the Digital Services Contact Centre may increase the points values to reflect individual circumstances. For example, two weeks of intensive full-time training could be increased to 2 x 20 points per week = 40 points.
Provider workshops (work preparation activities/job clubs)	N/A	10 points	✓	Workshops to prepare job seekers for employment are provided by Enhanced Services providers. Providers have the flexibility to adjust the points value depending on intensity of the activity.
Counselling	N/A	10 points	✓	10 points as a minimum requirement (generally one session is one hour in length). The provider can increase the points to reflect the circumstances of the job seeker.
Drug and alcohol rehabilitation	N/A	10 points	✓	10 points as a minimum requirement. The provider can increase the points to reflect the circumstances of the job seeker. For example, if a job seeker requires live-in rehabilitation this will fully meet a job seeker's requirements for that period of time (25 points per week).

Points Based Activation System in the New Employment Services Model – ~~OFFICIAL~~ points values for tasks and activities

Appendix 1

Self help and support groups	N/A	10 points	✓	10 points as a minimum requirement. The provider can increase the points to reflect the circumstances of the job seeker.
Non-vocational interventions (cultural services, personal development courses)	N/A	10 points	✓	10 points as a minimum requirement. The provider can increase the points to reflect the circumstances of the job seeker.
Completing a job application	5 points	5 points		The points allocated for job applications remain at 5 points consistent with NEST. Increasing the points value could reduce the incentives for job seekers to build skills. For simplicity and current IT sophistication, the same points value will be allocated for all job applications.
Assessments Online Learning Modules Creating/updating the career profile	5 points	5 points		The points value aligns to the effort required by a job seeker to complete this task (generally about 10 to 30 minutes of effort). Each of these tasks can be completed once per reporting period (maximum 5 points a month).
Paid work	5 points for 5 hours	5 points for 5 hours		Rewards job seekers for finding and sustaining employment. Recognises lower availability to be conducting job search activities. No limit on the number of points applies. Minimum job search is required unless a job seeker is meeting legislative requirements.
Driver's licence hours	N/A	5 points for 5 hours		Job seekers in Enhanced Services will earn 5 points for every 5 hours of driving lessons undertaken. No limit on the number of points a job seeker can earn.
Participant sourced voluntary work (fire reserves, school canteen)	5 points for 5 hours	5 points for 5 hours		Allows job seekers to receive points for a limited amount of voluntary work they source themselves. It is capped at a maximum of 10 points per month to ensure the focus remains on gaining paid work.
Workforce Specialist Programs	Points will vary	Points will vary		The points values will vary depending on requirements of the project but will align with the principles for allocating points for tasks and activities. For example: <ul style="list-style-type: none"> if the project has a reasonable prospect of a job, the job seeker will earn 25 points per week. if the project has contact hours of up to 25 hours per week similar to WfD or EST, the job seekers will earn 20 points per week (full-time).
Local Jobs Program	Points will vary	Points will vary		The points values will vary depending on requirements of the project but will align with the principles for allocating points for tasks and activities. For example: <ul style="list-style-type: none"> if the project has a reasonable prospect of a job, the job seeker will earn 25 points per week. if the project has contact hours of up to 25 hours per week similar to WfD or EST, the job seekers will earn 20 points per week (full-time).

1. A provider or the Digital Services Contact Centre may increase the values of these activities to reflect the individual circumstances of the job seeker and the activity they are undertaking

The Points Based Activation System – issues identified with the proposed framework and alternative options for consideration

Item	Policy agreed at Deep Dives	Issues identified	Decision
<u>Item 1</u> Circumstances where the points target will exceed 100 points	<p>It was agreed that departmental programs (for example Work for the Dole or Employability Skills Training) and study and training would have a value of <u>20 points per week for full-time participation</u> and the minimum job search requirement would be <u>five job searches</u> per reporting period. A job seeker doing both will earn 105 points for that reporting period (without any other activities attracting points).</p> <p>At the end of their reporting period, this job seeker will be able to bank these additional points into the next reporting period (up to half of their target).</p>	<p>There is a <u>risk</u> this is perceived as requiring job seekers to regularly do more than 100 per cent effort (ie. exceeding the maximum points target set in PBAS). In particular, this would apply to long-term activities such as study and training courses that can run up to 12 months.</p> <p>Outlined below are options for consideration:</p> <ul style="list-style-type: none"> A. Retain points values of 20 points per week and minimum job search of five and seek to mitigate the risk through communication with job seekers and stakeholders B. Reduce the minimum job search to four in all circumstances. C. Reduce the minimum job search to four only when a job seeker is undertaking a long-term study or training course. <ul style="list-style-type: none"> o This would result in the job seekers earning 100 points for the reporting period and retain a requirement to look for work while studying. The same approach could also apply to job seekers who are undertaking a full-time departmental program or study and training (20 points – full-time) in a reporting period. While these programs are a lot shorter, job seekers would still be required to do more than their 100 per cent. o IT requirements are more complex than option A or B and capacity is constrained. D. Reduce the points values for study and training and departmental programs. <ul style="list-style-type: none"> o Reduce from 20 points per week (full-time) and 15 points per week (part-time) to 15 points and 10 points respectively. Reducing the points value for study and training could result in a lower incentive to undertake these activities by job seekers when compared to the points values for other tasks and activities. <p>The departments preferred position would be B for simplicity.</p>	<p>Agree option A. Agreed / Not Agreed</p> <p>Or alternatively</p> <p>Agree option B. Agreed / Not Agreed</p> <p>Agree option C. Agreed / Not Agreed</p> <p>Agree option D. Agreed / Not Agreed</p>
<u>Item 2</u> Circumstances where some job seekers are considered to be fully meeting their requirements	<p>An area that was not discussed in detail at the Deep Dives is the circumstances where some job seekers are considered to fully meet their mutual obligation requirements through combinations of paid work, voluntary work and/or study.</p> <p>These requirements are in relation to principal carer parents, job seekers with partial capacity to work requirements, mature age job seekers and early school leavers and are outlined in detail below.</p>	<p>The requirements for principal carer parents, job seekers with partial capacity to work requirements and mature age job seekers are specified under social security law. Any changes to participation requirements for these job seekers will require legislation changes.</p> <p>The requirements for early school leavers and job seekers undertaking 70 hours of work and study is currently policy (not legislation) and therefore can be changed.</p> <p>It is proposed to retain the existing broad parameters to meet legislation and policy settings. This would ensure policy remains consistent across employment services.</p> <p>The job seeker cohorts as outlined below will fully meet their points target for the reporting period when undertaking combinations of paid work, voluntary work and/or study and will not be required to complete the minimum job search.</p>	<p>Agree to retain existing policy for job seeker cohorts who are considered to be fully meeting their requirements.</p> <p>Agreed / Not Agreed</p>
<u>Item 3</u> Legislative requirement for job plans to be tailored to individual circumstances	<p>It was agreed that adjustments to a job seeker's points target would be completed manually by the provider or the Digital Services Contact Centre (DSCC).</p>	<p>Under social security law, the requirements in a job seeker's employment pathway plan (job plan) must be tailored to individual circumstances. The legislation requires specific consideration of the impact of any disability or medical condition, the state of the labour market and the family and caring responsibilities of the person.</p> <p>While the Streamlined Participation Requirements and Other Measures (SPROM) Bill would, if passed, allow job seekers to accept a job plan without needing a human delegate, this does not remove the need for a plan to be tailored.</p>	<p>Noted / Please Discuss</p>

		<p>Not having automatic point credits, or other adjustment to requirements, for job seekers in digital services with disability, caring responsibilities or in different labour markets significantly increases the risk that job plans which are accepted by job seekers without contacting the DSCC would be found by a tribunal to be invalid.</p> <p>A key reason cited publicly for the need for the SPROM Bill was to enable job seekers to enter into job plans without needing a human delegate. Further, the Explanatory Memorandum for the SPROM Bill made clear that job seekers' circumstances would be taken into account in developing these online job plans. Requiring a large proportion of the caseload to contact the DSCC to have their points requirement adjusted may appear to undermine this objective.</p> <p>While job seekers facing difficulty meeting their requirements would have the option of contacting the DSCC to have their requirements reduced, it is likely that many job seekers would not do so - or not do so until after they have already incurred suspensions and demerits for reasons beyond their control. This may undermine confidence in the effectiveness of points-based activation and online servicing.</p>	
Digital job seekers accruing three demerits and transferred to provider services	It was agreed that digital job seekers would transfer to enhanced services after three demerits within six months.	<p>This proposed change would require policy authority and offsets. The indicative funding implications for this change as assessed as high, based on the recent costings completed for the DSS Cashless Debit Proposal, which had an indicative cost of \$158 million over three years from 2023-24.</p> <p>Job seekers may also potentially accrue demerits very quickly. If a job seeker's only requirement is a monthly points requirement, it may take three months to accrue three demerits. However, if a job seeker is required to attend daily activities as part of an activation point, they could potentially accrue three demerits in three days. Transferring job seekers to a provider sooner would reduce targeting of funds available to help those most in need to find work and increase their employability.</p> <p>The Department will strengthen the role of the Digital Services Contact Centre to assess suitability of a job seeker to remain in digital services as part of the capability interview.</p>	<p>Agree to retain original NESM policy setting and costing to transfer a job seeker to a provider after the 5th demerit and a capability assessment by Services Australia if entering the penalty zone or found unsuitable for digital servicing.</p> <p>Agreed / Not Agreed</p>

Job seekers considered to be fully meeting their mutual obligation requirements

Cohort	Requirements to be considered fully meeting	Legislative requirement?
Principal carer parents (youngest child under 16 years of age)	<p>30 hours per fortnight of paid work (including self-employment), study, voluntary work, or a combination of these activities.</p> <p>Providers can approve voluntary work for the purposes of a principal carer parent fully meeting their requirements if:</p> <ul style="list-style-type: none"> - the provider determines that they live in a weak labour market - there are limited training opportunities locally available, and - there is a significant vocational aspect to the voluntary work. <p>The voluntary work must be in an organisation approved by Services Australia.</p>	Sections 502B, 541, 603AB, 731GA (with regard to paid work, fully meeting through volunteering or study is in policy only)
Job seekers with partial capacity to work requirements (15-29 hours per week)	30 hours per fortnight of paid work (including self-employment), study or a combination of paid work and study.	Sections 502B, 541, 603AB, 731GA
Mature age job seekers <u>Note:</u> voluntary work can include provider sourced voluntary work and participant sourced voluntary work.	If the job seeker is <u>55-59 years of age</u> and in their first 12 months of receiving payment (unless receiving parenting payment): <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, or - 30 hours per fortnight of a combination of voluntary work, and paid work. Must include at least 15 hours per fortnight of paid work. 	Sections 502A, 603AA, 731G
	If the job seeker is <u>55-59 years of age</u> and has been receiving payment for more than 12 months (or is receiving parenting payment): <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities. 	Sections 502A, 603AA, 731G
	If the job seeker is <u>60 years of age</u> and older: <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities. 	Sections 502A, 603AA, 731G
Early school leavers	Full-time study or a combination of part-time study and part-time work of 25 hours per week (15 hours for principal carer parents or job seekers with partial capacity to work requirements).	Policy only
Job seekers undertaking work and study	70 hours per fortnight of combined paid work (including self-employment) and study.	Policy only. Youth Allowance recipients who work 35 hours or more per week are not eligible for payment (Section 541)



The Hon Stuart Robert MP

Minister for Employment, Workforce, Skills, Small and Family Business

Reference: MS21-900270

The Hon Scott Morrison MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

As part of the decision by the Government on the New Employment Services Model (new model) [s 34\(2\)](#), I was asked to come back by the end of 2021 with the final framework for the Points Based Activation System (PBAS) to be introduced as part of the new model.

Points Based Activation System

The PBAS is a new and flexible approach to activation, recommended by the Employment Services Expert Advisory Panel in the *I Want to Work Employment Services 2020 Report*.

The PBAS aims to optimise employment outcomes by maintaining strong obligations for job seekers to do all they can to prepare for and find work. The new framework recognises there are diverse pathways to employment and rewards actions that support those pathways. It will also reduce the impact of inappropriate job applications on employers whilst also increasing transparency of the activities job seekers are undertaking to support tailored servicing.

The PBAS transforms the way job seekers are activated and supported on their path to employment. It empowers job seekers by offering flexibility in the tasks and activities they can undertake. It also seeks to strike the right balance in retaining a strong activation framework, with the introduction of mandatory activation points for job seekers who are not progressing to employment. The Targeted Compliance Framework will still apply when a job seeker is not engaging and not meeting their mutual obligations.

The framework provides a configurable system that balances simplicity and flexibility to deliver tailored and personalised servicing to support all job seekers to find and sustain employment. PBAS requires Digital and Enhanced Services job seekers to meet a points target of 100 points each month through a choice of tasks and activities, such as job search, job interviews, paid work, study and training. It incentivises upskilling through rewarding points on attendance, participation and obtainment in training, study, licences, and employability skills programs.

Job seekers will be rewarded for extra effort and can bank additional points they receive, up to half their points target, into the next reporting period.

Quality job search remains a core requirement and most job seekers will have a minimum of five job searches to complete each month. Exceptions include job seekers who are fully meeting their requirements as per legislation, participation in activities where there is a high likelihood of a job, relocation for a job, or exceptional personal circumstances.

In early 2021, the Government announced changes to strengthen mutual obligation requirements, including increased monitoring on job search quality. Job search quality will continue to be monitored under the new model to ensure any non-genuine applications are identified and appropriately actioned through job seeker and provider compliance.

The model is adaptable to individual circumstances through adjustments in the points target and values for activities where identified by an employment service provider or the Digital Services Contact Centre (DSCC). This includes adjustments to the points target to recognise the job seeker's local labour market conditions and their personal circumstances such as caring responsibilities, cultural or religious responsibilities, family emergency or temporary medical incapacity. The points values for some activities can be increased where participation can be highly varied in terms of commitment, such as participation in defence force reserves or non-vocational activities.

The final design of the PBAS framework has been informed by the learning from the New Employment Services Trial (NEST) and feedback received through comprehensive consultation on PBAS with NEST and jobactive providers, peak bodies and other interested stakeholders. Overall, there was broad support for introducing a point-based approach and the key elements of the framework.

My department will continuously monitor PBAS through the remainder of the Trial and following its introduction. I also propose a more formal review of the PBAS framework mid-way through the first licencing period. I will work with my department to incorporate any lessons learned in policy and system design, including making any adjustments to points values for tasks and activities to ensure the policy remains responsive over time.

A detailed overview of the final design of the PBAS framework is included in Attachment A of this letter.

s 22(1)

PROTECTED//CABINET

In order to provide interested stakeholders further guidance on PBAS and information on the eligibility for Workforce Specialist projects, I appreciate your timely consideration of the matters raised in this letter.

Yours sincerely

Stuart Robert

Encl.

PROTECTED//CABINET

Points Based Activation System for the New Employment Services Model

Agenda item: <Secretariat will assign>

Date of Meeting: <20 May 2021>

Author:	Kellie Hippit
Date cleared:	17 May 2021

RECOMMENDATION FOR ESC

That the ESC:

1. **endorse** the decisions made at EBMC on Monday 10 May 2021 on the Points Based Activation System in the New Employment Service Model as outlined in [Appendix A](#).
2. **note** the overarching principles for the Points Based Activation System for job seekers in both Digital Services and Enhanced Services in [Appendix B](#), which will inform future policy decisions for the New Employment Services Model.

EBMC DECISION/DISCUSSION/MINUTES

At the EBMC meeting of 10 May 2021, the EBMC:

1. **agreed** to the operational policy for the Points Based Activation System (PBAS) for job seekers in both Digital Services and Enhanced Services in the New Employment Services Model (NESM) as outlined below:
 - a. In line with the New Employment Services Trial (NEST), job seekers will be required to report on the tasks and activities that they undertake to meet their points target **every month**.
 - b. In line with the NEST, job seekers will have a maximum target of **100 points** per month.
 - c. In line with the NEST, a provider and/or the Digital Services Contact Centre (DSCC) can adjust a job seeker's points target based on discussions with the job seeker and their knowledge of the job seeker's capacity and personal circumstances, such as caring, cultural or religious responsibilities. Providers/DSCC can apply adjustments in five-point increments having regard to the job seeker's capacity and personal circumstances.
 - d. Agreed to a new requirement for PBAS in NESM that job seekers will be required to undertake a **minimum of four job searches** (20 points) each month as part of meeting their points target noting that this is a decision of Government and the value of points is still to be determined.
 - e. In line with the NEST, job seekers can bank a maximum of 50 per cent of their monthly points target, where they have exceeded their points target for the current reporting period. The banked points can only be used against the points target in the next reporting period. Any points that cannot be used in the next reporting period will expire.
2. **noted** the overarching principles for PBAS for job seekers in both Digital Services and Enhanced Services in [Appendix B](#), which will inform future policy decisions for NESM.
3. **noted** that future discussions will be undertaken about including a reward element in PBAS for positive job seeker behaviours, such as updating their career profile or linking with Seek or LinkedIn and recommended this be added to the overarching principles for PBAS.

KEY ISSUES

- NESM includes the introduction of a Points Based Activation System that will promote greater personal responsibility by job seekers while maintaining strong mutual obligations.
- Decisions on elements of PBAS and the activation framework are required for inclusion into the Exposure Draft to be released in June 2021 to give stakeholders and potential respondents guidance on how PBAS will operate. EBMC agreed to the high-level requirements outlined at [Appendix A](#).
- The EBMC paper includes the context, background, implementation considerations, implications for stakeholders and risk information.
- The Employment Steering Committee has made some decisions on elements of the activation framework to inform the 2021-22 Budget Submission and the Government has agreed to the framework at a high level. Prior to the implementation of PBAS under NESM, a more detailed framework will be presented to the Prime Minister.

Points Based Activation System for the New Employment Services Model

Agenda item:

Date of Meeting: 10 May 2021

Author:	s 47E(d)
Date cleared:	6 May 2021

Consultations: Labour Market Strategy Division, Employment Programs and Activation Division, Delivery and Employer Engagement Division, New Employment Services Model Division, Digital Solutions Division

RECOMMENDATION FOR EBMC

That the EBMC:

- Agree** to the proposed operational policy for the Points Based Activation System for job seekers in both Digital Services and Enhanced Services in the New Employment Services Model as outlined in [Appendix A](#).
- Note** the overarching principles for the Points Based Activation System for job seekers in both Digital Services and Enhanced Services in [Appendix B](#), which will inform future policy decisions for the New Employment Services Model.

CONTEXT/PURPOSE

- The New Employment Services Model (new model) includes the introduction of a new, flexible approach to job seeker activation that promotes greater personal responsibility by job seekers while maintaining strong mutual obligations and a focus on employment.
- Under the new model, job seekers in Digital and Enhanced Services with mutual obligation requirements¹ will use a Points Based Activation System (PBAS) that will require them to meet a specified number of points per reporting period to meet their mutual obligation requirements.
- PBAS is being trialled in two employment regions in the New Employment Services Trial (NEST) and learnings from the NEST will inform the design of PBAS for the new model. It is also intended that consultation on PBAS will be undertaken with a broader group of providers, in line with probity, to ensure that the model that rolls out nationally is as robust as possible.
- In February 2021, the Government announced changes to strengthen mutual obligation requirements. The design of PBAS, and the activation model more broadly, will be strengthened from the current system trialled in the NEST to recognise the learnings from the NEST and to support the Government's recent announcement to strengthening mutual obligations.
- The Employment Steering Committee has made some decisions on elements of the activation framework to inform the 2021-22 Budget Submission and the Government has agreed to the framework at a high level. Prior to the implementation of PBAS under the new model, a more detailed framework will be presented to the Prime Minister.
- This paper seeks agreement on operational policy required to implement the PBAS under the new model.

KEY ISSUES

- Further decisions on elements of PBAS and the activation framework are required for inclusion into the Exposure Draft to be released in June 2021 to give stakeholders and potential respondents further guidance on how PBAS will operate.
- Agreement to the high-level requirements in [Appendix A](#) will also allow for the commencement of further detailed policy design and will inform the development of the IT system that will support PBAS.
- This paper is the first in a series of EBMC papers on elements of PBAS that will inform the final design. Future papers include: the points values attributed to activities, labour market credits, points deductions for job seeker's personal circumstances, and the simplification of the Job Plan.

BACKGROUND

- The Employment Services Expert Advisory Panel appointed by the Australian Government to help shape the future design of employment services in Australia recommended in the *I Want to Work Employment Services 2020 Report*, a flexible activation framework that empowers job seekers through personal responsibility, choice and independence.
- The intention of PBAS is to increase flexibility and choice in how job seekers can meet their mutual obligations and give wider recognition to the different activities that the job seeker can undertake to move towards employment and not be in receipt of income support.

¹ Job seekers who are fully meeting their requirements will remain managed by Services Australia and will not have a points requirement. A decision on how PBAS and Early School Leaving policy interacts is still required.

- Job search continues to be a core component of PBAS for all job seekers who are job ready. However, job seekers are given greater agency to determine and access the activities they can undertake to meet their points target.
- Employment service providers can work with the job seeker in Enhanced Services to determine the appropriate mix of individual, group and self-directed activities for the job seeker to meet their points target.
- The Targeted Compliance Framework will still apply to those job seekers who fail to meet their mutual obligations without a valid reason.
- The introduction of PBAS in the NEST was delayed due to the COVID-19 pandemic and commenced on 7 December 2020. As at 26 April 2021, the trial has 6,873 job seekers in PBAS, of which 3,513 are in Digital Services and 3,360 are in Enhanced Services. Additional data on the trial of PBAS in NEST is at [Appendix C](#).
- Early evidence from the trial of PBAS in NEST regions indicates strong job seeker engagement including continuing to look for work when mutual obligation requirements were suspended due to the COVID-19 pandemic.
- The design of PBAS has been informed by the learnings from the trial. Job seekers and trial providers responded positively to the increased flexibility and points system that encourages proactive job search and employment preparation effort.

IMPLEMENTATION CONSIDERATIONS

- A new activation framework will have IT implications, with the need to develop new IT systems and processes.
- Legislative changes to the Social Security Act 1991 are required to support the implementation of the new model.
- Micro-policy needs to be considered to inform IT development, tender documentation, and interoperability with Services Australia.
- The trial of PBAS in NEST regions is ongoing, and as further learnings become available, they will be used to inform the micro-policy and design discussions.
- The interaction of the Targeted Compliance Framework with PBAS needs to be further explored and progressed.

IMPLICATIONS FOR STAKEHOLDERS

- PBAS will be implemented nationally when the new model commences in July 2022, it will apply to all job seekers and represents a major change in the approach to job seeker activation. The implementation approach will require extensive consultation with providers and communication with job seekers to ensure that they are aware of the new requirements.
 - There may also be an opportunity to have a longer transition period to support the introduction of the new model, for example, a three month period to transition the job seeker to PBAS or a three month period where penalties do not apply). A further paper will explore options.
- The Digital Services Contact Centre will require guidance material to enable training of staff to respond to queries about PBAS.
- There will be implications for Services Australia, with funding agreed as part of the Budget process.

RISK MITIGATION

- Ongoing consultation will be required with the Digital Solutions Division, other relevant business areas and external stakeholders.
- Careful planning and scheduling of the implementation requirements will be undertaken to ensure dependencies are managed.
- A communication strategy will be developed, including a suite of communication and training products to help job seekers to understand PBAS and their obligations.

The Points Based Activation System for the New Employment Services Model Activation Framework: proposed policy for approval

	Proposed Approach	Pros/Cons	Reasoning/Comments
1	Timeframe for Reporting		
	<p>In line with the New Employment Services Trial (NEST), agree that job seekers will be required to report on the tasks and activities that they undertake to meet their points target <u>every month</u>.</p> <p><u>For example:</u> if a job seeker commences in Digital or Enhanced Services on 17 July, their reporting period ends on 16 August. Their new reporting period starts on 17 August.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Is consistent with the current job search points and reporting periods, providing existing job seekers with familiarity, and reducing the amount of change to comprehend. <p>Cons</p> <ul style="list-style-type: none"> - This approach is not aligned with Services Australia income reporting, that is currently fortnightly. 	<p>In 2020, ESC endorsed a recommendation that under the activation framework for the new employment services, job seekers would meet their points target every fortnight, to align with Services Australia income reporting.</p> <p>Due to the complexity and scale of change needed to Services Australia's IT functionality, it is proposed that job seekers in the New Employment Services Model (NESM) will report monthly from 1 July 2022, with the aim of eventual alignment with Services Australia income reporting, when possible.</p>
2	Points target		
	<p>In line with the NEST, agree that job seekers will have a maximum target of <u>100 points</u> per reporting period.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - 100 points is easy for job seekers to visualise and allows them to easily calculate how they could meet the requirement. - Allows a greater scope to give tasks and activities different values than a lower target. <p>Cons</p> <ul style="list-style-type: none"> - Potential for a perception that meeting 100 points will require a lot of effort or be difficult to achieve. 	<p>In the NEST, job seekers managing their mutual obligations requirements using the Points Based Activation System (PBAS) have a base target of 100 points per month. There have been no reported concerns with the points target.</p> <p>User based testing undertaken with jobactive participants and providers to inform the policy design of PBAS in the NEST found that a points target of 100 tested well.</p>
3	Adjustments to the points target		
	<p><u>Adjustment made by the provider and/or DSCC</u></p> <p>In line with the NEST, agree that a provider and/or the DSCC can adjust a job seeker's points target based on discussions with the job seeker and their knowledge of the job seeker's capacity and personal circumstances.</p> <p>An adjustment can be applied for a range of circumstances, including:</p> <ul style="list-style-type: none"> - caring responsibilities - cultural or religious responsibilities - legal requirements, for example, a community service order - other personal circumstances such as short-term family emergency, last three months of pregnancy. <p>Providers/DSCC can apply adjustments in five-point increments having regard to the job seeker's capacity and personal circumstances.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Allows a job seeker to discuss their circumstances and have their points target adjusted to better reflect their circumstances. - Allows a provider the flexibility to tailor the job seeker's requirements based on their knowledge of the job seeker. <p>Cons</p> <ul style="list-style-type: none"> - Will require training of the DSCC staff to respond to queries and make appropriate adjustments. - Gives a provider the discretion to make adjustments that could cause inconsistencies in setting targets. 	<p>In the NEST, providers and/or the DSCC can adjust a job seeker's points target based on their personal circumstances.</p> <p>Note: PBAS was only introduced in the NEST regions in December 2020 and was impacted by COVID-19 which resulted in a reduction in the points target for all job seekers in these regions. The data on points adjustments by the provider/DSCC is therefore limited.</p> <p>Guidance will be given to providers through program guidelines and appropriate training and guidance material will be provided to DSCC staff.</p>
4	Meeting the points target		
	<p>Agree to a new requirement for PBAS in NESM that job seekers will be required to undertake a minimum of <u>four job searches</u> (20 points) each reporting period as part of meeting their points target.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Four job searches (20 points) ensures that job search remains a core component for job seekers to meet their points target. - Aims to reduce the number of inappropriate job applications submitted and shifts the focus to quality job search. <p>Cons</p> <ul style="list-style-type: none"> - Four job searches (20 points) could reduce the flexibility that some job seekers will have to manage their pathway to employment, 	<p>In line with current Government policy to strengthen mutual obligation requirements for job seekers in jobactive and as agreed by ESC, job seekers in NESM will be required to undertake a minimum job search requirement.</p> <p>In the NEST, job seekers are not required to meet a minimum job search requirement. However, learnings from the NEST show that job seekers are still undertaking job search. As at 21 April 2021, 74 per cent of all tasks reported by job seekers in PBAS are job applications.</p>

		especially for those job seekers that have adjustments made to their points target to reduce it from the base 100 points.	The application of the minimum job search requirement to all job seekers (for example, those job seekers with an adjusted points target) is still being determined.
5	Banking points		
	<p>In line with the NEST, agree that job seekers can bank a <u>maximum of 50 per cent</u> of their monthly points target, where they have exceeded their points target for the current reporting period.</p> <p>The banked points can only be used against the points target in the <u>next reporting period</u>. Any points that cannot be used in the next reporting period will expire.</p> <p style="text-align: right;">Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Allows flexibility and rewards extra effort by job seekers to find and secure paid work. - Ensures that job seekers are actively engaged in the labour market every reporting period and cannot bank points to meet their requirements for a period of time. <p>Cons</p> <ul style="list-style-type: none"> - Potential for job seekers to find the principle of banking points confusing and the adjustment may make it difficult for them to understand how PBAS works. 	<p>The principle of banked points has been tested in the NEST and received positive feedback from both job seekers and providers as it rewards job seekers for extra effort.</p> <p>Banking points has been actively used by many NEST job seekers in PBAS. As at the 21 April 2021, 28 per cent of PBAS job seekers had banked points from their last reporting period into their next reporting period. Of these job seekers, 21 per cent had banked a total of 10 points and 31 per cent had banked a total of 20 points.</p>

The Points Based Activation System for the New Employment Services Model Activation Framework: proposed policy for approval

	Proposed Approach	Pros/Cons	Reasoning/Comments
1	Timeframe for Reporting		
	<p>In line with the New Employment Services Trial (NEST), agree that job seekers will be required to report on the tasks and activities that they undertake to meet their points target <u>every month</u>.</p> <p>For example: if a job seeker commences in Digital or Enhanced Services on 17 July, their reporting period ends on 16 August. Their new reporting period starts on 17 August.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Is consistent with the current job search points and reporting periods, providing existing job seekers with familiarity, and reducing the amount of change to comprehend. <p>Cons</p> <ul style="list-style-type: none"> - This approach is not aligned with Services Australia income reporting, that is currently fortnightly. 	<p>In 2020, ESC endorsed a recommendation that under the activation framework for the new employment services, job seekers would meet their points target every fortnight, to align with Services Australia income reporting.</p> <p>Due to the complexity and scale of change needed to Services Australia's IT functionality, it is proposed that job seekers in the New Employment Services Model (NESM) will report monthly from 1 July 2022, with the aim of eventual alignment with Services Australia income reporting, when possible.</p>
2	Points target		
	<p>In line with the NEST, agree that job seekers will have a maximum target of <u>100 points</u> per reporting period.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - 100 points is easy for job seekers to visualise and allows them to easily calculate how they could meet the requirement. - Allows a greater scope to give tasks and activities different values than a lower target. <p>Cons</p> <ul style="list-style-type: none"> - Potential for a perception that meeting 100 points will require a lot of effort or be difficult to achieve. 	<p>In the NEST, job seekers managing their mutual obligations requirements using the Points Based Activation System (PBAS) have a base target of 100 points per month. There have been no reported concerns with the points target.</p> <p>User based testing undertaken with jobactive participants and providers to inform the policy design of PBAS in the NEST found that a points target of 100 tested well.</p>
3	Adjustments to the points target		
	<p><u>Adjustment made by the provider and/or DSCC</u></p> <p>In line with the NEST, agree that a provider and/or the DSCC can adjust a job seeker's points target based on discussions with the job seeker and their knowledge of the job seeker's capacity and personal circumstances.</p> <p>An adjustment can be applied for a range of circumstances, including:</p> <ul style="list-style-type: none"> - caring responsibilities - cultural or religious responsibilities - legal requirements, for example, a community service order - other personal circumstances such as short-term family emergency, last three months of pregnancy. <p>Providers/DSCC can apply adjustments in five-point increments having regard to the job seeker's capacity and personal circumstances.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Allows a job seeker to discuss their circumstances and have their points target adjusted to better reflect their circumstances. - Allows a provider the flexibility to tailor the job seeker's requirements based on their knowledge of the job seeker. <p>Cons</p> <ul style="list-style-type: none"> - Will require training of the DSCC staff to respond to queries and make appropriate adjustments. - Gives a provider the discretion to make adjustments that could cause inconsistencies in setting targets. 	<p>In the NEST, providers and/or the DSCC can adjust a job seeker's points target based on their personal circumstances.</p> <p>Note: PBAS was only introduced in the NEST regions in December 2020 and was impacted by COVID-19 which resulted in a reduction in the points target for all job seekers in these regions. The data on points adjustments by the provider/DSCC is therefore limited.</p> <p>Guidance will be given to providers through program guidelines and appropriate training and guidance material will be provided to DSCC staff.</p>
4	Meeting the points target		
	<p>Agree to a new requirement for PBAS in NESM that job seekers will be required to undertake a minimum of <u>four job searches</u> (20 points) each reporting period as part of meeting their points target.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Four job searches (20 points) ensures that job search remains a core component for job seekers to meet their points target. - Aims to reduce the number of inappropriate job applications submitted and shifts the focus to quality job search. <p>Cons</p>	<p>In line with current Government policy to strengthen mutual obligation requirements for job seekers in jobactive and as agreed by ESC, job seekers in NESM will be required to undertake a minimum job search requirement.</p> <p>In the NEST, job seekers are not required to meet a minimum job search requirement. However, learnings from the NEST show that job seekers are still</p>

		<ul style="list-style-type: none"> - Four job searches (20 points) could reduce the flexibility that some job seekers will have to manage their pathway to employment, especially for those job seekers that have adjustments made to their points target to reduce it from the base 100 points. 	<p>undertaking job search. As at 21 April 2021, 74 per cent of all tasks reported by job seekers in PBAS are job applications.</p> <p>The application of the minimum job search requirement to all job seekers (for example, those job seekers with an adjusted points target) is still being determined.</p>
5	Banking points		
	<p>In line with the NEST, agree that job seekers can bank a <u>maximum of 50 per cent</u> of their monthly points target, where they have exceeded their points target for the current reporting period.</p> <p>The banked points can only be used against the points target in the <u>next reporting period</u>. Any points that cannot be used in the next reporting period will expire.</p> <p>Approved / Please Discuss</p>	<p>Pros</p> <ul style="list-style-type: none"> - Allows flexibility and rewards extra effort by job seekers to find and secure paid work. - Ensures that job seekers are actively engaged in the labour market every reporting period and cannot bank points to meet their requirements for a period of time. <p>Cons</p> <ul style="list-style-type: none"> - Potential for job seekers to find the principle of banking points confusing and the adjustment may make it difficult for them to understand how PBAS works. 	<p>The principle of banked points has been tested in the NEST and received positive feedback from both job seekers and providers as it rewards job seekers for extra effort.</p> <p>Banking points has been actively used by many NEST job seekers in PBAS. As at the 21 April 2021, 28 per cent of PBAS job seekers had banked points from their last reporting period into their next reporting period. Of these job seekers, 21 per cent had banked a total of 10 points and 31 per cent had banked a total of 20 points.</p>

Overarching Principles for the Points Based Activation System

The need for overarching principles

1. A single set of overarching principles for the Points Based Activation System (PBAS) will guide the decision-making process to ensure consistency with the policy intent of the New Employment Services Model.
2. These principles were endorsed by EBMC on 10 May 2021 for the implementation and delivery of PBAS in the New Employment Services Model. An update (highlighted in yellow below) has been made to the principles following discussions at EBMC.
3. All principles are aligned with Government expectations and maintain the integrity of mutual obligations.

The principles

Flexibility

- PBAS aims to increase flexibility and choice in how job seekers can meet their mutual obligation requirements.
- PBAS should recognise the diverse pathways to paid employment and should recognise and encourage the participation in diverse activities that job seekers may do to build their work-like experience.
- PBAS should encourage positive job seeker behaviour and reward them for undertaking tasks and activities that move them to paid employment.
- Employment services providers have discretion and will work together with job seekers in Enhanced Services to negotiate the intensity and type of activities they undertake based on their individual job-seeking journey.

Simplicity

- PBAS must be easily understood to ensure a continued focus on a job seeker's personal responsibility and to ensure they know what to do to comply with their requirements.
- The settings should be kept simple and easy for job seekers to engage with.
- PBAS is designed to work effectively on a digital platform.

Compliance

- The Targeted Compliance Framework will still apply if job seekers fail to meet their obligations without a valid reason.

Points Based Activation System – points values for tasks/activities

Agenda item: <Secretariat will assign>

Date of Meeting: 24 June 2021

Author:	Kellie Hippit
Date cleared:	21 June 2021

RECOMMENDATION FOR ESC

That the ESC:

1. **endorse** the decisions made at EBMC on Monday 21 June 2021 as outlined below on the points attributed to tasks and activities for the Points Based Activation System in the New Employment Service Model and how those points will be awarded to job seekers. Further details on the points values attributed to tasks and activities are in [Attachment A](#).
2. **note** the overarching principles for allocation of points for tasks and activities at [Attachment B](#), which will guide the decision-making process to ensure consistency when attributing points for future tasks and activities.

EBMC DECISION/DISCUSSION/MINUTES

At the EBMC meeting of 21 June 2021, the EBMC:

1. **agreed** to the points values attributed to tasks and activities in the Points Based Activation System (PBAS) in the New Employment Services Model (NESM) as outlined in the table below. Refer to [Attachment A](#) for further details.
2. **agreed** that job seekers in the NESM will earn points when they attend an activity, awarded on a weekly basis and following confirmation of at least one day of attendance at the activity.
 - EBMC requested an option be explored on whether a minimum proportion of attendance be considered e.g. 50% and noted that this position may need to be reviewed when the issue of mandatory participation and interaction with the Job Plan and TCF is considered.
3. **agreed** to an alternative option that job seekers with partial capacity requirements will receive an automatic upfront credit that reduces their overall points target with adjusted activity values to reflect part-time requirements.
4. **agreed** to the overarching principles for the allocation of points for tasks and activities at [Attachment B](#), which will guide the decision-making process to ensure consistency when attributing points for future tasks and activities, with a reference included to job search.
5. **noted** that the application of the Targeted Compliance Framework and the interaction of the activation framework and the IT system is out of scope for this paper and will be addressed in a future EBMC paper.
6. **noted** that consideration of when a job seeker can fully meet their requirements, for example, through completing a combination of activities such as paid work and study, will be considered, and presented to EBMC in a future paper.

KEY ISSUES

- A decision is required on the points values for tasks and activities for PBAS in NESM and how points will be awarded to give stakeholders further guidance on how PBAS will operate and also to inform the development of the IT system that will support PBAS.
- EBMC agreed to the high-level requirements outlined in the EBMC paper (see below), noting an alternative approach for recognising job seekers with partial capacity requirements was agreed.
 - An automatic upfront participant credit will be applied to reduce a job seeker's base points target. Activity points values have been adjusted to account for people undertaking the activity with part-time requirements. [Attachment A](#) has been updated to reflect the new points values.
- There was extensive discussion on the recommendations outlined in the EBMC paper, with support for allocating points for activities on attendance. The main discussion points were:
 - Awarding of points on a weekly or daily basis. The option of awarding points on daily attendance rather than weekly attendance was considered to recognise the effort in attending an activity each day. However, it was acknowledged this would result in inequity depending on the scheduling of courses.
 - Awarding points following confirmation of at least one day of attendance at the activity. There was discussion about how many days of the activity should be attended per week to receive the points for the

activity. The proposed recommendation of at least one day per week was agreed, noting agreement to the exact number of days is still to be determined.

- Partial capacity requirements. An alternative approach was proposed and agreed to at EBMC.
- The EBMC paper includes the context, background, implementation considerations, implications for stakeholders and risk information.

Points values for tasks and activities as agreed at EBMC

Points for tasks	
Agree that job seekers will earn <u>5 points</u> for each of these tasks.	Completing a job application Creating/updating their career profile Assessments (LLNP, ESL) Career coaching Participant sourced voluntary work
Agree that job seekers will earn <u>10 points</u> for each of these tasks.	Attending a job interview Starting a job
Agree that the points values for these tasks are <u>to be determined by the provider</u> based on the specific needs of the job seeker.	Counselling Drug and alcohol rehabilitation Self help and support groups
Points for activities that have a reasonable expectation of a job (no minimum job search requirement)	
<p>Agree that participation in these activities will fully meet a job seeker's requirements while they are participating (<u>25 points per week</u>)</p> <p>A job seeker is considered to be fully meeting their requirements because there is a reasonable expectation that there will be a job for the job seeker at the end of the activity.</p> <p>Job seekers undertaking these activities will not be required to complete the minimum job search requirement each reporting period.</p>	PaTH Internships National Work Experience Programme New Enterprise Incentive Scheme Training
Points for activities with minimum job search requirements	
<p>Agree that the points awarded for participation in these activities will be:</p> <ul style="list-style-type: none"> 15 points per week (full-time) 10 points per week (part-time). <p>Job seekers undertaking these activities must complete the minimum job search requirement each reporting period.</p>	Work for the Dole Employability Skills Training Career Transition Assistance Observational Work Experience Provider sourced voluntary work
<p>Agree that the points awarded for participation in these activities will be:</p> <ul style="list-style-type: none"> 20 points per week (full-time) 15 points per week (part-time). <p>Job seekers undertaking these activities must complete the minimum job search requirement each reporting period.</p>	Skills for Education and Employment Adult Migrant English Program
Points for study and training and paid work with minimum job search requirements	
<p>Agree that the points awarded for study and training will be:</p> <ul style="list-style-type: none"> 20 points per week (full-time) 15 points per week (part-time) 10 points per week (ad hoc study). <p>Job seekers undertaking study must complete the minimum job search requirement each reporting period unless they are undertaking an approved combination of study and paid work that fully meets their mutual obligation requirements.</p>	Study and training
Agree that job seekers will earn <u>10 points for 10 hours</u> of paid work (rounded up).	Paid work

Points Based Activation System – points values for tasks/activities

Agenda item: <Secretariat will assign>

Date of Meeting: 21 June 2021

Author:	s 47E(d)
Date cleared:	16 June 2021

Consultations: Labour Market Strategy Division, Employment Programs and Activation Division, Delivery and Employer Engagement Division, New Employment Services Model Division, Digital Solutions Division, Apprenticeships and Workforce Skills Division.

RECOMMENDATION FOR EBMC

That the EBMC:

- Agree** to the points values attributed to tasks and activities in the Points Based Activation System in the New Employment Services Model as outlined in Attachment A.
- Agree** that job seekers in the New Employment Services Model will earn points when they attend an activity, awarded on a weekly basis and following confirmation of at least one day of attendance at the activity.
- Agree** that points values of tasks and activities will be the same for all job seekers, including those job seekers with partial capacity requirements.
- Agree** to the overarching principles for the allocation of points for tasks and activities at Attachment B, which will guide the decision-making process to ensure consistency when attributing points for future tasks and activities.
- Note** that the application of the Targeted Compliance Framework and the interaction of the activation framework and the IT system is out of scope for this paper and will be addressed in a future EBMC paper.
- Note** that consideration of when a job seeker can fully meet their requirements, e.g. through completing a combination of activities such as paid work and study, will be considered and presented to EBMC in a future paper.

CONTEXT/PURPOSE

- The Australian Government has agreed that under the New Employment Services Model (NESM), all job seekers with mutual obligation requirements will use a Points Based Activation System (PBAS) that will require them to meet a specified number of points per reporting period to meet their mutual obligations requirements.
- On 20 May 2021, the Employment Steering Committee agreed that job seekers in NESM will have a maximum target of 100 points per reporting period. Job seekers can meet their points target by undertaking a range of tasks and activities, such as job search, attending interviews and participating in Work for the Dole.
- Tasks and activities will be attributed different points values based on the contact hours and the level of engagement and commitment required to complete the activity. Job seekers will be awarded the points following completion of the task or attendance at the activity.
- PBAS is being trialled in two employment regions in the New Employment Services Trial (NEST) and learnings from the NEST will inform the design of PBAS for NESM, including informing points values for tasks and activities. Consultation on the points values for tasks and activities will be undertaken, in line with probity, as outlined in the PBAS Stakeholder Strategy. The strategy will be presented to EBMC for noting on 21 June 2021.
- Prior to the finalisation of the PBAS design for the Request for Proposal (RFP), a more detailed framework including the points values for tasks and activities will be presented to the Prime Minister.
- This paper seeks agreement on the points values attributed to tasks and activities and how the points for activities will be awarded in NESM.

KEY ISSUES

- A decision is required on the points values for tasks and activities for PBAS in NESM and how points will be awarded to give stakeholders further guidance on how PBAS will operate and also to inform the development of the IT system that will support PBAS.

Points values for tasks and activities

- Job seekers will earn points for activities when they attend the activity and as they progress through their reporting period, rather than receiving a fixed credit upfront as per the current process in the NEST. To enable the allocation of points on attendance, the points values for all activities available to job seekers in NESM have been revisited.
- In determining the proposed points values, consideration was given to the difficulty, duration and level of engagement or commitment the activity requires and the number of additional tasks it is reasonable for a job seeker to undertake while participating in an activity. Consideration was also given to activities with an expectation of a job at the end of the activity, gaining work-like experience or improving employability skills.

- Job search continues to be a core component of PBAS for all job seekers who are job ready and job seekers in NESM will be required to undertake a minimum of four job searches each reporting period as part of meeting their points target, pending Government approval to the number of job searches proposed.
- Details of the proposed points values for the tasks and activities available to job seekers in NESM are outlined in Attachment A.
- Points values will be attributed to all future tasks and activities based on the overarching principles outlined in Attachment B. This will include activities such as Workforce Specialists and Local Jobs Program.

Awarding of points for activities

- Awarding points for activities on an hourly, daily or weekly basis were all considered in developing the points values for activities in NESM. The preference is that job seekers in NESM will earn points for activities on a weekly basis, rather than on an hourly or daily basis.
- The allocation of points on a weekly basis is based on the contact hours of the activity and recognises the effort that the job seeker does during the day while undertaking that activity.
- This approach ensures that job seekers who have the same expected number of contact hours for activities are rewarded the same amount of points for that effort. This limits the risk that occurs when points are awarded on a daily basis where more points could be rewarded for the same contact hours due to the scheduling of the activity over more days per week.
- Awarding points weekly allows for flexibility in the scheduling of the activity that will not disadvantage job seekers, for example, job seekers who have partial capacity requirements and can only attend two days a week will still receive the same amount of points for attending two days as a full capacity participant who attends for four or five days.
- Awarding points for hours attended was considered but not preferred as it is too complex and too administratively burdensome.
- The points will be allocated to a job seeker following confirmation of at least one day of attendance at the activity.
- Under NESM, the activation points will identify those job seekers that have not been attending and where there is a pattern of non-compliance. This will result in the need for a compulsory activity to be undertaken and the Targeted Compliance Framework (TCF) will apply.
- How attendance will be recorded for activities in NESM is dependent on the IT functionality and is still to be worked through with the Digital Solutions Division.

Voluntary and compulsory activities

- Activities that are compulsory will be subject to the TCF and non-attendance will receive a demerit. Allocating points for at least one attendance ensures that the job seeker does not receive two demerits for the same event, that is, potentially a demerit for non-attendance and a demerit for not meeting their points target.
- Concerns have been raised about the attendance at voluntary activities if the points are awarded following one day of attendance. Evidence does indicate that if a job seeker chooses to undertake an activity, their attendance at this activity is at similar rates to when the activity is compulsory. However, if there is a pattern of non-compliance then this will be identified at the activation points and will result in the need for a compulsory activity to be undertaken.

Job seeker capacity

- The points values of tasks and activities will remain the same for all job seekers, including those job seekers with partial capacity requirements. No additional automatic upfront participant credits will be applied to reduce a job seeker's base points target.
- Using weekly points values means job seekers with partial capacity requirements will earn the same amount of points per activity but attend fewer hours. As a result they undertake less activity to meet their points target in line with their requirements.
- This will ensure that the messaging will remain simple and consistent to all job seekers about the points value of each activity in NESM and it will be easier for job seekers and providers to understand how PBAS operates.
- Concerns have been raised that where a job seeker with a partial capacity to work does not undertake any activities they will have the same points target as a job seeker with full capacity to work, potentially 100 points if no further credits have been applied.
- In circumstances where a job seeker does require additional tailoring of their points target, an Enhanced Services provider or the Digital Services Contact Centre (DSCC) can adjust the points target. This is consistent with current jobactive settings where a job seeker's maximum job search requirement is 20 but can be adjusted by their provider or the DSCC.

BACKGROUND

- The PBAS is a new way job seekers can flexibly manage their mutual obligations requirements recognising job seekers may have different pathways to employment. Job seekers are given greater agency to determine and access the activities they can undertake to meet their points target.
- In the NEST, job seekers receive a points credit upfront when the job seeker is undertaking an activity that is included in their job plan. All departmental employment programs, such as Work for the Dole, Employability Skills Training, PaTH Internships, are awarded a 30 point credit per reporting period.
- This credit reduces an individual's points target from the base target of 100 points and job seekers receive the points prior to their attendance at the activity and regardless of a job seeker's engagement in the activity. Where the activity is compulsory job seekers will receive a demerit for non-attendance, there are no consequences for non-attendance at a voluntary activity. If job seekers are doing multiple activities, only one activity credit is applied to the point target each reporting period
- These policy parameters were implemented in NEST due to limitations using the existing IT platform and the need to develop PBAS within the current workflow/referral processes for activities.
- The TCF will still apply to those job seekers who fail to meet their mutual obligations without a valid reason. The application of the TCF will be considered in a future EBMC paper.

Feedback from consultation

- Generally program areas were agreeable to the point values attributed to tasks and activities and points being awarded on a weekly basis. The main concerns raised were that:
 - recording of weekly attendance of job seekers enrolled in a PaTH Internship or National Work Experience Programme (NWEPP) is currently not tracked, is potentially burdensome on the employer and could be problematic.
 - To mitigate this, it is proposed a job seeker will self-report for the majority of activities with options to increase data exchange in the future. This would require IT functionality.
 - the points for Employability Skills Training (EST) be based on daily attendance rather than weekly attendance (5 points per day) to recognise the effort in attending an activity every day.
 - This option was explored but resulted in inequity depending on the scheduling of courses.
 - It is proposed that job seekers are instructed to self-report all attendance, which is similar to having a job. If job seekers attendance is inadequate this will result in the need for a compulsory activity to be undertaken and the TCF will apply.
 - For consistency, changing to daily reporting of attendance for EST would need to be applied to all programs or activities of similar hours.
 - Skills for Education and Employment and the Adult Migrant English Program do not currently operate within ESSWeb and therefore attendance cannot be captured to allocate points.
 - For activities not in the Department's IT System, self-reporting is proposed.

IMPLEMENTATION CONSIDERATIONS

- Recording of attendance for each activity is still to be worked through with the Digital Solutions Division and program areas and is dependent on the IT functionality.
- The interaction of the TCF with PBAS needs to be further explored and progressed.

IMPLICATIONS FOR STAKEHOLDERS

- PBAS will be implemented nationally when the new model commences in July 2022, it will apply to all job seekers and represents a major change in the approach to job seeker activation. The implementation approach will require extensive consultation with providers and communication with job seekers and providers to ensure that they are aware of the new requirements.
- The DSCC will require guidance material to enable training of staff to respond to queries about PBAS.

RISK MITIGATION

- Ongoing consultation will be required with the Digital Solutions Division, other relevant business areas and external stakeholders.
- A PBAS Stakeholder Strategy has been developed that outlines the approach that will be undertaken to consult, engage and communicate with stakeholders in relation to the PBAS. Stage one will involve one-on-one consultation with all NEST providers, Stage two will involve workshops with jobactive providers and stage three will involve broader stakeholder information and consultation following the release of the RFP.

The Points Based Activation System for the New Employment Services Model Activation Framework: proposed points values for tasks and activities

	Activity	Current policy in NEST	Reasoning/Comments	Decision
1	Points for tasks			
a)	Completing a job application Creating/updating the career profile Assessments (for example, LLNP/ESL) Career coaching Participant sourced voluntary work	Completing a job application – 5 points Creating/updating their career profile – 5 points Assessments – 10 points Career coaching – New Participant sourced voluntary work – 5 points for 10 hours (rounded up)	Agree that job seekers will earn <u>5 points for each of these tasks</u> . <u>Career Profile</u> : will only be able to be updated once per month. <u>Assessments</u> : points have been lowered from 10 points in NEST to 5 points in NESM for consistency with the points awarded for similar tasks. <u>Participant sourced voluntary work</u> : a job seeker can only earn 5 points per fortnight (maximum of 10 points per reporting period). Participant sourced voluntary work is organised by the participant. To mitigate the risk of the activity being used inappropriately for job seekers to earn points, the restriction on points awarded during a reporting period is proposed.	Approved / Please Discuss
b)	Attending a job interview Starting a job	All 10 points	In line with NEST, agree that job seekers will earn <u>10 points for completing each of these tasks</u> .	Approved / Please Discuss
c)	Counselling Drug and alcohol rehabilitation Self help and support groups	Counselling – 20 points Drug and alcohol rehabilitation – 30 points Self help and support groups – 10 points	Agree that the points values for these tasks are <u>to be determined by the provider</u> based on the specific needs of the job seeker. These tasks are only available to Enhanced Services job seekers and given their nature the points values are best determined by the provider after conversations with the job seeker. Note: depending on the job seekers needs, the provider can reduce the points target to zero.	Approved / Please Discuss
2	Points for activities that have a reasonable expectation of a job (no job search requirements)			
Agree that participation in the following activities will fully meet a job seeker’s requirements while they are participating (<u>25 points per week</u>). A job seeker is considered to be fully meeting their requirements because there is a reasonable expectation that there will be a job for the job seeker at the end of the activity. Job seekers undertaking these activities will not be required to complete the minimum job search requirement each reporting period.				
a)	PaTH Internships <i>Program parameters: up to 25 hours per week for between 4-12 weeks.</i>	30 point credit is applied per reporting period	<u>25 points per week</u> When undertaking a PaTH Internship there is an expectation that there will be a job for the job seeker at the end of the activity. Given this expectation, it is reasonable that a job seeker would be considered to be fully meeting their requirements while undertaking this activity and not be required to look for a job. Note: a job seeker will only be fully meeting their requirements once they commence in an Internship. If they commence halfway through a reporting period, there is an expectation that the job seeker should have been undertaking tasks/activities in the period before the Internship commences. This approach is similar to current program requirements in jobactive whereby a job seeker undertaking an Internship has no job search requirements.	Approved / Please Discuss
b)	National Work Experience Programme (NWEPP) <i>Program parameters: up to 25 hours per week for a maximum of four weeks.</i> <i>Enhanced Services job seekers only.</i>	30 point credit is applied per reporting period	<u>25 points per week</u> The program parameters for NWEPP are similar to PaTH Internships and there is an expectation that there will be a job for the job seeker at the end of the placement. For consistency, the same points value was allocated to this activity.	Approved / Please Discuss

c)	<p>New Enterprise Incentive Scheme (NEIS) training</p> <p><i>Program parameters: up to 25 hours per week for eight weeks.</i></p>	<p>A job seeker undertaking NEIS training in NEST is considered to be fully meeting their requirements and their points target is reduced to zero.</p>	<p><u>25 points per week</u></p> <p>The program parameters for NEIS training are similar to PaTH Internships and there is an expectation that at the end of the training the job seeker will start their own small business.</p> <p>For consistency, the same points value was allocated to this activity.</p>	<p>Approved / Please Discuss</p>
3	Points for activities with minimum job search requirements			
<p>Agree that the points awarded for participation in the following activities will be <u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time). Job seekers undertaking these activities must complete the minimum job search requirement each reporting period.</p>				
a)	<p><u>Work for the Dole</u></p> <p><i>Program parameters: up to 25 hours per week for a minimum of eight weeks.</i></p> <p><i>Enhanced Services job seekers only.</i></p>	<p>30 point credit is applied per reporting period</p>	<p><u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time)</p> <p>The points value for this activity was allocated to recognise the high number of contact hours a job seeker would do per week undertaking this activity and the level of engagement and commitment the activity requires from the job seeker.</p> <p>Consideration was also given to the fact that there is potential for differing activity schedules which could result in job seekers completing the hours over a different number of days, for example some job seekers complete their hours over three days and some over five days. 15 points for the week are allocated regardless of how many days attended.</p> <p>It is reasonable that the job seeker should undertake other tasks to meet their points target in addition to this activity, such as job search.</p>	<p>Approved / Please Discuss</p>
b)	<p><u>Employability Skills Training (EST)</u></p> <p><i>Program parameters: 25 hours per week over three weeks (full-time).</i></p>	<p>30 point credit is applied per reporting period</p>	<p><u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time)</p> <p>The contact hours that a job seeker would do while undertaking this activity and the level of engagement and commitment the activity requires from the job seeker is similar to that required to complete Work for the Dole. For consistency, the same points value was allocated to this activity.</p> <p><u>Note:</u> a job seeker completing EST would earn a maximum of 45 points per reporting period if they undertook the course full-time (as it is over three weeks, not the four week reporting period). The job seeker would be required to earn 55 points to meet their points target. It is reasonable that a job seeker undertaking this course should also be undertaking other tasks to meet their mutual obligation requirements, including job search, or attending interviews.</p> <p>As part of EST, job seekers complete job search. These job searches can be reported by the job seeker and contribute to meeting their points target.</p>	<p>Approved / Please Discuss</p>
c)	<p><u>Career Transition Assistance</u></p> <p><i>Program parameters: 75 hours generally delivered over eight weeks.</i></p>	<p>30 point credit is applied per reporting period</p>	<p><u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time)</p> <p>While a job seeker participating in CTA will attend the activity for approximately 10 hours per week which is generally less than the contact hours for Work for the Dole and EST, it is reasonable to allocate 15 points to the activity due to the job seeker cohort (mature age) that benefit from this program.</p> <p>Concerns about financial viability were raised if the points target was to be lower than other departmental programs as job seekers could choose to complete other programs with higher points values. For equity, CTA was allocated 15 points consistent with Work for the Dole and EST.</p>	<p>Approved / Please Discuss</p>
d)	<p><u>Observational Work Experience</u></p> <p><i>Program parameters: up to 25 hours per week up to four weeks.</i></p> <p><i>Enhanced Services job seekers only.</i></p>	<p>10 point credit is applied per reporting period</p>	<p><u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time)</p> <p>The points value for this activity has increased from that in NEST and is similar to other departmental programs to recognise that the contact hours a job seeker would do per week undertaking this activity is the same as Work for the Dole or EST.</p> <p>This activity is only available to Enhanced Services job seekers and it is the Enhanced Services provider that organises the activity and determines whether it is the most appropriate activity for the job seeker. This oversight mitigates the risk of the activity being used inappropriately for job seekers to earn points.</p>	<p>Approved / Please Discuss</p>

e)	<u>Provider sourced voluntary work</u> <i>Program parameters: up to 25 hours per week.</i> <i>Enhanced Services job seekers only.</i>	30 point credit per reporting period	<u>15 points per week</u> (full-time) and <u>10 points per week</u> (part-time) Provider sourced voluntary work will operate similar to other departmental programs such as Work for the Dole and EST. For consistency, the same points value was allocated to this activity. This activity is only available to Enhanced Services job seekers and the Enhanced Services provider has oversight of the activity which mitigates the risk of the activity being used inappropriately for job seekers to earn points.	Approved / Please Discuss
Agree that the points awarded for participation in the following activities will be <u>20 points per week</u> (full-time) and <u>15 points per week</u> (part-time). Job seekers undertaking these activities must complete the minimum job search requirement each reporting period.				
f)	<u>Skills for Education and Employment (SEE)</u> <i>Program parameters: 20-25 hours per week (full-time) and 10-15 hours per week (part-time).</i>	30 point credit is applied per reporting period	<u>20 points per week</u> (full-time) and <u>15 points per week</u> (part-time) The points value for this activity recognises that the job seekers undertaking this program can have significant barriers to employment and these job seekers would benefit from being able to focus on the program while only having to undertake the minimum job search. This approach is consistent with the current program parameters whereby job seekers undertaking SEE in jobactive are required to complete job search. Enhanced Services providers or the Digital Services Contact Centre can apply additional credits to reduce the points target if appropriate due to significant language, literacy and numeracy issues.	Approved / Please Discuss
g)	<u>Adult Migrant English Program (AMEP)</u> <i>Program parameters: up to 510 hours</i>	30 point credit is applied per reporting period	<u>20 points per week</u> (full-time) and <u>15 points per week</u> (part-time) The program parameters for AMEP are similar to SEE and for consistency the same points value was allocated to this activity.	Approved / Please Discuss
4	Points for study and training and paid work			
a)	<u>Study and Training</u> <i>Assumes 20-25 hours per week (full-time) and 10-15 hours per week (part-time).</i>	30 point credit is applied for study and training per reporting period. 10 point credit is applied for licences, qualifications, and memberships per reporting period.	Agree that the points awarded for undertaking study and training will be: - 20 points per week for full-time study - 15 points per week for part-time study - 10 points per week for ad hoc study (for example, licences, qualifications, memberships). These points are consistent with the points allocated to departmental programs of similar contact hours. For example: - Full-time study is consistent with the points allocated to SEE and AMEP. - Part-time study is consistent with the points allocated to Work for the Dole and EST. The points awarded for ad hoc study is in line with what was allocated in NEST and is reasonable for short courses over a couple of days. Job seekers completing study will be required to complete the minimum job search requirement each reporting period unless they are undertaking an approved combination of study and paid work that fully meets their mutual obligation requirements.	Approved / Please Discuss
b)	<u>Paid work</u>	5 points for 10 hours reported (rounded up) For example, if a job seeker undertakes 11 hours of paid work they will receive 10 points.	Agree that job seekers will earn <u>10 points for 10 hours of paid work</u> (rounded up). The points for paid work have been increased due to concerns raised, including the Minister's Office, during consultation that it was too low in comparison to other activities. In NEST, the points allocated for paid work were determined because there were no restrictions on paid work and no minimum job search requirement. This could result in a job seeker with a low points target (adjusted due to labour market credits or personal circumstances credits) able to undertake an amount of paid work that would not get them off income support but also not require them to undertake additional job search. This concern is mitigated in NESM as all job seekers are required to undertake minimum job search.	Approved / Please Discuss

Overarching principles for the allocation of points for tasks and activities in the Points Based Activation System

The need for overarching principles

1. A single set of overarching principles for the allocation of points for tasks and activities for the Points Based Activation System (PBAS) will guide the decision-making process to ensure consistency when attributing points for future tasks and activities in the New Employment Services Model and to ensure that points are awarded with minimum complexity for the job seeker.
2. Job search continues to be a core component of PBAS for all job seekers who are job ready. Job seekers will receive 5 points per job search (5 points x 20 job search = 100 points) which forms the base threshold for allocation of points for other tasks and activities in PBAS.
3. In determining the points values for activities, consideration should be given to the number of additional tasks, including job search, it is reasonable for the job seeker to undertake while participating in an activity.
4. Consideration should also be given to the difficulty, duration and level of engagement and commitment the activity requires and whether there is an expectation of a job at the end of the activity, gaining work-life experience or improving employability skills.

The principles

Awarding of points

- Job seekers will be awarded points following the completion of the task or attendance at the activity.
- For an activity, job seekers will be awarded points on a weekly basis and following confirmation of at least one day of attendance at the activity.
- Points will be allocated to tasks and activities in increments of 5 points.

Points for tasks

- New tasks will be allocated points depending on the difficulty and level of engagement that is required to complete the task.
- Tasks that require moderate effort will be allocated 10 points and tasks that require a lower level of effort will be allocated 5 points.

Points for activities with an expectation of a job

- For activities where there is an expectation that there will be a job for the job seeker at the end of the activity, the job seeker is considered to be fully meeting their requirements while they are participating.
- These activities will be allocated 25 points per week of participation.
- Job seekers undertaking these activities will not be required to complete the minimum job search requirements each reporting period they are undertaking the activity.

Points for departmental employment programs with minimum job search requirements

- Departmental employment programs that have contact hours of up to 25 hours per week and require strong engagement and commitment from the job seeker will be allocated 15 points per week for full-time participation and 10 points per week for part-time participation.
- Job seekers undertaking these activities will be required to complete the minimum job search requirements each reporting period.

Points for study and training

- Full-time study courses that have contact hours of up to 25 hours per week will be allocated 20 points per week.
- Part-time study courses that have contact hours of up to 15 hours per week will be allocated 15 points per week.
- Job seekers undertaking these activities will be required to complete the minimum job search requirements each reporting period unless they are undertaking a combination of study and paid work up to 70 hours per fortnight.

Points for language, literacy, and numeracy activities

- Language, literacy and numeracy courses that have contact hours of up to 25 hours per week will be allocated 20 points per week for full-time participation and 15 points per week for part-time participation.
- Job seekers undertaking these activities will be required to complete the minimum job search requirements each reporting period.

Points Based Activation System – Labour Market Credits

Agenda item: <Secretariat will assign>

Date of Meeting: 5 August 2021

Author:	Kellie Hippit
Date cleared:	2 August 2021

RECOMMENDATION FOR ESC

That the ESC:

1. **note** the analysis undertaken by the Deputy National Skills Commission Division to determine the labour market disadvantage in each Employment Region at [Appendix A](#).
2. **note** that vacancy data was not included in the analysis as the geographical structure on which those data are based does not line up well with Employment Regions.
3. **endorse** the decisions made at EBMC on Monday 2 August 2021 as outlined below for applying an automatic labour market credit to job seekers in Digital Services and Enhanced Services in the New Employment Service Model that will reduce their points target. Further details on the recommended policy options are in [Appendix B](#).
4. **Note** that recommendations three and five of [Appendix B](#) were not agreed by EBMC and alternative approaches as outlined below were considered and agreed.

EBMC DECISION/DISCUSSION/MINUTES

At the EBMC meeting of 2 August 2021, the EBMC:

1. **agreed** that an automatic labour market credit be applied to job seekers in Digital Services and Enhanced Services in the New Employment Services Model (NESM) at the Employment Region (ER) level.
2. **agreed** that a labour market credit will be applied to all job seekers within an ER that have a labour market rating of below average or poor.
3. **agreed** to an alternative approach that all ERs with below average or poor labour market conditions will receive a labour market credit regardless of their proximity to stronger labour markets.
4. **agreed** that the labour market credit applied to ERs with a labour market rating of below average or poor will be 20 points.
5. **agreed** to an alternative approach that the minimum job search requirement remains at four job searches per reporting period for job seekers that receive a labour market credit.
6. **agreed** that the labour market ratings for the ERs be reviewed every six months to ensure that the ratings maintain accuracy and reflect any changes in labour market conditions.
7. **noted** the analysis undertaken by the Deputy National Skills Commission Division to determine the labour market disadvantage in each ER at [Appendix A](#)
8. **noted** that vacancy data was not included in the analysis as the geographical structure on which those data are based does not line up well with ERs.

KEY ISSUES

- A decision is required on how the labour market credits will be applied in the NESM to give stakeholders further guidance on how the Points Based Activation System (PBAS) will operate and also to inform the development of the IT System that will support PBAS.
- There was extensive discussion on several of the recommendations outlined in [Appendix B](#) of the EBMC paper. The main discussion points were:
 - Recommendation two – applying credits to all ERs rated below average and poor: The option of applying a labour market credit to only those ERs that are rated poor was considered due to the concern with the high numbers of job seekers that would potentially receive a credit if the credit was applied to all ERs with a below average and poor rating and the potential for more changes to the Credit eligibility.
 - Based on the data in [Appendix A](#), as at the end of May 2021, there would be approximately:
 - 280,000 job seekers in ERs with poor labour market conditions
 - 150,000 job seekers in ERs with below average labour market conditions
 - 300,000 job seekers in ERs with average labour market conditions
 - 250,000 job seekers in ERs with strong labour market conditions.

- While there were mixed views on the approach to be taken, the proposed recommendation was agreed as it was acknowledged that the ERs with a below average rating often had other labour market constraints e.g. access to transport. This was supported by State Managers.
- Recommendation three – ERs located within a capital city that have access to stronger labour markets will not receive a labour market credit: There was considerable discussion about this recommendation and in particular, whether exclusions should be applied to any ERs. Concern was raised about the limited access to public transportation in some ERs in capital cities that would limit a job seeker's ability to move between ERs for work.
 - An alternative approach was proposed and agreed to at EBMC. All ERs with below average or poor labour market conditions would receive a labour market credit based on that rating.
- 9. Recommendation five – reduction in minimum job search requirements: An alternative approach was proposed and agreed to at EBMC. All job seekers in ERs with below average or poor labour market conditions are required to undertake the minimum job search requirement of four job searches each reporting period.
- The EBMC paper includes the context, background, implementation considerations, implications for stakeholders and risk information.

Points Based Activation System – labour market credits

Agenda item: <Secretariat will assign>

Date of Meeting: 2 August 2021

Consultations: Deputy National Skills Commission Division, Labour Market Strategy Division, Digital Solutions Division

Author:	s 47E(d)
Date cleared:	26 July 2021

RECOMMENDATION FOR EBMC

That the EBMC:

- Note** the analysis undertaken by the Deputy National Skills Commission Division to determine the labour market disadvantage in each Employment Region at Attachment A.
- Note** that vacancy data was not included in the analysis as the geographical structure on which those data are based does not line up well with Employment Regions.
- Agree** to the recommended policy options in Attachment B for applying an automatic labour market credit to job seekers in Digital Services and Enhanced Services in the New Employment Services Model that will reduce their points target.
- Agree** that the labour market ratings for the Employment Regions be reviewed every six months to ensure that the ratings maintain accuracy and reflect any changes in labour market conditions.

CONTEXT/PURPOSE

- The New Employment Services Model (NESM) includes a new Points Based Activation System (PBAS) that will require job seekers to meet a specified number of points per reporting period to meet their mutual obligation requirements.
- The points target can be tailored based on a job seeker's personal circumstances and their local labour market with automatic credits applied at the start of each reporting period that reduces their points target. A credit will be applied to job seekers in disadvantaged labour markets to recognise the difficult labour market conditions in that region and that there may be less opportunities to apply for employment.
- PBAS is being trialled in two Employment Regions (ERs) in the New Employment Services Trial (NEST), with labour market credits applied to reduce the points target for all job seekers in these regions. Learnings from the NEST are being used to inform the design of PBAS for the NESM, including the application of labour market credits.
- The Employment Steering Committee has made some decisions on elements of the activation framework to inform the 2021-22 Budget Submission and the Government has agreed to the framework at a high level, including applying labour market credits to recognise labour market disadvantage. Prior to the implementation of PBAS under the NESM, a more detailed framework which will include further details on the application of labour market credits will be presented to the Prime Minister.
- This paper seeks agreement on how labour market credits will be applied in the NESM.

KEY ISSUES

- A decision is required on how the labour market credits will be applied in the NESM to give stakeholders further guidance on how PBAS will operate and also to inform the development of the IT System that will support PBAS.

The application of labour market credits

- Analysis was undertaken by the Deputy National Skills Commission Division to determine the extent of labour market disadvantage prevailing in each of the 51 ERs and each ER has been assigned a rating based on labour market strength (strong, average, below average and poor). The analysis can be found at Attachment A.
- In determining how to apply labour market credits in the NESM, consideration was given to applying the credits to a range of different geographical structures, including ERs, ABS Statistical Area Level 4 proxies (SA4s) and Local Government Areas (LGAs). Consideration was also given to the learnings from the trial of PBAS in NEST and feedback received from NEST providers during recent bilateral meetings.
- Consideration was also given to not applying an automatic upfront labour market credit but to allow providers to tailor the job seekers points target to recognise labour market disadvantage, if required. Following feedback from NEST providers this was not the preferred approach as it was considered too administratively burdensome and the preference of NEST providers is that a credit be applied automatically where appropriate.
- In line with NEST, the recommendation for the NESM is that labour market credits will be applied to all job seekers within ERs that have a rating of below average or poor. Details of the proposed approach for applying labour market credits to all job seekers in NESM is outlined in Attachment B.

- Analysis of labour market conditions at the ER level does not factor in a region's access to broader labour markets. For instance, job seekers in an ER with below average or poor labour market conditions are more likely to have access to a wider range of job opportunities if that ER is located in a capital city. It is proposed that ERs with below average or poor labour market conditions that are located within a capital city where there is access to a stronger labour markets will not receive a labour market credit. Further details are outlined at [Attachment B](#).
- The recommendation for the NESM is that a 20-point labour market credit will be applied to all job seekers within ERs that have a rating of below average and poor. Consideration was given to different points values for each rating, for example 20 points for poor and 10 points for below average. This was not the preferred approach as reducing the credit for ERs with a below average rating to 10 points does not appropriately reflect the level of disadvantage faced by job seekers in those ERs and could increase the administrative burden on providers who would need to manually apply additional credits.
- In circumstances where a job seeker may require additional tailoring of the points target, an Enhanced Services provider or the Digital Services Contact Centre can make further adjustments to the points target.

Review of labour market strength

- The extent of labour market disadvantage in an ER can vary significantly over time. To reflect any changes in labour market conditions it is proposed that the labour market ratings for ERs be revisited every six months. This recommendation is supported by the Deputy National Skills Commission Division.
- Consideration was given to reviewing the labour market ratings more regularly but due to the resourcing required to ascertain the extent of disadvantage in each ER, and the need to adjust IT requirements and communicate changes to providers, this was not preferred as it is too administratively burdensome.

BACKGROUND

Determination of the labour market ratings for NESM

- The Deputy National Skills Commission Division undertook analysis of the ERs using ABS Labour Force Survey data and in determining the labour market ratings, weight was primarily given to the following indicators:
 - a. The current unemployment rate, the change in the unemployment rate over the last year and the average unemployment rate recorded over the last five years
 - b. The proportion of the working age (15-64 years) population receiving income support
 - c. The current working age (15-64 years) employment rate, the change in the employment rate over the last year and the average recorded over the last five years
 - d. The current participation rate, the change in the participation rate over the last year and the average recorded over the last five years.
- Consideration was also given to the age profile and history of labour market disadvantage in each ER. The Deputy National Skills Commission Division advised that vacancy data was not included in the analysis as the geographical structure on which those data are based does not line up with ERs.
- The nature of the ER boundaries means that data on the indicators are not available in all ERs. 45 of the 51 ERs have SA4 proxies of an acceptable quality and these SA4 proxies provide a reasonable indication of labour market conditions in those ERs. For the remaining six ERs, the extent of labour market disadvantage was determined using fewer labour market indicators.

PBAS in the NEST

- In the NEST, job seekers in both trial regions receive an automatic labour market credit to recognise the conditions in those regions.
- The labour market credits were applied at the ER level and using the same methodology used to determine the labour market ratings for NESM.
 - a. Adelaide South was rated as below average and job seekers receive a 20-point credit each reporting period.
 - b. Mid North Coast was rated poor and job seekers receive a 30-point credit each reporting period.
- In July 2021, bilateral meetings were held with all NEST providers to seek their feedback on the operation of PBAS in NEST, including the application of labour market credits. Generally, NEST providers were supportive of an automatic labour market credit being applied.
- In applying the recommended policy options outlined in [Attachment B](#) of this paper, Mid North Coast would continue to receive a labour market credit as it has been rated as poor but Adelaide South would not receive a labour market credit as this ER is rated as an average labour market.

IMPLEMENTATION CONSIDERATIONS

- Identifying ERs as weaker labour markets may have an impact on existing policy whereby job seekers are currently subject to a six-month non-payment period for moving to an area of lower employment prospects (a MALEP penalty).

IMPLICATIONS FOR STAKEHOLDERS

- Resources will be required to review the labour market ratings for the ERs every six months. The changes to the labour market ratings will require changes to the IT system and communication to providers.

RISK MITIGATION

- Ongoing consultation will be required with the Digital Solutions Division and other relevant business areas and external stakeholders.

Employment Steering Committee

OFFICIAL
LEX 641

	State/Territory	Current Unemployment rate (%) ²	Annual change in employment (% pts) ²	Five year average unemployment rate (%) ²	Current Participation rate (%) ²	Annual change in participation (% pts) ²	Five year average participation rate (%) ²	Current rate of population aged 15-64 on income support (%) ²	Annual change in unemployment beneficiary recipients(% pts) ²	Five year average (%) ²	Proportion of 15-64 years on Income Support (%) ²
		May-21		May-21	May-21		May-21	May-21		May-21	
Strong labour market conditions											
Barwon	NSW	2.6	-1.0	5.1	63.9	0.7	63.0	77.1	2.8	74.1	14.1
Capital Region	ACT	3.8	0.1	4.0	65.0	-4.7	67.8	75.1	-3.6	77.3	10.7
Darwin	NT	5.3	-1.0	4.3	77.6	-0.3	77.2	80.3	0.7	79.9	13.1
Great Southern - Wheatbelt	WA	2.6	-1.9	4.1	65.0	-1.5	63.9	79.0	4.0	75.1	17.5
Inner Metropolitan Melbourne	VIC	6.0	1.0	4.9	71.6	1.1	69.3	77.8	1.6	75.4	7.3
Kalgoorlie	WA	3.6	-0.8	4.1	76.0	-	-	76.5	-	-	12.3
Mackay	QLD	3.0	1.5	4.8	72.3	1.4	71.8	80.3	0.3	77.6	13.8
Perth - North	WA	4.9	-0.8	5.9	68.6	-1.7	69.1	78.1	1.1	75.3	11.6
Somerset	QLD	5.6	-0.2	5.7	69.4	0.9	68.4	77.7	2.5	75.6	12.9
South Coast of Victoria	VIC	3.6	0.5	3.6	66.5	-0.6	67.1	76.0	1.9	77.0	16.7
Sydney East Metro	NSW	5.3	0.1	4.4	70.5	0.6	68.3	77.3	0.1	75.8	9.0
Sydney North & West	NSW	4.8	0.9	4.3	67.3	-1.1	68.2	78.1	0.1	77.2	8.2
Average labour market conditions											
Adelaide South	SA	6.5	0.9	5.7	65.4	0.3	64.5	75.3	-1.0	74.6	12.7
Brisbane - South & East	QLD	8.0	1.1	6.5	66.5	-0.2	67.0	72.9	-1.1	73.1	14.8
Central West	NSW	1.5	-1.8	4.2	66.2	-0.5	65.2	79.8	-0.1	76.2	18.6
Esperance	WA	4.0	-0.2	4.1	65.9	-	-	75.2	-	-	15.1
Fitzroy	VIC	1.8	-3.9	6.4	73.2	2.0	68.9	80.5	6.5	74.4	18.0
Gold Coast	QLD	6.4	2.3	5.5	70.2	5.6	67.9	78.4	2.3	76.0	14.2
Hunter	NSW	4.8	-0.7	5.5	62.9	-2.5	64.1	73.8	-2.4	73.5	17.6
Illawarra South Coast	NSW	6.0	0.9	5.9	63.7	6.8	57.3	75.6	5.6	70.0	16.4
Murray Riverina	WA	4.1	-0.7	5.2	66.6	3.4	63.1	79.2	6.6	73.4	17.5
North Eastern Melbourne	VIC	6.2	1.5	4.7	66.0	-1.8	67.0	75.8	-1.2	75.9	11.8
Perth - South	WA	6.1	-0.2	6.9	68.3	2.3	66.3	74.4	1.3	72.7	13.0
South Eastern Melbourne and Peninsula	VIC	6.4	1.0	6.1	67.2	-0.3	65.5	74.4	0.8	72.2	13.0
South West WA	WA	3.5	0.1	5.0	64.0	-3.3	67.6	79.9	-0.3	76.7	16.4

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Below Average labour market conditions											
Bendigo	VIC	5.9	0.0	4.9	65.7	7.1	60.3	75.9	4.9	73.0	18.7
Cairns	QLD	6.2	-0.4	6.1	67.4	-3.4	64.2	74.5	-0.2	72.3	21.1
Darling Downs	QLD	4.4	-0.9	4.8	61.2	-0.4	63.1	72.0	-3.0	73.5	19.2
Far West Orana	NSW	5.8	5.8	3.6	66.7	7.7	62.0	75.2	-2.3	73.3	24.9
Goulburn/Murray	NSW	4.9	-1.0	4.6	64.5	-3.0	63.5	74.2	-3.3	74.6	18.3
Hobart and Southern Tasmania	TAS	6.0	0.6	6.0	64.3	0.2	62.1	74.9	0.6	72.0	18.7
Mid North SA	SA	5.1	-2.5	5.9	61.3	2.4	57.3	74.6	1.1	72.0	21.0
Murray and South East	SA	4.0	-3.1	5.6	55.5	-3.4	59.7	72.7	1.8	72.9	21.8
New England and North West	NSW	3.3	-3.8	6.0	65.2	5.3	60.7	77.5	7.1	70.3	23.8
Sydney Greater West *	NSW	7.2	1.6	5.8	69.0	1.8	66.0	72.8	-0.4	71.1	13.9
Townsville	QLD	6.9	1.9	8.3	67.1	0.4	63.0	72.8	-0.8	68.1	18.7
Poor labour market conditions											
Adelaide North *	SA	7.3	0.1	7.4	61.4	-2.1	62.0	70.4	-0.1	69.3	19.6
Ballarat	VIC	4.8	-1.1	4.6	61.1	-2.8	60.7	70.1	-2.6	72.0	19.4
Broome	WA	7.2	-2.0	7.5	75.5	-	-	75.5	-	-	25.0
Geraldton	WA	6.8	-1.5	7.3	65.4	-	-	69.9	-	-	20.9
Gippsland	VIC	6.2	1.7	5.8	54.0	-2.2	57.9	67.9	-7.5	70.9	23.6
Mid North Coast	NSW	7.0	0.2	6.6	48.9	-2.2	52.0	65.2	-2.8	67.8	28.4
North and North Western Tasmania	TAS	6.0	1.3	6.4	59.8	1.5	59.1	71.5	-0.2	69.8	22.7
North Coast	NSW	5.9	1.0	5.9	56.4	-	-	66.1	-	-	25.2
North Western Melbourne *	VIC	8.9	1.6	7.5	65.5	0.8	62.9	70.9	0.8	67.9	15.5
North-West Country SA	SA	8.7	0.2	7.8	59.1	-	-	65.1	-	-	27.3
Sydney South West *	NSW	9.5	1.8	6.3	63.5	-0.6	62.5	64.9	-2.9	66.9	17.2
Western Melbourne *	VIC	8.8	0.9	7.8	71.7	6.6	66.8	72.7	2.9	70.3	13.5
Wide Bay and Sunshine Coast	QLD	6.0	-2.2	7.2	56.3	-0.5	56.3	71.7	0.4	69.3	21.6
Wimmera/Mallee	VIC	4.7	0.7	4.2	56.9	-2.3	59.1	68.2	-5.9	69.7	22.2
Wivenhoe	QLD	8.2	1.3	7.2	69.3	3.7	65.0	71.9	2.9	68.9	15.0

* Indicates the Employment Regions (ER) in a capital city that have access to ERs with a stronger labour market rating.

The Points Based Activation System for the New Employment Services Model Activation Framework: proposed policy for approval

Appendix B

	Proposed Approach	Pros/Cons	Reasoning/Comments	
1	Agree that a labour market credit will be applied at the <u>Employment Region (ER) level</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Using ERs is aligned with the approach for the NESM purchasing arrangements that seeks providers to deliver services in ERs. - Ensures consistency in messaging as the department generally utilises ERs as the preferred geographical boundary. - Is consistent with the current IT arrangements and reduces the complexity of the IT build for NESM. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Labour market conditions can vary within an ER, particularly within ERs that are large, and application at the ER level may not reflect the disparity that may exist within an ER. 	<p>Consideration was given to applying the credits at the SA4 and LGA level but were not preferred.</p> <p>LGAs were not recommended for use by the Deputy National Skills Commission Division as the range and quality of labour market data at the LGA level is more limited than at the ER level. Analysis of local labour market conditions would be based on less frequent and more volatile sources of data. LGAs vary considerably in size, even more so than ERs, with LGA populations ranging from less than 100 to over 1 million.</p> <p>There can be multiple SA4s within an ER. Applying labour market credits at this level has potential to cause confusion with providers who may deliver services across an entire ER but to different SA4s. Applying credits at the SA4 level will require a change in IT to allow for mapping to SA4s.</p>	Approved / Please Discuss
2	Agree that a labour market credit will be applied to all job seekers within an ER that have a labour market rating of <u>below average or poor</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Recognises the level of labour market disadvantage faced by job seekers in ERs with these labour market ratings. - Reduces the administrative burden on providers and the Digital Services Contact Centre (DSCC) by automatically applying a credit to those job seekers living in the most disadvantaged labour markets. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Labour market conditions can vary within an ER, and there may be pockets of disadvantage in stronger ERs that will not be recognised with the application of an automatic credit to only these ERs. 	<p>In the recent analysis undertaken by the Deputy National Skills Commission Division, there are 11 ERs with a labour market rating of below average and 15 ERs with a labour market rating of poor. Further details of these ERs are at <u>Attachment A</u>.</p> <p>In circumstances where a job seeker may not receive an automatic labour market credit but may face difficult local labour market conditions, the provider or the DSCC can tailor their points target to recognise their labour market conditions.</p>	Approved / Please Discuss
3	Agree that ERs with below average or poor labour market conditions that are <u>located within a capital city with access to stronger labour markets</u> will not receive a labour market credit.	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Recognises that labour market conditions at the ER level do not factor in the regions access to broader labour markets and job seekers may have access to a wider range of job opportunities in other areas. - Is consistent with the current requirements under jobactive that can require job seekers to travel to meet their mutual obligation requirements. - Ensures job seekers with access to stronger labour markets are actively engaged in finding employment. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Potential for some job seekers to not have the ability to travel between areas and access other labour markets. 	<p>There are four ERs that have a rating of poor and one ER that has a rating of below average that are located in a capital city with access to ERs with stronger labour markets in close proximity. These include:</p> <ul style="list-style-type: none"> - Adelaide North (poor) - North Western Melbourne (poor) - Sydney South West (poor) - Western Melbourne (poor) - Sydney Greater West (below average). <p>It is proposed that these ERs would not receive an automatic labour market credit.</p> <p>In circumstances where it would not be appropriate for the job seeker to travel to meet their mutual obligation requirements, the provider or the DSCC can apply a credit to reduce the job seekers points target. This credit can be applied for up to a period of six months.</p>	Approved / Please Discuss
4	Agree that the labour market credit applied to ERs with a labour market rating of below average or poor will be <u>20 points</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Ensures both ERs receive an automatic credit reduction that is of an appropriate value for both regions. - Reduces the administrative burden on providers and the DSCC by automatically applying a credit to those job seekers living in the most disadvantaged labour markets. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Potential for a perception that the level of labour market disadvantage faced by job seekers in poor ERs is not appropriately recognised. 	<p>In the NEST, Mid North Coast was rated poor and job seekers receive a 30-point credit each reporting period.</p> <p>It is proposed that the labour market credit for ERs rated poor in NESM be reduced to 20 points due to the introduction of higher activity points values for NESM and that there is more flexibility for job seekers to undertake a range of tasks and activities to meet their mutual obligations requirement under the PBAS.</p> <p>Labour markets with a rating of below average will receive a credit of 20 points to recognise that these areas are regional with difficult labour markets and a labour market credit lower than 20 points may not appropriately reflect the level of disadvantage faced by job seekers in these ERs. Providing job seekers with a higher credit upfront will reduce the burden on providers and the DSCC to manually apply further credits.</p>	Approved / Please Discuss

5	Agree that the minimum job search be reduced from four to <u>two job searches</u> per reporting period for job seekers that receive a labour market credit.	<p><u>Pros</u></p> <ul style="list-style-type: none">- Recognises that in some difficult labour markets there will be less opportunity for job seekers to apply for jobs.- Reduces unnecessary and inappropriate job searches and their impact on job seekers and employers. <p><u>Cons</u></p> <ul style="list-style-type: none">- Job seekers may need to do more activities to meet their points target which may not be available in all areas.	Reducing the minimum job search requirement for ERs that have a rating of below average and poor recognises the difficulty that may exist in these regions with access to job opportunities and allows job seekers to focus on undertaking activities to expand their skill set and make them more job ready for the job opportunities that may become available.	Approved / Please Discuss
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	State/Territory	Current Unemployment rate (%) ²	Annual change in employment (% pts) ²	Five year average unemployment rate (%) ²	Current Participation rate (%) ²	Annual change in participation (% pts) ²	Five year average participation rate (%) ²	Current rate of population aged 15-64 on income support (%) ²	Annual change in unemployment beneficiary recipients(% pts) ²	Five year average (%) ²	Proportion of 15-64 years on Income Support (%) ²
		May-21		May-21	May-21		May-21	May-21		May-21	
Strong labour market conditions											
Barwon	NSW	2.6	-1.0	5.1	63.9	0.7	63.0	77.1	2.8	74.1	14.1
Capital Region	ACT	3.8	0.1	4.0	65.0	-4.7	67.8	75.1	-3.6	77.3	10.7
Darwin	NT	5.3	-1.0	4.3	77.6	-0.3	77.2	80.3	0.7	79.9	13.1
Great Southern - Wheatbelt	WA	2.6	-1.9	4.1	65.0	-1.5	63.9	79.0	4.0	75.1	17.5
Inner Metropolitan Melbourne	VIC	6.0	1.0	4.9	71.6	1.1	69.3	77.8	1.6	75.4	7.3
Kalgoorlie	WA	3.6	-0.8	4.1	76.0	-	-	76.5	-	-	12.3
Mackay	QLD	3.0	1.5	4.8	72.3	1.4	71.8	80.3	0.3	77.6	13.8
Perth - North	WA	4.9	-0.8	5.9	68.6	-1.7	69.1	78.1	1.1	75.3	11.6
Somerset	QLD	5.6	-0.2	5.7	69.4	0.9	68.4	77.7	2.5	75.6	12.9
South Coast of Victoria	VIC	3.6	0.5	3.6	66.5	-0.6	67.1	76.0	1.9	77.0	16.7
Sydney East Metro	NSW	5.3	0.1	4.4	70.5	0.6	68.3	77.3	0.1	75.8	9.0
Sydney North & West	NSW	4.8	0.9	4.3	67.3	-1.1	68.2	78.1	0.1	77.2	8.2
Average labour market conditions											
Adelaide South	SA	6.5	0.9	5.7	65.4	0.3	64.5	75.3	-1.0	74.6	12.7
Brisbane - South & East	QLD	8.0	1.1	6.5	66.5	-0.2	67.0	72.9	-1.1	73.1	14.8
Central West	NSW	1.5	-1.8	4.2	66.2	-0.5	65.2	79.8	-0.1	76.2	18.6
Esperance	WA	4.0	-0.2	4.1	65.9	-	-	75.2	-	-	15.1
Fitzroy	VIC	1.8	-3.9	6.4	73.2	2.0	68.9	80.5	6.5	74.4	18.0
Gold Coast	QLD	6.4	2.3	5.5	70.2	5.6	67.9	78.4	2.3	76.0	14.2
Hunter	NSW	4.8	-0.7	5.5	62.9	-2.5	64.1	73.8	-2.4	73.5	17.6
Illawarra South Coast	NSW	6.0	0.9	5.9	63.7	6.8	57.3	75.6	5.6	70.0	16.4
Murray Riverina	WA	4.1	-0.7	5.2	66.6	3.4	63.1	79.2	6.6	73.4	17.5
North Eastern Melbourne	VIC	6.2	1.5	4.7	66.0	-1.8	67.0	75.8	-1.2	75.9	11.8
Perth - South	WA	6.1	-0.2	6.9	68.3	2.3	66.3	74.4	1.3	72.7	13.0
South Eastern Melbourne and Peninsula	VIC	6.4	1.0	6.1	67.2	-0.3	65.5	74.4	0.8	72.2	13.0
South West WA	WA	3.5	0.1	5.0	64.0	-3.3	67.6	79.9	-0.3	76.7	16.4

Below Average labour market conditions											
Bendigo	VIC	5.9	0.0	4.9	65.7	7.1	60.3	75.9	4.9	73.0	18.7
Cairns	QLD	6.2	-0.4	6.1	67.4	-3.4	64.2	74.5	-0.2	72.3	21.1
Darling Downs	QLD	4.4	-0.9	4.8	61.2	-0.4	63.1	72.0	-3.0	73.5	19.2
Far West Orana	NSW	5.8	5.8	3.6	66.7	7.7	62.0	75.2	-2.3	73.3	24.9
Goulburn/Murray	NSW	4.9	-1.0	4.6	64.5	-3.0	63.5	74.2	-3.3	74.6	18.3
Hobart and Southern Tasmania	TAS	6.0	0.6	6.0	64.3	0.2	62.1	74.9	0.6	72.0	18.7
Mid North SA	SA	5.1	-2.5	5.9	61.3	2.4	57.3	74.6	1.1	72.0	21.0
Murray and South East	SA	4.0	-3.1	5.6	55.5	-3.4	59.7	72.7	1.8	72.9	21.8
New England and North West	NSW	3.3	-3.8	6.0	65.2	5.3	60.7	77.5	7.1	70.3	23.8
Sydney Greater West *	NSW	7.2	1.6	5.8	69.0	1.8	66.0	72.8	-0.4	71.1	13.9
Townsville	QLD	6.9	1.9	8.3	67.1	0.4	63.0	72.8	-0.8	68.1	18.7
Poor labour market conditions											
Adelaide North *	SA	7.3	0.1	7.4	61.4	-2.1	62.0	70.4	-0.1	69.3	19.6
Ballarat	VIC	4.8	-1.1	4.6	61.1	-2.8	60.7	70.1	-2.6	72.0	19.4
Broome	WA	7.2	-2.0	7.5	75.5	-	-	75.5	-	-	25.0
Geraldton	WA	6.8	-1.5	7.3	65.4	-	-	69.9	-	-	20.9
Gippsland	VIC	6.2	1.7	5.8	54.0	-2.2	57.9	67.9	-7.5	70.9	23.6
Mid North Coast	NSW	7.0	0.2	6.6	48.9	-2.2	52.0	65.2	-2.8	67.8	28.4
North and North Western Tasmania	TAS	6.0	1.3	6.4	59.8	1.5	59.1	71.5	-0.2	69.8	22.7
North Coast	NSW	5.9	1.0	5.9	56.4	-	-	66.1	-	-	25.2
North Western Melbourne *	VIC	8.9	1.6	7.5	65.5	0.8	62.9	70.9	0.8	67.9	15.5
North-West Country SA	SA	8.7	0.2	7.8	59.1	-	-	65.1	-	-	27.3
Sydney South West *	NSW	9.5	1.8	6.3	63.5	-0.6	62.5	64.9	-2.9	66.9	17.2
Western Melbourne *	VIC	8.8	0.9	7.8	71.7	6.6	66.8	72.7	2.9	70.3	13.5
Wide Bay and Sunshine Coast	QLD	6.0	-2.2	7.2	56.3	-0.5	56.3	71.7	0.4	69.3	21.6
Wimmera/Mallee	VIC	4.7	0.7	4.2	56.9	-2.3	59.1	68.2	-5.9	69.7	22.2
Wivenhoe	QLD	8.2	1.3	7.2	69.3	3.7	65.0	71.9	2.9	68.9	15.0

* Indicates the Employment Regions (ER) in a capital city that have access to ERs with a stronger labour market rating.

The Points Based Activation System for the New Employment Services Model Activation Framework: proposed policy for approval

	Proposed Approach	Pros/Cons	Reasoning/Comments	
1	Agree that a labour market credit will be applied at the <u>Employment Region (ER) level</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Using ERs is aligned with the approach for the NESM purchasing arrangements that seeks providers to deliver services in ERs. - Ensures consistency in messaging as the department generally utilises ERs as the preferred geographical boundary. - Is consistent with the current IT arrangements and reduces the complexity of the IT build for NESM. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Labour market conditions can vary within an ER, particularly within ERs that are large, and application at the ER level may not reflect the disparity that may exist within an ER. 	<p>Consideration was given to applying the credits at the SA4 and LGA level but were not preferred.</p> <p>LGA's were not recommended for use by the Deputy National Skills Commission Division as the range and quality of labour market data at the LGA level is more limited than at the ER level. Analysis of local labour market conditions would be based on less frequent and more volatile sources of data. LGAs vary considerably in size, even more so than ERs, with LGA populations ranging from less than 100 to over 1 million.</p> <p>There can be multiple SA4s within an ER. Applying labour market credits at this level has potential to cause confusion with providers who may deliver services across an entire ER but to different SA4s. Applying credits at the SA4 level will require a change in IT to allow for mapping to SA4s.</p>	Approved / Please Discuss
2	Agree that a labour market credit will be applied to all job seekers within an ER that have a labour market rating of <u>below average or poor</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Is consistent with the current approach applied in the NEST, with no issues reported. - Recognises the level of labour market disadvantage faced by job seekers in ERs with these labour market ratings. - Reduces the administrative burden on providers and the Digital Services Contact Centre (DSCC) by automatically applying a credit to those job seekers living in the most disadvantaged labour markets. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Labour market conditions can vary within an ER, and there may be pockets of disadvantage in stronger ERs that will not be recognised with the application of an automatic credit to only these ERs. 	<p>In the recent analysis undertaken by the Deputy National Skills Commission Division, there are 11 ERs with a labour market rating of below average and 15 ERs with a labour market rating of poor. Further details of these ERs are at <u>Attachment A</u>.</p> <p>In circumstances where a job seeker may not receive an automatic labour market credit but may face difficult local labour market conditions, the provider or the DSCC can tailor their points target to recognise their labour market conditions.</p>	Approved / Please Discuss
3	Agree that ERs with below average or poor labour market conditions that are <u>located within a capital city with access to stronger labour markets</u> will not receive a labour market credit.	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Recognises that labour market conditions at the ER level do not factor in the regions access to broader labour markets and job seekers may have access to a wider range of job opportunities in other areas. - Is consistent with the current requirements under jobactive that can require job seekers to travel to meet their mutual obligation requirements. - Ensures job seekers with access to stronger labour markets are actively engaged in finding employment. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Potential for some job seekers to not have the ability to travel between areas and access other labour markets. 	<p>There are four ERs that have a rating of poor and one ER that has a rating of below average that are located in a capital city with access to ERs with stronger labour markets in close proximity. These include:</p> <ul style="list-style-type: none"> - Adelaide North (poor) - North Western Melbourne (poor) - Sydney South West (poor) - Western Melbourne (poor) - Sydney Greater West (below average). <p>It is proposed that these ERs would not receive an automatic labour market credit.</p> <p>In circumstances where it would not be appropriate for the job seeker to travel to meet their mutual obligation requirements, the provider or the DSCC can apply a credit to reduce the job seekers points target. This credit can be applied for up to a period of six months.</p>	Approved / Please Discuss
4	Agree that the labour market credit applied to ERs with a labour market rating of below average or poor will be <u>20 points</u> .	<p><u>Pros</u></p> <ul style="list-style-type: none"> - Ensures both ERs receive an automatic credit reduction that is of an appropriate value for both regions. - Reduces the administrative burden on providers and the DSCC by automatically applying a credit to those job seekers living in the most disadvantaged labour markets. 	<p>In the NEST, Mid North Coast was rated poor and job seekers receive a 30-point credit each reporting period.</p> <p>It is proposed that the labour market credit for ERs rated poor in NESM be reduced to 20 points due to the introduction of higher activity points values for NESM and that there is more flexibility for job seekers to undertake a range of tasks and activities to meet their mutual obligations requirement under the PBAS.</p>	Approved / Please Discuss

		<u>Cons</u> <ul style="list-style-type: none">- Potential for a perception that the level of labour market disadvantage faced by job seekers in poor ERs is not appropriately recognised.	Labour markets with a rating of below average will receive a credit of 20 points to recognise that these areas are regional with difficult labour markets and a labour market credit lower than 20 points may not appropriately reflect the level of disadvantage faced by job seekers in these ERs. Providing job seekers with a higher credit upfront will reduce the burden on providers and the DSCC to manually apply further credits.	
5	Agree that the minimum job search be reduced from four to <u>two job searches</u> per reporting period for job seekers that receive a labour market credit.	<u>Pros</u> <ul style="list-style-type: none">- Recognises that in some difficult labour markets there will be less opportunity for job seekers to apply for jobs.- Reduces unnecessary and inappropriate job searches and their impact on job seekers and employers. <u>Cons</u> <ul style="list-style-type: none">- Job seekers may need to do more activities to meet their points target which may not be available in all areas.	Reducing the minimum job search requirement for ERs that have a rating of below average and poor recognises the difficulty that may exist in these regions with access to job opportunities and allows job seekers to focus on undertaking activities to expand their skill set and make them more job ready for the job opportunities that may become available.	Approved / Please Discuss

Changes to the Job Plan for the New Employment Services Model (NESM)

Agenda item: 5

Date of Meeting: 12 August 2021

Author:	Kellie Hippit
Date cleared:	10 August 2021

RECOMMENDATION FOR ESC

That the ESC **endorse** the decisions made at EBMC on Monday 9 August 2021 concerning streamlined Job Plan arrangements for all job seekers in the New Employment Services Model (NESM) who will be subject to the Points Based Activation System (PBAS) as described below and at Attachment A (as updated to reflect the discussion at EBMC).

EBMC DECISION/DISCUSSION/MINUTES

At the EBMC meeting of 9 August 2021, the outcomes were as follows

- a. **EBMC agreed** to streamlined Job Plan arrangements for all job seekers in NESM who will be subject to PBAS containing only compulsory requirements as below:
 - (i) **EBMC agreed to the following default, non-removable requirements:** points-based requirement, accept and retain suitable paid work, action job referrals (enhanced only), attend job interviews, and attend any appointments notified as compulsory.
 - (ii) **EBMC agreed to the following default, removable requirements:** accept personal responsibility to self-manage and accurately record participation efforts in PBAS; and maintain an up-to-date Career Profile each six months; **EBMC noted** a future paper on activities at the NESM mandatory activation points would address a new default requirement for digital job seekers to self-refer to compulsory activities (e.g. Employability Skills Training (EST)).
 - (iii) **EBMC agreed to activity requirements added at NESM mandatory activation points** to activate those job seekers not intensively engaged to that point - e.g. Work for the Dole (enhanced services) and EST (digital).
 - **EBMC noted** that the wording of the compulsory activity requirement could indicate that the job seeker is to participate in the activity (e.g. Work for the Dole) on the dates and times notified to them that they must attend. For job seekers with the requirement to take personal responsibility to self-manage and accurately report participation efforts in PBAS, this would trigger an additional sub-clause that the job seeker must record their own attendance by close of business on the day they attend the activity.
 - **EBMC noted** that a future paper on activities at the NESM mandatory activation points will address a new compulsory requirement to complete Online Learning Modules for digital job seekers not intensively engaged at the four-month activation point.
 - **EBMC noted** that to ensure digital job seekers are incentivised to book themselves into an appropriate EST course, and prevent the DSCC from having to manually refer the majority of such job seekers, job seekers might be compelled to self-refer to compulsory activities (e.g. EST) as a default Job Plan requirement.
 - (iv) **EBMC agreed to types of requirements that will be managed outside of the NESM Job Plan** Activity Requirements (outside of the mandatory activation points), Non-Vocational Items, Job Search, Provider Assistances, Paid Work and Self Employment and NEIS Training.
- b. **EBMC noted** this approach would involve 'decoupling' Job Plan codes from the Electronic Calendar to support scheduling of more diverse activities, with redesign of notifications and scheduling Calendar requirements for compliance action.
- c. [s 42\(1\)](#)

KEY ISSUES

- A decision is needed in respect of the specific requirements that either could be included (and in what circumstances), or could not be included, within a NESM Job Plan. The rationale for the proposed treatment of each requirement is provided at Attachment A (as updated to reflect the discussion at EBMC). This includes a comparison to the Job Plan arrangement for PBAS job seekers in the two New Employment Services Trial regions.
- **All recommendations of the paper, as above, were agreed to by the EBMC.** The main discussion points were as follows:
 - EBMC noted that the proposal for job seekers to be able to view their online dashboard and receive information on how to meet their points target prior to agreeing their Job Plan will require detailed mapping of relevant system workflows and may be impacted by a likely non-Government amendment to the Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill which would give job seekers two days (equivalent to 'think time') to enter into a Job Plan without delaying their payment.
 - EBMC raised the potential for job seekers not to attend when voluntarily doing an activity such as Work for the Dole or EST, and whether this would be considered value for money. It was noted that many programs currently

have this issue, and the evidence is that attendance rates are similar when an activity is chosen voluntarily compared to when it is mandatory.

- EBMC noted that the various requirements to be managed outside the NESM Job Plan would largely be through the functionality of the online dashboard e.g. pursuant to the points-based requirement, and would be supported by associated data monitoring, contract management and quality assurance strategies to ensure that the positive incentives to drive job seeker engagement in PBAS also deliver appropriate levels of job seeker attendance at activities and programs, including those funded by the Commonwealth.
- EBMC also noted the importance of having sound attendance data on the full range of activities on the PBAS dashboard for 1 July 2022 in order to give providers and the Digital Services Contact Centre (DSCC) sufficient visibility to determine if job seekers had been intensively engaged in PBAS activities up to and around the NESM mandatory activation points.
- The EBMC paper also includes detail of context, key issues, implementation considerations and risk information.

CHANGES TO THE JOB PLAN FOR NEW EMPLOYMENT SERVICES MODEL

Agenda item: 7

Date of Meeting: 9 August 2021

Author:	s 47E(d)
Date cleared:	4 August 2021

Consultations: Labour Market Strategy Division, Employment Programs and Activation Division, Delivery and Engagement Division, New Employment Services Model Division, Digital Solutions Division

RECOMMENDATION FOR EBMC

That the EBMC:

- d. **Agree** to streamlined Job Plan arrangements for all job seekers in the New Employment Services Model (NESM) who will be subject to the Points Based Activation System (PBAS) containing only compulsory requirements, as below:
 - (v) default, non-removable requirements: points-based requirement, accept and retain suitable paid work, action job referrals (enhanced only), attend job interviews, and attend any appointments notified as compulsory;
 - (vi) default, removable requirements: accept personal responsibility to self-manage and accurately record participation efforts in PBAS; and maintain an up-to-date Career Profile each six months; and
 - (vii) activity requirements added at NESM mandatory activation points to activate those job seekers not intensively engaged to that point e.g. Work for the Dole and Employability Skills Training.
 - This is consistent with the Employment Steering Committee (ESC) decision of 28 January 2021 - refer below.
 - Further details of the recommended approach are set out in in the Table at [Attachment A \(15 Decisions\)](#).
 - For comparison, a list of available New Employment Services Trial Job Plan codes and examples of Trial PBAS Job Plans for a digital job seeker and an enhanced services job seeker are at [Attachment B](#).
- e. **Note** this approach would involve 'decoupling' Job Plan codes from the Electronic Calendar to support scheduling of more diverse activities, with redesign of notifications and scheduling Calendar requirements for compliance action.
- f. [s 42\(1\)](#)

CONTEXT/PURPOSE

- The Australian Government has agreed that 'all job seekers will generally use PBAS to manage their mutual obligation requirements in the NESM' (2021-22 Budget Submission, Attachment A3, p1).
- ESC has agreed some broad policy settings for NESM PBAS, including that: job seekers will earn points towards a maximum 100 points target per reporting period when they attend an activity, awarded on a weekly basis and following confirmation of at least one day of attendance at an activity; while job ready job seekers will need to undertake a minimum of four job searches each period in order to meet their points target (pending Government approval of the number of job searches proposed).
- Prior to implementation, the final design of NESM PBAS will be presented to the Prime Minister for approval. The final design will be informed by learnings from the Trial of PBAS in two employment regions, including feedback arising from recent departmental consultations.
- This paper recommends a more streamlined approach than currently being tested for PBAS in the two New Employment Services Trial regions. Under the more comprehensive flexible activation approach and design of NESM PBAS, job seekers will be able to choose to participate in a wider range of activities and interventions on their online dashboard, and will earn points based on their attendance at activities, rather than receiving an automatic reduction in their points target when an activity is included in their Job Plan, as currently occurs in the Trial.
- Consistent with this, the NESM Job Plan would be streamlined to remove voluntary requirements and some light-touch activities to manage these through reward incentives under PBAS. Compulsory activities would be included in the Job Plan at NESM mandatory activation points in order to further leverage the targeted compliance framework and activate job seekers identified as not intensively engaged.
- Streamlining the NESM Job Plan would deliver significant flexibility for job seekers and reduce red tape and administrative burden for providers and the Digital Services Contact Centre (DSCC). Job seekers could easily vary their participation efforts to meet their points-based requirement at any time by selecting different tasks/activities from their dashboard without needing to re-negotiate the underlying Job Plan. The extent of the proposed rationalisation of requirements and associated red-tape reduction is apparent by reference to the two-page list of Trial codes at [Attachment B](#).
- For Minimum Viable Product, the existing Trial Job Plan codes will remain in the back-end of the IT system as necessary to support other programs (e.g. DES) and to allow compliance action to be triggered where appropriate (i.e. notifications issued, failure confirmed). Digital Solutions Division has advised this approach to 'decoupling' would minimise the number of systems touchpoints required to be re-configured as part of the NESM systems build.

- The streamlined NESM Job Plan will be supported by provisions of the Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021 (the 'SPROM Bill'), which is currently before the Parliament and is expected to be debated during the Spring sittings. The Bill aims to encourage more streamlined requirements, increased ability for job seekers to self-manage their requirements online, and greater control over how job seekers meet their requirements. The Bill ensures that job seekers will have the option to talk to a human delegate to discuss their individual circumstances and negotiate their mutual obligation requirements.
- NESM Digital job seekers would generally agree their Job Plan online, with the option to talk to a DSCC staff member to negotiate their requirements if needed. Enhanced services job seekers would generally negotiate their NESM Job Plan at the Initial Interview. In all cases, job seekers will be given access to information on their points-based requirement and how to record points on their dashboard in advance of being presented their Job Plan for agreement. When initially connecting to employment services, job seekers will be incentivised to immediately agree their Job Plan in order to receive income support from that date. Job seekers will always have the option, however, to negotiate their Job Plan with a human delegate.

KEY ISSUES

- The proposal at Attachment A seeks the Committee's agreement in respect of the specific requirements that either could be included (and in what circumstances), or could not be included, within a NESM Job Plan. The rationale for the proposed treatment of each requirement is provided, together with a comparison to the Job Plan arrangement for job seekers in the Trial of PBAS. Key elements of the proposal are also described below.
- To commence in NESM, job seekers with mutual obligation requirements would need to agree a Job Plan containing the following default, non-removable requirements: points-based requirement, accept and retain suitable paid work, action job referrals (enhanced only), attend job interviews, and attend appointments notified as compulsory.
 - The points-based requirement will support participation in a minimum number of job search efforts each period combined with the job seeker's choice of a wide range of activities and tasks on their online dashboard.
 - Consistent with the Social Security law requirements for income support and the Government's proposed 'Tightening job seeker compliance and better job matching' measure, all job seekers would be required to attend and behave at scheduled job interviews and accept any suitable paid work, while job seekers in enhanced services would need to action any job opportunities they were referred to by their provider.
 - Job seekers would be required to attend any provider or third-party appointments notified as compulsory. This would incentivise attendance at scheduled appointments, supporting better engagement for service delivery.
- The NESM Job Plan would also include the following default, removable requirements: personal responsibility to self-manage and accurately record participation efforts; and maintain an up-to-date Career Profile (digital only).
 - A commitment to personal responsibility to self-manage requirements and accurately report participation efforts is consistent with the extensive choice and flexibility job seekers afforded to job seekers in NESM PBAS.
 - Feedback from Trial providers has indicated the need to identify and respond to instances of job seekers claiming points inappropriately, e.g. didn't attend/undertake job interview, paid work, study or other activity. This requirement will message to those job seekers capable of self-managing their requirements in PBAS that they must report participation efforts accurately or face action under the targeted compliance framework.
 - While the exact mechanisms by which compliance action could be brought will need to be worked through, it is envisaged a points failure would be applied where the points lost for any falsely declared tasks resulted in a points target not being met. Further work would be needed to determine complexities around this.
 - This requirement could be removed from the Job Plan, for example where the job seeker was identified as lacking digital literacy skills or had complex needs impacting their ability to self-manage participation efforts.
 - The maintain up-to-date Career Profile requirement would provide an incentive for the digital job seeker to periodically review their Career Profile where the points available for updating it each month in PBAS was not sufficient to influence job seeker behaviour to yield this outcome. This would support improved data to underpin quality job matching, with associated benefits for job seekers, providers and employers.
- Compulsory activities would only be able to be included in a Job Plan at mandatory NESM activation points. The default activities e.g. Work for the Dole (enhanced) and Employability Skills Training (digital) would be included for those not already intensively engaged over the past six months (details still to be agreed).
 - This is in line with the Employment Steering Committee decision of 28 January 2021 'Activation Framework for NESM': *"Participation in activities accrues points, and all activities are voluntary unless part of the four-month activity requirement, or unless a provider determines compliance is necessary to ensure job seeker engagement."*
 - Extensive consultations both prior to, and following, the ESC decision suggest that, unlike in the Trial, providers should not be able to include compulsory activities in the Job Plan from commencement in service.
 - To do so would create a strong disincentive for job seekers to participate through choice. For providers, it could create a perverse incentive to place job seekers in activities early so that participation may count as progress for

payments and performance. It would not encourage quality activities or positive engagement and would blur the lines between normal servicing and the mandatory activation points, undermining their effectiveness.

- Note: a separate EBMC paper will be brought forward seeking relevant decisions around activities and participation at the NESM mandatory activation points, including in respect of those limited circumstances where the default activity is not suitable for a job seeker's circumstances at the mandatory activation point (e.g. where a job seeker is aged 60 years or over they cannot legally be compelled to undertake Work for the Dole).
- Voluntary items, including activities and/or non-vocational interventions, could not be included in a NESM Job Plan. Rather, the job seeker could freely choose to participate by selecting these items from a menu on their online dashboard and would earn points weekly based on at least one day of attendance at the activity or intervention.

s 42(1)

- In NESM PBAS, providers will be free to determine the amount of points a job seeker will receive for tasks involving treatment, such as counselling, health interventions or drug and alcohol rehabilitation, based on the specific needs of the job seeker e.g. they could award sufficient points to meet the job seeker's points target while undergoing residential rehabilitation treatment. This would be instead of reducing the points target to zero, removing the points-based requirement from the Job Plan or suspending the Job Plan.
- Other types of requirements which could not be included in a NESM Job Plan include paid-work, self-employment, and provider assistances, while job search could not be included as a standalone requirement in the Job Plan. A detailed rationale for these requested decisions is at [Attachment A](#).
 - A separate compulsory job search requirement would not be included in the NESM Job Plan, rather the job seeker would agree to meet their points target on their dashboard, including any minimum job search requirement. The specific number of points or minimum number of job searches to be undertaken each period would not be specified within the text of the requirement.
 - Job seekers would incur a single failure for not meeting their points-based requirement in any period in which they did not achieve the required number of points from minimum job search efforts; and/or meet their overall points target. As demerits expire after six active months, job seekers would need to incur demerits for failures other than points-based failures (e.g. fast-track demerit for job interview failure) and also be found capable of meeting requirements at a Capability Interview and Capability Assessment in order to reach the Penalty Zone.
 - Together with payment suspension, a single demerit for failure to meet points and/or minimum job search in any reporting period would help strike the right balance between reliance on compliance sanctions and driving positive engagement through job seeker choice in PBAS.

Disability Support Pension (DSP) Recipients Aged Under 35 Years and Early School Leavers (ESLs)

- Under Social Security Law, DSP recipients aged under 35 years with more than eight hours work capacity have participation requirements which include to have at least one compulsory work-focused activity included in their employment pathway plan. These job seekers are not currently subject to the targeted compliance framework.
- Early School Leavers are a cohort with participation requirements currently specifically mentioned in legislation i.e. to undertake one or more approved courses of education and training and one or more other activities the Secretary considers suitable for the person for an appropriate number of hours per week i.e. 25 hours – unless another number (including zero) is appropriate. The SPROM Bill seeks to remove this specific reference but would not change policy in respect of Early School Leavers.
- It is arguable that minimum job search and other employment related tasks undertaken in accordance with a points-based requirement in a NESM Job Plan would be sufficient to meet Early School Leaver requirements if the department were to issue additional supporting Deed requirements, guidelines and systems business rules:
 - E.g. to require providers to closely monitor Early School Leavers participation efforts to ensure they were recording on their dashboard sufficient participation in education and training and other activities to both meet the points-based requirement in their Job Plan and satisfy Early School Leaver requirements.
- Consistent with the NESM Budget submission, all job seekers in NESM with mutual obligation requirements should ideally be able to meet their requirements through PBAS. This would prevent the need for ad-hoc carve-outs and alternate Job Plan arrangements in NESM, ensuring simplicity and clarity for relevant parties, including job seekers

and provider staff. To this end, NESM Division will investigate and consult further in respect of the above issues with Employment Workforce Group stakeholders, the Department of Social Security and Services Australia.

NESM Volunteers

- Job seekers who are volunteers in NESM and are not in receipt of a participation payment cannot be required to enter into an employment pathway plan. NESM volunteers could self-manage their employment goals, personal events, job search efforts and participation in employment related tasks and activities via their online dashboard. The dashboard would be the most appropriate place for volunteers to co-ordinate and view a summary of these items, rather than a voluntary Job Plan. The benefits could be confirmed through user testing and consultation.

IMPLEMENTATION CONSIDERATIONS

Systems and stakeholder considerations

- Digital Solutions Division have advised that micro-policy decisions from the Executive and Government in respect of the Job Plan for NESM are required by 16 September 2021 to enable work to commence on the re-development of Job Plan functionality for the NESM systems build. This paper seeks agreement to proceed with obtaining the necessary approval for streamlined Job Plan arrangements that would align with previous ESC and EBMC decisions around the design of NESM PBAS and dovetail with Government policy objectives to modernise and simplify Job Plan requirements and approval processes as set out in the SPROM Bill.
- From a systems perspective, the approach contemplated by this paper would involve significant streamlining of the Job Plan, supported by a decoupling of Job Plan codes from the scheduling and notification of requirements.
- The points-based requirement would continue to support scheduling of tasks and activities from the dashboard menu and associated non-compliance for failure to meet points targets, while compulsory requirements included at mandatory activation points would enable additional failures to be raised for non-attendance at the default activity.
- The other default items proposed for inclusion in the NESM Job Plan would continue to support compliance action for failure to meet key mutual obligation requirements in return for income support, such as actioning job referrals and attending job interviews. These requirements would be presented in a more succinct text format compared to the Trial codes. Detailed information provided through notifications and onboarding/educative materials for NESM PBAS will ensure job seekers clearly understand their requirements, mitigating the risks of any legal challenges.
- Early consultation with Services Australia on requirements planning for PBAS and Flexible Activation has commenced. This will cover the gathering of Job Plan and related requirements for job seekers in NESM and those who are Centrelink managed. The process will include a review of current Services Australia-only use Job Plan codes (e.g. Attend Quarterly Appointment, Community Service Order, Refugee Activities, Youth Activities).
- That requirements gathering process will be impacted by NESM Employment Gateway arrangements and bilateral discussions on systems interoperability protocols under the 'Process and Workflow Communications Measure'. For example, one possible interoperability solution under consideration includes allowing Services Australia access to relevant screens in Employment IT systems in order to support aspects of Centrelink servicing, such as the setting and review of mutual obligation requirements (i.e. Job Plan; Capability Assessment).
- Depending on the outcome of consultations, non-NESM participants in disability employment services or who are Centrelink managed may not be subject to decoupling for 1 July 2022, while those in remote employment services are subject to a separate job seeker compliance framework that would not require decoupling.

Approved Form of Employment Pathway Plan

- The NESM Job Plan would be an employment pathway plan for the purposes of Social Security Law and would be required to be made in a form approved by the department in guidelines and as reflected in the IT system.
- Amendments in the SPROM Bill consolidating and streamlining employment pathway plan provisions relating to recipients of different participation payments would see the current approved form of an EPP (18-009) specifying the *Approved Form of a Parenting Payment, Youth Allowance, Newstart and Special Benefit Employment Pathway Plan* under subsections 501(6), 544A(5), 605(4) and 731L(5) of the *Social Security Act 1991* lapse.
- Those amendments, if passed, would also remove the need for any future specification of the approved form of an employment pathway plan for job seekers in NESM or other employment services.
- Notwithstanding this, as discussed above, the department will need to engage with a range of stakeholders to gather business requirements and discuss future solutions for recording job seeker mutual obligation requirements, as well as personal events and employment services assistance, from 1 July 2022.

Capability Interviews and Assessments

- A more streamlined NESM Job Plan will introduce further incremental changes beyond the Trial arrangements regarding the way in which mutual obligation requirements are recorded and collated. These changes will

necessitate consequential changes to Capability Interview and Capability Assessment processes and outcomes which currently centre around review of requirements in the Job Plan itself.

- NESM Division is engaging with internal stakeholders, including Job Seeker Participation and Compliance Branch and Labour Market Policy Branch, as well as with Services Australia, to analyse and map possible changes required to systems workflows, communications and training materials.
- The interoperability solution being considered to allow Services Australia access to relevant screens in Employment IT systems would help to support reconfiguration of Job Plan and associated Capability Review processes, while significantly reducing expenditure arising from development costs across multiple systems.

Incidence of Non-Compliance

- Early analysis undertaken by the Evaluation, Research and Evidence Branch, which was cited by the department during hearings of the Senate Education and Employment Legislation Committee Inquiry into the SPROM Bill, has identified that Trial PBAS participants on average incur fewer non-compliance events than other Trial participants, who in turn incur fewer non-compliance events than jobactive participants in comparator regions.
- The impact of more tailored servicing and additional job seeker flexibility and choice in PBAS are possible explanations for the encouraging early Trial results. The more streamlined Job Plan requirements proposed by this paper would see even greater choice for job seekers in how they meet their requirements in NESM. Combined with the increasingly limited circumstances in which job seekers could be compelled to meet requirements and potentially incur failures, this is expected to result in fewer payment suspensions and financial penalties for job seekers in NESM PBAS compared to in the Trial or jobactive.

RISK MITIGATION

s 42(1)

APPROACH TO NEW EMPLOYMENT SERVICES MODEL (NESM) POINTS BASED ACTIVATION SYSTEM (PBAS) JOB PLAN SIMPLIFICATION

Job Plan requirement	Digital	Enhanced	Proposed approach and reasoning/comments	As in Trial?	Decision
1. Default non-removable requirements in NESM Job Plan					
Points Based Requirement	Y	Y	<ul style="list-style-type: none"> Core compulsory Job Plan requirement to enable job seeker participation in PBAS. As per Trial arrangements, the job seeker will agree to meet the points target on their online dashboard, and to plan, undertake and record on their dashboard each period the tasks/activities completed to meet their target. Prior to agreeing their Job Plan, job seekers will receive advice on where and how to find all the information needed to meet their points-based requirement, including the requirement that a certain minimum number of points must comprise of job search efforts. Decoupling arrangements to be applied to the NESM Job Plan re-development would link this requirement to the existing points-based requirement code in the back-end of the IT system to ensure that compliance action could be raised for failure to meet the requirement. It will need to be clear to job seekers that to meet their points target and avoid a failure will require them to participate and accurately declare their participation efforts. Trial providers raised the need to respond to inappropriate claiming of points for interviews/work/activities that had not been completed. A process to apply this is still being considered – see ‘Personal Responsibility to Self-Manage and Accurately Record Participation Efforts in PBAS’ below. 	Y	Approved/ PI discuss
Accept and Retain Suitable Paid Work	Y	Y	<ul style="list-style-type: none"> Not required for compliance action to be raised but would signal to job seekers this is a core mutual obligation requirement for receipt of participation payments under Social Security law. Under Social Security Law, job seekers will have their income support cancelled and serve a mandatory non-payment preclusion period where it is determined that they have committed a Work Refusal failure or Unemployment failure. 	Y	Approved/ PI discuss
Actioning Job Referrals and Opportunities <i>E.g. Apply for a specific job; Accept a Job Interview; Contact an employer to arrange and accept a Job Interview; Update a resume appropriately; Provide personal details to support a job opportunity (or certain combinations).</i>	N	Y	<ul style="list-style-type: none"> The draft ‘Tightening job seeker compliance and better job matching’ New Policy Proposal seeks to reinforce existing policy settings that allow job seekers who fail to accept a job referral without good reason to be subject to compliance action (i.e. a ‘fast track’ failure) and would require providers to take a more proactive brokerage role in identifying local employment priorities and referring job seekers where suitable. To align with this latest Government policy approach, actioning job referrals and opportunities would be included as a default, non-removable requirement for all job seekers in enhanced services. Decoupling arrangements to be applied to the NESM Job Plan re-development would link this requirement to the existing job referrals code in the back-end of the IT system to ensure that compliance action could be raised for job referral failures. This would support the department’s intelligence gathering in respect of job seeking efforts obtained from the employer tip-off line, noting the compulsory job referral requirement has not been widely or effectively utilised to date in jobactive. Between 1 July 2018 and 30 June 2021: <ul style="list-style-type: none"> there were only around 2,500 total instances of failure to act on a job referral without a valid reason by jobactive job seekers; and over 6,000 instances where the jobactive provider did not record an assessment within five business days of the job referral due date. Under Trial arrangements, the job referral requirement cannot be included in a PBAS Job Plan. This was undertaken to avoid introducing overlap and complexity in respect of certain job referral types (i.e. apply for a specific job) which can also count as a job search-effort for points in PBAS. Recent departmental consultations with Trial providers yielded multiple instances of strong feedback that this arrangement is adversely impacting Trial providers’ capacity to compel job seekers to accept job referrals e.g. by engaging with specific employers or applying for specific jobs. Changing the Trial arrangement will introduce added complexity in terms of the intersection of job referral and points period assessment processes, points award and banking calculations, compliance failures and re-engagement requirements. This complexity is compounded by the additional minimum job search requirement to be introduced for NESM PBAS. Re-introducing the job referral requirement for those in enhanced services is necessary, however, to support Government policy and address industry stakeholder concerns. To this end, the department has already begun investigating how the requirement could be re-introduced for the remainder of the Trial. 	N	Approved/ PI discuss
Job Interviews <i>* in the Trial, job interviews are a default requirement for digital job seekers only.</i>	Y	Y	<ul style="list-style-type: none"> This compulsory requirement would be included as a default, non-removable requirement in all NESM Job Plans. Decoupling arrangements to be applied to the NESM Job Plan re-development would link this requirement to the existing job interviews code in the back-end of the IT system to ensure that compliance action could be raised for any job interviews scheduled in the Calendar and notified to the job seeker. Would provide further incentive to attend and behave at scheduled job interviews beyond the agreed ten points for this task available in PBAS. Together with the job referral requirement, would operate to reassure providers and Industry Peak Bodies regarding strong available compliance levers to support effective servicing and paid employment outcomes to ensure financial viability. 	N*	Approved/ PI discuss
Attend Compulsory Appointments (New): i.e. combine Provider Appointments and Third-Party Appointments <i>* in the Trial, third-party appointments are a default requirement for enhanced services job seekers, while provider appointments are not a default, but can be added</i>	Y	Y	<ul style="list-style-type: none"> In consultations some Trial providers expressed a view that attending appointments should not earn points, viewing this as a core requirement for receipt of income support with compliance action to apply for non-attendance. This default requirement would incentivise job seekers to attend scheduled appointments with providers, Centrelink and other third parties helping to ensure better engagement and improved attendance rates, and supporting providers, hosts, DSCC staff and Services Australia to deliver services to job seekers. Before compliance action could be raised, the appropriate notification would need to be issued for the relevant scheduled provider/third-party appointment. 	N	Approved/ PI discuss

Page 188 of 249

Job Plan requirement	Digital	Enhanced	Proposed approach and reasoning/comments	As in Trial?	Decision
			<ul style="list-style-type: none"> This would ensure the job seeker is booked into an appropriate EST Course for which compliance action can then be taken for non-attendance. <ul style="list-style-type: none"> Note: a separate EBMC paper will come forward addressing further details of the four-month activity. 		Noted
4. Types of requirements that would be managed outside of the NESM Job Plan (e.g. PBAS dashboard)					
Activity Requirements *# <i>*other than the default activities at the NESM mandatory activation points.</i> <i># Includes Study (Part Time or Full Time); AMEP & SEE/Path Internships/Voluntary Work/NWEP/CTA</i>	N	N	<ul style="list-style-type: none"> In NESM PBAS, the dashboard menu will include many activities previously included in the Job Plan under Trial arrangements. This new approach reflects the expanded scope for job seekers in NESM PBAS to earn points based on attendance at activities, rather than receiving an automated reduction in their points target when an activity is included in a Job Plan, as occurs in the Trial. These new streamlined arrangements are more conducive to harnessing the full benefits of job seeker engagement through choice, as was recognised in the feedback from Trial providers during consultations. The significant rationalisation of activity requirements compared to the Trial (refer Attachment B) would help to significantly reduce red-tape for providers and the DSCC associated with unnecessary and frequent Job Plan updates. This was also welcomed in the recent Trial provider consultations on PBAS. The EBMC noted that activity requirements to be managed through the functionality of the online dashboard, e.g. pursuant to the points-based requirement, would be supported by associated data monitoring, contract management and quality assurance strategies to ensure that the positive incentives to drive job seeker engagement in PBAS also deliver appropriate levels of job seeker attendance at activities and programs, including those funded by the Commonwealth. Under proposed decoupling arrangements, the existing suite of Job Plan codes would be retained in the back-end of the IT system in case future policy settings required that any of these be mapped to in order to trigger compliance. 	N	Approved/ PI discuss
Non-Vocational Items	N	N	<ul style="list-style-type: none"> Under NESM PBAS, the job seeker's agreement to voluntarily participate in non-vocational interventions such as counselling, drug or alcohol treatments, or health maintenance programs will be reflected in their choice from a menu of activities/tasks on their dashboard available for points. Providers/DSCC will have flexibility to manually determine the points value which job seekers would receive for participation in non-vocational interventions requiring treatment, including to ensure their points target is fully met (e.g. during residential rehabilitation). The department would also advise job seekers in respect of such tasks that they would be free to discontinue a treatment at any time, but in such circumstances the job seeker would need to select and complete other tasks on their dashboard in order to meet their points target. s 42(1) 	N	Approved/ PI discuss
Job Search	N	N	<ul style="list-style-type: none"> Under Trial arrangements: job seekers earn five points per completed job search effort; there is no minimum job search requirement per points period; and compulsory job search cannot be included in a Trial PBAS Job Plan. Under NESM PBAS, job seekers will still earn five points per job search effort but will now be required to undertake a minimum of four job searches (e.g. 20 points) each month as part of their overall points target. A separate compulsory job search requirement would not be included in addition to the points-based requirement. Rather, the job seeker would agree to meet their points target on their dashboard and would be notified of how to meet the points target, including that a minimum number of points must comprise of job search efforts each period. Job seekers would incur a single failure for not meeting their points-based requirement in any period in which they did not: <ul style="list-style-type: none"> meet the required number of points from minimum job search efforts; and/or meet their overall points target. Legislatively, this failure would be reflected as a failure to meet any other requirement in a Job Plan under section 42AC(1)(f)). As demerits expire after six active months, in order to reach the Penalty Zone job seekers would need to incur demerits for failures other than points-based failures (e.g. incur a fast-track demerit for a job interview failure) and also be found capable of meeting their requirements at both a Capability Interview and Capability Assessment. <ul style="list-style-type: none"> This is appropriate given the primary focus of NESM PBAS is on flexible activation rather than compliance sanctions. An alternate approach would be to allow a job seeker to incur two separate mutual obligation failures in instances where they failed, within the same reporting period, to: <ul style="list-style-type: none"> meet the required number of points from minimum job search efforts; and meet their overall points target. Under this approach, the additional failure would be a job search failure under 42AC(1)(e) in accordance with a Legislative Instrument. The former approach is recommended as this would strike the right balance between personal responsibility and choice, rather than compliance framework sanctions, as the key drivers of job seeker engagement in NESM PBAS. 	N	Approved/ PI discuss

OFFICIAL					
Job Plan requirement	Digital	Enhanced	Proposed approach and reasoning/comments	As in Trial?	Decision
Provider Assistances	N	N	<ul style="list-style-type: none">The details of specific assistances arranged for the job seeker by their provider (e.g. training, transport, licences, child-care, interpreter services etc.) would be recorded on the job seeker’s online dashboard under codified headings, ensuring a more streamlined Job Plan and appropriate data capture while avoiding the need for frequent updates to the Plan where assistances are varied. This would reduce red tape for providers/DSCC and help to encourage better provider assistance in practice.	N	Approved/ PI discuss
Paid Work and Self Employment	N	N	<ul style="list-style-type: none">Consistent with Trial arrangements, paid work and self-employment requirements would be undertaken by the job seeker pursuant to the points-based requirement in their Job Plan. In NESM PBAS, job seekers will earn 10 points for each 10 hours of paid work (rounded up).In consultations Trial providers noted that the requirement for PBAS job seekers to provide evidence of their paid work in order to earn points is yielding greater visibility for providers around labour market participation of those job seekers not declaring earnings to Centrelink.	Y	Approved/ PI discuss
NEIS Training	N	N	<ul style="list-style-type: none">As per Trial arrangements, job seekers could choose to undertake NEIS Training as an activity on the online dashboard in NESM. This would earn the job seeker 25 points per week and they would not be required to undertake a minimum number of job search efforts while participating, ensuring they would fully meet their mutual obligation requirements via satisfying their points target through this participation.	Y	Approved/ PI discuss

12. Attachments

Attachment A – List of Job Plan codes

Also see [ESS Web Activity Search](#): for Job Plan code search function

Job Plan Codes	
Appointment Codes	
AI12—Provider Contact Appointment	C,V
AI15—Third Party Appointment	C,V
Services Australia Only Codes	
A102—Attend Quarterly Appointment	C,V
A108—Reduced Capacity Requirements	C,V
ET63—Youth Activities	C
ET69—Refugee Activities	C
WE16—Community Services Order	C,V
EM51—Disability Supported Employment	C,V
Digital Only Codes	
JS11—Job Search monthly (Digital)	C,V
JS12—Job Interviews (Digital)	C,V
PA06—Personal Responsibility to Report and Record Attendance (Digital)	C
PA08—Digital Service Foundation Training	V
ET70—Undertake other training	C,V
Personal Responsibility Codes	
PA03—Personal Responsibility to Report and Record Attendance	C
PA04—Actioning Job Referrals and Opportunities	C,V
Non-Vocational Codes	
NV02—Counselling	V
NV04—Non-Vocational Training	C,V
NV05—Parenting Skills Program	V
NV07—Drug and Alcohol Rehabilitation	V
NV09—Self-help Group or Support Group	C,V
NV10—Undertake an Assessment	C,V
NV12—Child Care	C,V
NV13—Intervention – Non Specific	C,V
NV14—Health Maintenance Program	V
Job Search Codes	
JS04—Job Search Contacts Voluntary	V
JS05—Job Search with Disability - Activity Tested	C
JS06—Job Search with Disability - Non Activity tested	V
JS07—Research and Prepare Applications	C,V
JS09—Job Search monthly	C,V
JS10—Job Interviews	C,V
Employment Codes	

Job Plan Codes	
EM52—NEIS	C,V
EM54—Self Employment	C,V
EM56—Paid Work	C,V
Participation Activity Codes	
ET52—Adult Migrant English	C,V
ET53—Apprenticeship/Traineeship	C,V
ET56—SEE or ESL course	C,V
ET57—SEE and/or ESL assessment	C,V
ET58—NEIS Training	C,V
ET59—Study - Part-Time or Full-Time <i>This code now has an extra question when adding to a Job Plan: 'this this an in-demand skills course'.</i>	C,V
ET60—Updating work related licences/quals/m-ships	C,V
ET64—Work preparation	C,V
ET67—PaTH Internship	V
ET68—PaTH Employability Skills Training	C,V
ET69—Refugee Activities	
WE08—Relocation to an Area of Higher Labour Demand	V
WE09—Temporary Relocation to Undertake an Activity	V
WE10—Unpaid Work Experience (for Work Experience (Other)	V
WE11—Voluntary Work	C,V
WE12—Work for the Dole	C,V
WE15—Defence Force Reserves	C,V
WE18—National Work Experience Programme	V
PA05—Career Transition Assistance	C,V
PA07—Employment Preparation Activity	C,V
Points Based Activation System	
PA09—Points Requirement	C
Assistance Codes	
AS02—Health and Allied Services Assistance	
AS03—Interpreter Services Assistance	
AS04—Non-Vocational Assistance	
AS05—Provider Services Assistance	
AS06—Relocation Assistance	
AS07—Self-Employment Assistance	
AS08—Short Term Child Care Assistance	
AS09—Provided JET CCFA Information and Assistance	
AS10—Training - Books and Equipment Assistance	
AS11—Training - Courses Assistance	
AS12—Transport and Licensing Assistance	
AS13—Wage Subsidy Assistance	

Job Plan Codes	
AS14—Work Experience Activities Assistance	
AS15—Work Related Clothing and Presentation Assistance	
AS16—Work Related Tools and Equipment Assistance	
AS17—Other Assistance	
AS18—On The Job Assistance	
AS19—Psychological Assistance	
AS20—Ongoing Support Assistance	
AS21—Directly contacting employers for suitable jobs on the Participant's behalf	

Job Plan

I understand that my primary goal is to gain and maintain employment. I am aware that I have mutual obligation requirements that I must undertake in return for receiving income support payments. These include undertaking job search and/or other activities as specified in this plan that will assist me in finding and keeping a job, as well as attending appointments, job interviews and accepting any offer of a suitable job. I am aware that if I can't attend my appointments, activities or job interviews I must contact my provider (or the Department of Human Services, if I don't have a provider) before the appointment, activity or job interview is scheduled to occur.

I understand that if I don't comply with my mutual obligation requirements, including those as set out in the items marked as compulsory below, my income support payments will be suspended. If I persistently fail to comply with my requirements, I understand my income support payments may be reduced or cancelled.

Name: s 47F(1)

JSID: s 47F(1)

CRN: s 47F(1)

Mutual Obligation Requirements

I agree to attend appointments with my provider to discuss my job seeking progress, as required. My provider will notify me when those appointments will occur.	Compulsory
---	------------

I agree to attend job interviews and do other preparatory activities as directed by my provider. I am aware that this may be in relation to any suitable work, not just work that I would like to do.	Compulsory
---	------------

I agree to take responsibility to report and/or record my attendance at requirements set out in my Plan by close of business on the day of the requirement. I understand that if I am unable to record my own attendance using available technology, I am required to contact my provider by close of business on the day of the requirement to ensure my attendance is recorded. I understand that if I do not ensure my attendance is recorded, my payment will be affected.	Compulsory
--	------------

I agree to attend appointments with third party organisations (that is, not my employment services provider) as required. My provider will notify me when those appointments will occur.	Compulsory
--	------------

I agree to meet my points requirement outlined on my jobactive dashboard and I must plan, undertake and record the tasks and activities I complete, for each reporting period, on my dashboard.	Compulsory
---	------------

Provider Assistance

Signature:	Signature:
Date:	Date:

This Job Plan is an Employment Pathway Plan, for the purpose of the *Social Security Act 1991*.

Information You Need to Know

Under social security law, job seekers with mutual obligation requirements are generally required to enter into a Job Plan, demonstrate that they are actively looking for work and participate in activities that are designed to assist them into employment. This Job Plan is an Employment Pathway Plan for the purposes of the Social Security Act 1991.

Mutual obligation requirements means activity test, participation or other requirements under the Social Security Act 1991.

It is important to note that you may not be paid income support if you don't enter into a Job Plan when required to do so.

Your Job Plan will include activities, appointments, job interviews and other requirements that you need to undertake to meet your mutual obligation requirements.

If you do not meet your requirements, or if you act inappropriately at an appointment or activity, your income support payments will be suspended and you may incur demerits. If you incur 5 demerits within 6 months, your payments may be reduced or cancelled for any further failures.

You must make every effort to find a job. If you do not attend a job interview, or, if you attend a job interview but deliberately act in a way that results in a job offer not being made, or if you fail to act on a job opportunity when requested to do so by your provider, your payment will also be suspended and you may incur demerits.

If you are not meeting these requirements, you will have an interview with your provider or an assessment with Centrelink to discuss your requirements and why you're not meeting them. However, if there is no good reason why you are not meeting your requirements and you continue to fail to meet your requirements, your income support payments may be reduced or cancelled. If your payment is cancelled, you will not be paid for four weeks and you will have to re-apply for your payment.

If you refuse or fail to accept a suitable job, your income support payments will be suspended and your payment may be cancelled. If your payment is cancelled, you will not be paid for four weeks and you will have to re-apply for your payment.

If you leave a job or are dismissed from a job due to misconduct, your payment may be cancelled. If your payment is cancelled, you will not be paid for four weeks (or six weeks if you received relocation assistance to help you take the job) and you will have to re-apply for your payment.

What should I do if I can't do the things I have agreed to?

You must let your provider (or the Department of Human Services, if you don't have a provider) know if you can't attend an appointment or a job interview or participate in an activity for any reason. You must do this before the appointment, activity or job interview. If you don't do this, and you fail to attend an appointment or job interview, or fail to participate in an activity, your income support payments will be suspended and you may incur demerits. If you incur 5 demerits within 6 months, your payments may be reduced or cancelled for any further failures.

If there are good reasons why you are unable to look for work, attend appointments, participate in activities or comply with other requirements in your Job Plan, you must discuss these with your provider (or the Department of Human Services, if you don't have a provider).

What happens if I get some paid work?

If you or your partner have undertaken any paid work then you must tell the Department of Human Services about any income you or your partner have received, in the same fortnight you worked. This will help the Department of Human Services to make sure you are paid the correct amount of income support. If you are overpaid, you may need to pay the money back to the Department of Human Services.

What if I disagree with a decision that has been made?

If you disagree with a decision that the Department of Human Services has made which impacts on your payment or a decision the Department of Human Services has made about your Job Plan, or have concerns about the service you have received, you should contact the Department of Human Services feedback and complaints line as soon as possible on 1800 132 468.

If you disagree with a decision your provider has made about your Job Plan, or have concerns about the service you have received, you can contact your provider to discuss your concerns or you can contact the Department of Education, Skills and Employment National Customer Service Line on 1800 805 260, who will investigate your concerns.

If you are not satisfied with the response you receive, you may take the matter further by contacting the Ombudsman's Office on 1300 362 072.

Privacy

Your personal information is protected by law, including the Privacy Act 1988. It can only be collected, used or disclosed where you give permission, or where it is permitted by law. We have provided you with important privacy information about the collection, use and disclosure of your personal information. More information is available from www.employment.gov.au/privacy, your provider, the Department of Human Services, or the Office of the Australian Information Commissioner at www.oaic.gov.au. You should ensure that you read and understand this information.

Job Plan

I understand that my primary goal is to gain and maintain employment. I am aware that I have mutual obligation requirements that I must undertake in return for receiving income support payments. These include undertaking job search and/or other activities as specified in this plan that will assist me in finding and keeping a job, as well as attending appointments, job interviews and accepting any offer of a suitable job. I am aware that if I can't attend my appointments, activities or job interviews I must contact my provider (or the Department of Human Services, if I don't have a provider) before the appointment, activity or job interview is scheduled to occur.

I understand that if I don't comply with my mutual obligation requirements, including those as set out in the items marked as compulsory below, my income support payments will be suspended. If I persistently fail to comply with my requirements, I understand my income support payments may be reduced or cancelled.

Name: s 47F(1)

JSID: s 47F(1)

CRN: s 47F(1)

Mutual Obligation Requirements

I agree to meet my points requirement outlined on my jobactive dashboard and I must plan, undertake and record the tasks and activities I complete, for each reporting period, on my dashboard. Compulsory

I agree to attend job interviews and do other preparatory activities, in order to enhance my chances of getting a job. I am aware that this may be in relation to any suitable work, not just work that I would like to do. Compulsory

I agree to record my attendance at requirements set out in my Job Plan. I understand I must do so by close of business on the day of the requirement. If I can't record my own attendance, I agree to call the contact centre by close of business on the day of the requirement and ask that my attendance be recorded for me. I understand that if my attendance is not recorded, my payment will be affected. Compulsory

I agree to participate in an Employment Preparation Activity for a total of 50 hours from 29/05/2021 to 24/07/2021. I understand I will be separately notified of the days and times I am required to attend this activity. Compulsory

Name:
s 47F(1)

Provider Details:
Employment Provider Services
Online Employment Services
1800314677

s 22(1)





Australian Government

Job Plan

 ESC 12 August 2021
 Item 5 Attachment D

Name: EXAMPLE JSKR

JSID: 0123456789 CRN: 987654321B

Acknowledgement of Mutual Obligation Requirements

I understand that my primary goal is to gain and maintain employment. I am aware that I have mutual obligation requirements that I must undertake in return for receiving income support payments to assist me in finding and keeping a job. I agree to:

- *meet the points target on my online dashboard, including any minimum job search requirement;*
- *accept any offer of a suitable job;*
- *follow up on job opportunities I am referred to (enhanced only);*
- *attend job interviews;*
- *attend appointments that are notified as compulsory;*
- *accept personal responsibility to self-manage my requirements, and to accurately record completion of tasks and attendance at activities, in order to meet my points target;*
- *maintain an up-to-date Career Profile with an update at least every six months (digital only);*
- *select an activity when notified that this is compulsory (digital only); and*
- *participate in [activity] on the dates and times I am notified I must attend - [and report attendance by close of business on the day I attend].*

I am aware that if I can't attend job interviews, appointments or activities I must contact [the Digital Services Contact Centre / Provider] before the appointment, activity or job interview is scheduled to occur.

I understand that if I don't comply with these compulsory mutual obligation requirements, my income support payments will be suspended. If I persistently fail to comply with my requirements, I understand my income support payments may be reduced or cancelled.

I was given access to an interpreter to assist in negotiating my Job Plan.

Name: EXAMPLE JSKR	Provider Details: Employment Provider Services 1300 123 456
Signature: Date:	Signature: Date:

This Job Plan is an Employment Pathway Plan, for the purpose of the *Social Security Act 1991*.

Requirements Key:

- *default – non-removable*
- *default – removable*
- *addable (at mandatory activation point)*

Information You Need to Know

Under social security law, job seekers with mutual obligation requirements are generally required to enter into a Job Plan, demonstrate that they are actively looking for work and participate in activities that are designed to assist them into employment. This Job Plan is an Employment Pathway Plan for the purposes of the Social Security Act 1991.

Mutual obligation requirements means activity test, participation or other requirements under the Social Security Act 1991.

It is important to note that you may not be paid income support if you don't enter into a Job Plan when required to do so.

Your Job Plan will include activities, appointments, job interviews and other requirements that you need to undertake to meet your mutual obligation requirements.

If you do not meet your requirements, or if you act inappropriately at an appointment or activity, your income support payments will be suspended and you may incur demerits. If you incur 5 demerits within 6 months, your payments may be reduced or cancelled for any further failures.

You must make every effort to find a job. If you do not attend a job interview, or, if you attend a job interview but deliberately act in a way that results in a job offer not being made, or if you fail to act on a job opportunity when requested to do so by your provider, your payment will also be suspended and you may incur demerits.

If you are not meeting these requirements, you will have an interview with your provider or an assessment with Centrelink to discuss your requirements and why you're not meeting them. However, if there is no good reason why you are not meeting your requirements and you continue to fail to meet your requirements, your income support payments may be reduced or cancelled. If your payment is cancelled, you will not be paid for four weeks and you will have to re-apply for your payment.

If you refuse or fail to accept a suitable job, your income support payments will be suspended and your payment may be cancelled. If your payment is cancelled, you will not be paid for four weeks and you will have to re-apply for your payment.

If you leave a job or are dismissed from a job due to misconduct, your payment may be cancelled. If your payment is cancelled, you will not be paid for four weeks (or six weeks if you received relocation

assistance to help you take the job) and you will have to re-apply for your payment.

What should I do if I can't do the things I have agreed to?

You must let your provider (or the Department of Human Services, if you don't have a provider) know if you can't attend an appointment or a job interview or participate in an activity for any reason. You must do this before the appointment, activity or job interview. If you don't do this, and you fail to attend an appointment or job interview, or fail to participate in an activity, your income support payments will be suspended and you may incur demerits. If you incur 5 demerits within 6 months, your payments may be reduced or cancelled for any further failures.

If there are good reasons why you are unable to look for work, attend appointments, participate in activities or comply with other requirements in your Job Plan, you must discuss these with your provider (or the Department of Human Services, if you don't have a provider).

What happens if I get some paid work?

If you or your partner have undertaken any paid work then you must tell the Department of Human Services about any income you or your partner have received, in the same fortnight you worked. This will help the Department of Human Services to make sure you are paid the correct amount of income support. If you are overpaid, you may need to pay the money back to the Department of Human Services.

What if I disagree with a decision that has been made?

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Indicative Only

Thursday 5 August 2021

Attendees

Members: Miranda Lauman [Chair], John Dardo, Melissa Ryan, Margaret Kidd, Robyn Shannon, Benedikte Jensen, s 47E(d) [for Jennifer Hewitt]. Secretariat: s 47E(d) .

Other Attendees: Heike Phillips, s 47E(d) , s 47E(d) , s 47E(d) , Kellie Hippit, Jodie Wearne, s 47E(d) s 47E(d) , Quyen Tran, Fiona MacDonald, s 47E(d) , s 47E(d) , s 47E(d) , s 47E(d) , s 47E(d) .

Apologies: Nathan Smyth, Kerry Kovacevic, Jennifer Hewitt.

1. Review of ESC Minutes of 29 July 2021

Miranda Lauman chaired the meeting and gave an acknowledgement of country.

The ESC Minutes of the meeting held on 29 July were endorsed as a true record of the meeting.

a. **Action Items** - Nil

b. **Declaration of Conflict of Interest from attendees** – Nil

s 22(1)

s 22(1)

s 22(1)

s 22(1)

s 22(1)

s 22(1)

6. PBAS – labour market credits [in Fortress]

This item will be circulated out of session in Fortress for agreement.

s 22(1)

The meeting closed at 3.54pm.

Circulated OUT OF SESSION - PBAS – labour market credits [in Fortress]

The paper was circulated on Thursday 5 August for response by 9am Monday 9 August.

Miranda Lauman provided approval and comments by email.

Margaret Kidd provided comments by email, approving all recommendations except Option 3 (proximity to strong labour markets).

- A. **ESC noted out of session** the analysis undertaken by the Deputy National Skills Commission Division to determine the labour market disadvantage in each Employment Region at Attachment A.
- B. **ESC noted out of session** that vacancy data was not included in the analysis as the geographical structure on which those data are based does not line up well with Employment Regions.
- C. **ESC endorsed out of session** the decisions made at EBMC on Monday 2 August 2021 for applying an automatic labour market credit to job seekers in Digital Services and Enhanced Services in the New Employment Service Model that will reduce their points target [Attachment B and outlined below] and the alternative recommendations for points 3 and 5 that were agreed by EBMC.

1. **ESC agreed out of session** that an automatic labour market credit be applied to job seekers in Digital Services and Enhanced Services in the New Employment Services Model (NESM) at the Employment Region (ER) level.
2. **ESC agreed out of session** that a labour market credit will be applied to all job seekers within an ER that have a labour market rating of below average or poor.
3. **ESC agreed out of session to an alternative approach** that all ERs with below average or poor labour market conditions will receive a labour market credit regardless of their proximity to stronger labour markets.
4. **ESC agreed out of session** that the labour market credit applied to ERs with a labour market rating of below average or poor will be 20 points.
5. **ESC agreed out of session to an alternative approach** that the minimum job search requirement remains at four job searches per reporting period for job seekers that receive a labour market credit.
6. **ESC agreed out of session** that the labour market ratings for the ERs be reviewed every six months to ensure that the ratings maintain accuracy and reflect any changes in labour market conditions.



Treatment of personal circumstances in the Points Based Activation System

Agenda item: <Secretariat will assign>

Date of Meeting: 19 August 2021

Author:	s 47E(d)
Date cleared:	9 August 2021

RECOMMENDATION FOR ESC

That the ESC:

- a. **Agree** that an automatic upfront participant credit be applied to job seekers with:
 - i. partial capacity to work requirements of 15-29 hours per week;
 - ii. over 60 years of age; and
 - iii. principal carer parents whose youngest child is between 6-15 years of age.
- b. **Agree** that the value of the automatic upfront participant credit to be applied will be 40 points for all job seekers that will receive the credit.
- c. **Agree** that job seekers will be considered to be fully meeting their mutual obligations requirements in the circumstances outlined in [Attachment A](#) and would not be required to complete the minimum job search.
- d. **Note** that Enhanced Services providers and the Digital Services Contact Centre (DSCC) have the discretion to adjust the points target where a job seeker requires additional tailoring having regard to the job seeker's capacity and personal circumstances.
- e. **Note** that there are circumstances where a job seeker with a personal circumstances credit could be earning points above their specified points target. The extra effort will be recognised and these job seekers can bank these points and use them against the points target in the next reporting period. Further details are in [Attachment B](#).
- f. **Note** that the delivery of this functionality in the IT system is critical to the delivery of NESM on 1 July 2022 as the requirements are directly related to the Social Security Law.

CONTEXT

- The New Employment Services Model (NESM) includes a new Points Based Activation System (PBAS) that will require job seekers to meet a specified number of points per reporting period to meet their mutual obligation requirements.
- The points target can be tailored based on a job seeker's personal circumstances and their local labour market with automatic credits applied at the start of each reporting period that reduces their points target.
- PBAS is being trialled in two Employment Regions in the New Employment Services Trial (NEST) and learnings from the NEST are being used to inform the design of PBAS for the NESM. This includes the application of personal circumstances credits.
- In the NEST, there are also circumstances where job seekers are considered to be fully meeting their mutual obligation requirements through combinations of paid work, voluntary work and/or study. In these instances, the job seekers will fully meet their points target for the reporting period.
- The Employment Steering Committee (ESC) has made some decisions on elements of the activation framework to inform the 2021-22 Budget Submission and the Government has agreed to the framework at a high level, including tailoring the points target to recognise a job seeker's individual circumstances. Prior to the implementation of PBAS under the NESM, a more detailed framework which will include further details on the application of personal circumstances credits will be presented to the Prime Minister.
- This paper seeks agreement on the application of the participant credit to specific job seeker cohorts and the value of the credit to be applied in NESM and to the circumstances that would allow job seekers to be considered to be fully meeting their mutual obligation requirements.

KEY ISSUES

- A decision is required on the treatment of a job seeker's personal circumstances in the NESM to give stakeholders further guidance on how PBAS will operate and also to inform the development of the IT System that will support PBAS.

Personal circumstances upfront credit

- In June 2021, the ESC agreed in principle that job seekers with part-time mutual obligation requirements will receive an automatic upfront participant credit to reduce the job seeker's base points target with adjusted activity values to reflect part-time requirements. This would include job seekers with partial capacity to work requirements of 15-29 hours per week as well as principal carer parents whose youngest child is between 6-15 years of age. ESC noted that consultation with stakeholders should be undertaken on this requirement.

- The Digital Services Branch has consulted with NEST and jobactive providers on the treatment of personal circumstances in NESM and proposed two separate options: an upfront credit that reduces the points target with adjusted activity values or no upfront credit but that points values for tasks and activities remain the same for all job seekers.
 - NEST providers could see benefits in both proposed options, however, the option that was preferred by a small margin was the application of an upfront credit as it is easier to explain to job seekers and provided more visibility to job seekers that their circumstances are being recognised.
 - There was strong support amongst jobactive providers for the application of an upfront credit as it was a simple concept and easier to explain to job seekers.
- As well as applying the credit to job seeker cohorts with part-time mutual obligation requirements it is also recommended that the upfront credit be applied to job seekers over 60 years of age to recognise their requirements as a mature aged job seeker.
 - Consideration was given to applying the credit to job seekers over 55 years of age but this was not the preferred approach. Applying the credit to job seekers over 60 years of age is consistent with the current requirements in NEST and the requirements under jobactive whereby job seekers over 60 years can have their job search reduced depending on their capacity. There are no current requirements for job seekers over 55 years of age to have their job search requirements reduced.
- It is proposed that the value of the credit be **40 points** for each of the job seeker cohorts outlined above. Applying the same value to each cohort ensures simplicity and consistency. The credit will be applied automatically to those job seekers who have these circumstances recorded in the Department's IT System.
- Consideration was given to applying lower and higher points values for the participant credit (20, 30 and 50 points).
 - This was not the preferred approach as reducing the credit to 20 or 30 points was considered too low and did not appropriately recognise the individual's circumstances and the impact on their capacity to meet their requirements. A credit too low could also increase the burden on providers and the DSCC to have to manually adjust the credit to meet a job seeker's requirements.
 - A points credit of 50 points would result in some situations where job seekers could bank a large amount of points each reporting period, particularly in circumstances where a job seeker also has a labour market credit of 20 points. Due to the introduction of higher points values for activities in NESM and more flexibility for job seekers to undertake a range of tasks and activities to meet their requirements, an automatic upfront 50 point credit was considered too high.

Job seekers considered to be fully meeting their mutual obligation requirements

- There are circumstances where job seekers can be considered to be fully meeting their mutual obligation requirements through combinations of paid work, voluntary work, and study. In these instances, the job seekers will fully meet their points target for the reporting period and they will not have the requirement to complete the minimum job search. Details of the circumstances are outlined below at Attachment A.
- In determining the requirements to be considered fully meeting outlined in Attachment A, the following parameters has been applied:
 - voluntary work can include provider sourced voluntary work (Enhanced Services only) and participant sourced voluntary work (Enhanced and Digital Services). Voluntary work is only available to mature aged job seekers and principal carer parents, however, in accordance with the Social Security Law, only provider sourced voluntary work can contribute to the requirement for principal carer parents.
 - part-time study is considered to be 15 hours per week and full-time study is 25 hours per week. Study must be a course approved by the provider or the DSCC in accordance with guidance material.
- The Department's IT System will include rules that establish that once a job seeker participates in the required combination of tasks and/or activities to meet their mutual obligation requirements, the job seeker will automatically meet their points target.
- In May 2021, ESC agreed that a provider and/or the DSCC can manually adjust a job seeker's points target based on discussions with the job seeker and their knowledge of the job seeker's capacity and personal circumstances. This would include instances where the job seeker is considered to be fully meeting their requirements due to their individual circumstances, such as:
 - job seekers undertaking drug and alcohol rehabilitation in a residential program.
 - refugees who are undertaking activities to help adjust to life in Australia, such as Skills for Education and Employment program or the Adult Migrant English Program.
 - pregnant job seekers from six weeks before their expected due date until six weeks following the birth of their child.
- Guidance on making adjustments to the points target will be given to providers through program guidelines and appropriate training and guidance material will be provided to DSCC staff.

BACKGROUND

- In the NEST, job seekers over 60 years of age receive a participant credit that reduces their points target to half after the labour market adjustment.
 - In applying the recommended options outlined in this paper, this job seeker cohort would continue to receive a participant credit, and for simplicity this credit would be a 40 point reduction, with or without a labour market adjustment.
- In the NEST, some job seeker cohorts can fully meet their mutual obligation requirements with combinations of paid work, voluntary work and study. There have been no reported concerns with these combinations from NEST providers. These combinations are the same as those recommended for NESM as outlined at [Attachment A](#).
- The combinations of paid work, voluntary work and/or study as outlined in [Attachment A](#) are also consistent with the requirements in jobactive where job seekers are considered to be fully meeting their mutual obligation requirements through undertaking these combinations.

CONSULTATION

- In July 2021, extensive consultation was undertaken with a range of external stakeholders in relation to the PBAS, including on the treatment of personal circumstances in NESM. This consultation included one-on-one bi-lateral meetings with all NEST providers and webinars with jobactive providers and other interested stakeholders including ACOSS, Jobs Australia, NESA and AMES Australia.
- Consultation on the proposed approach was also undertaken with internal stakeholders, including the Labour Market Strategy Division, Employment Programs and Activation Division, NESM Program Implementation Division, and the Transformation Office, who were supportive of the proposed approach.

IMPLICATIONS FOR EXTERNAL STAKEHOLDERS

- PBAS will be implemented nationally when the new model commences in July 2022, it will apply to all job seekers and represents a major change in the approach to job seeker activation. The implementation approach will require extensive consultation with providers and communication with job seekers and providers to ensure that they are aware of the new requirements.

IMPLICATIONS – RED TAPE/RESOURCES/IT SYSTEMS

- Applying an automatic upfront participant credit that reduces a job seeker's points target and introducing requirements where job seekers can fully meet their requirements will have IT implications, with the need to develop new IT processes.

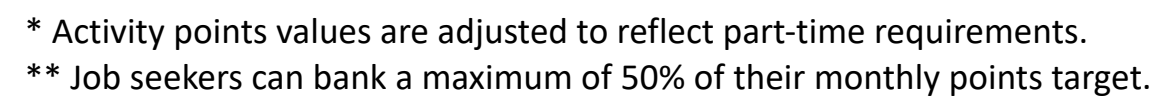
RISK MITIGATION

- Ongoing consultation will be required with the Digital Solutions Division.
- A suite of communication and training products will be developed to help job seekers, providers and staff at the DSCC to understand PBAS and the treatment of personal circumstances in PBAS.

Job seekers considered to be fully meeting their mutual obligation requirements

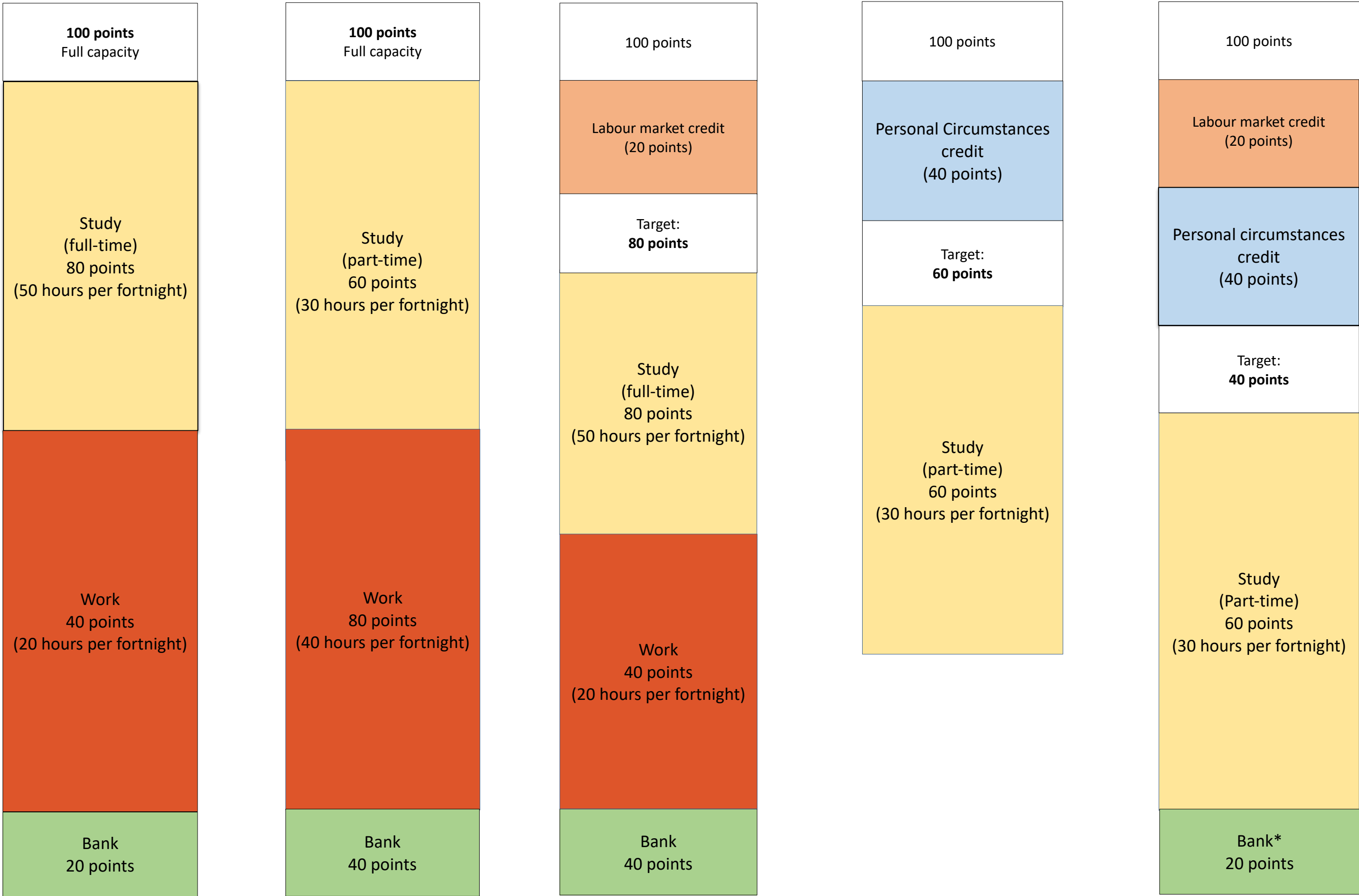
Cohort	Requirements to be considered fully meeting
Principal carer parents (youngest child is between 6-15 years of age)	<p>30 hours per fortnight of paid work (including self-employment), study, voluntary work, or a combination of these activities.</p> <p>Providers can approve voluntary work for the purposes of a principal carer parent fully meeting their requirements if:</p> <ul style="list-style-type: none"> - the provider determines that they live in a weak labour market - there are limited training opportunities locally available, and - there is a significant vocational aspect to the voluntary work. <p>The voluntary work must be in an organisation approved by Services Australia.</p>
Job seekers with partial capacity to work requirements (15-29 hours per week)	30 hours per fortnight of paid work (including self-employment), study or a combination of paid work and study.
<p>Mature age job seekers</p> <p><u>Note</u>: voluntary work can include provider sourced voluntary work and participant sourced voluntary work.</p>	<p>If the job seeker is <u>55-59 years of age</u> and in their first 12 months of receiving payment:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, or - 30 hours per fortnight of a combination of study, voluntary work, and paid work. Must include at least 15 hours per fortnight of paid work.
	<p>If the job seeker is <u>55-59 years of age</u> and has been receiving payment for more than 12 months:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities.
	<p>If the job seeker is <u>60 years of age</u> and older:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities.
Early school leavers	Full-time study or a combination of part-time study and part-time work of 25 hours per week (15 hours for principal carer parents or job seekers with partial capacity to work requirements).
Job seekers undertaking work and study	70 hours per fortnight of combined paid work (including self-employment) and study.

Attachment B



Example of job seeker undertaking study/work combination in PBAS

(70 hours per fortnight of work/study for a full capacity job seeker and 30 hours per fortnight of work or study or a combination for a job seekers with partial capacity requirements)



Job seekers considered to be fully meeting their mutual obligation requirements

Cohort	Requirements to be considered fully meeting
Principal carer parents (youngest child is between 6-15 years of age)	<p>30 hours per fortnight of paid work (including self-employment), study, voluntary work, or a combination of these activities.</p> <p>Providers can approve voluntary work for the purposes of a principal carer parent fully meeting their requirements if:</p> <ul style="list-style-type: none"> - the provider determines that they live in a weak labour market - there are limited training opportunities locally available, and - there is a significant vocational aspect to the voluntary work. <p>The voluntary work must be in an organisation approved by Services Australia.</p>
Job seekers with partial capacity to work requirements (15-29 hours per week)	30 hours per fortnight of paid work (including self-employment), study or a combination of paid work and study.
<p>Mature age job seekers</p> <p><u>Note:</u> voluntary work can include provider sourced voluntary work and participant sourced voluntary work.</p>	<p>If the job seeker is <u>55-59 years of age</u> and in their first 12 months of receiving payment:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, or - 30 hours per fortnight of a combination of study, voluntary work, and paid work. Must include at least 15 hours per fortnight of paid work.
	<p>If the job seeker is <u>55-59 years of age</u> and has been receiving payment for more than 12 months:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities.
	<p>If the job seeker is <u>60 years of age</u> and older:</p> <ul style="list-style-type: none"> - completing 30 hours per fortnight of paid work, voluntary work, or a combination of these two activities.
Early school leavers	Full-time study or a combination of part-time study and part-time work of 25 hours per week (15 hours for principal carer parents or job seekers with partial capacity to work requirements).
Job seekers undertaking work and study	70 hours per fortnight of combined paid work (including self-employment) and study.

s 47E(d)

From: DESE - s 47E(d)
Sent: Tuesday, 7 June 2022 2:20 PM
To: DESE - s 47E(d)
Subject: FW: Follow up - PBAS matters [SEC=OFFICIAL]
Attachments: Attachment A - job seekers fully meeting their requirements in NESM_011121.docx

From: RYAN, Melissa s 47E(d)
Sent: Thursday, 4 November 2021 6:19 PM
To: s 47E(d) s 47E(d)
Cc: HIPPIE, Kellie s 47E(d) ; s 47E(d) s 47E(d)
 s 47E(d) ; DARDO, John s 47E(d) SMYTH, Nathan
 s 47E(d) ; s 47E(d)
 O'REGAN, Carmel s 47E(d) ; TRAN, QUYEN s 47E(d)
Subject: Follow up - PBAS matters [SEC=OFFICIAL]

OFFICIALs
47E(d)

Thank you for your and the Minister's time to finalise the Points Based Activation System (PBAS) framework. Following the deep dives I am taking up the Chief of Staff's offer to reach out if there were any scenarios that created concerns with the point values we agreed. In this respect I would like to raise two aspects of the framework for your consideration. Further in working through settling the brief and letter to the Prime Minister two other issues have been identified which may warrant further consideration – tailoring Job Plans for individuals and re-engagement process for digital job seekers.

A. Circumstances where the points target will exceed 100 points

It was agreed that departmental programs (for example Work for the Dole or Employability Skills Training) and study and training would have a value of 20 points per week for full-time participation and the minimum job search requirement would be five job searches per reporting period. A job seeker doing both will earn 105 points for that reporting period (without any other activities attracting points).

At the end of their reporting period, this job seeker will be able to bank these additional points into the next reporting period (up to half of their target). There is a risk this may be perceived as requiring job seekers to regularly do more than 100 per cent effort (ie. exceeding the maximum points target set in PBAS). In particular, this would apply to long-term activities such as study and training courses that can run up to 12 months.

Options for consideration

- 1) Retain points values and minimum job search of five and seek to mitigate the risk through communication with job seekers and stakeholders
- 2) Reduce the minimum job search to four in all circumstances.
- 3) Reduce the minimum job search to four when a job seeker is undertaking a long-term study or training course.
 - o This would result in the job seekers earning 100 points for the reporting period but also still undertaking a requirement to continue to look for work while studying. The same approach could also apply to job seekers who are undertaking a full-time departmental program or study and training (20 points – fulltime) in a reporting period. While these programs are a lot shorter, job seekers would still be required to do more than their 100%.
- 4) Reduce the points values for study and training and departmental programs.

- Reduce from 20 points per week (full-time) and 15 points per week (part-time) to 15 points and 10 points respectively. Reducing the points value for study and training could result in a disincentive to undertake these activities by job seekers when compared to the points values for other tasks and activities.

The departments preferred position would be 2 for simplicity but given Minister's preferred option on job search option 3 would be a suitable compromise. It will increase IT requirements for the build and may need manual intervention until this can be completed.

B. Circumstances where some job seekers are considered to be fully meeting their requirements

An area we did not discuss in detail is the circumstances where some job seekers are considered to fully meet their mutual obligation requirements through combinations of paid work, voluntary work and/or study. These requirements are in relation to principal carer parents, job seekers with partial capacity to work requirements, mature age job seekers and early school leavers and are outlined in detail in Attachment A.

It is proposed to retain the existing broad parameters to meet legislation and for policy components retain consistency across employment services. As such, the job seeker cohorts as outlined in Attachment A will fully meet their points target for the reporting period when undertaking combinations of paid work, voluntary work and/or study and will not be required to complete the minimum job search.

C. On the legislative requirement for Job Plans to be tailored to individual circumstances:

While we had a detailed discussion on automated versus manual credits for labour market and personal circumstances and we landed on manual credits, in discussions with my Labour Market Policy colleagues, they have raised an issue for consideration.

Under social security law, the requirements in a job seeker's employment pathway plan must be tailored to individual circumstances. The legislation requires specific consideration of the impact of any disability or medical condition, the state of the labour market and the family and caring responsibilities of the person.

While the Streamlined Participation Requirements and Other Measures (SPROM) Bill would, if passed, allow job seekers to accept a Job Plan without needing a human delegate, this does not remove the need for a plan to be tailored.

- Not having automatic point credits, or other adjustment to requirements, for job seekers in digital services with disability, caring responsibilities or in different labour markets significantly increases the risk that Job Plans which are accepted by job seekers without contacting the DSCC would be found by a tribunal to be invalid.
- A key reason cited publicly for the need for the SPROM Bill was to enable job seekers to enter into Job Plans without needing a human delegate. Further, the Explanatory Memorandum for the Bill made clear that job seekers' circumstances would be taken into account in developing these online Job Plans. Requiring a large proportion of the caseload to contact the DSCC to have their points requirement adjusted may appear to undermine this objective.

While job seekers facing difficulty meeting their requirements would have the option of contacting the DSCC to have their requirements reduced, it is likely that many job seekers would not do so - or not do so until after they have already incurred suspensions and demerits for reasons beyond their control. This may undermine confidence in the effectiveness of points-based activation and online servicing.

D. Digital job seekers accruing three demerits and transferred to provider services:

While we did not have a detailed discussion on job seeker reengagement when they fail to meet their monthly points target, the Minister did express a preference to transfer digital job seekers to enhanced services after three demerits within six months. In working through the impact of this change we note there would be funding implications. For instance, for the DSS Cashless Debit Proposal it has been estimated that this would cost \$158 million over three years from 2023-24.

- a. This would require offsets, and reduce targeting of funds available to help those most in need to find work and increase their employability.

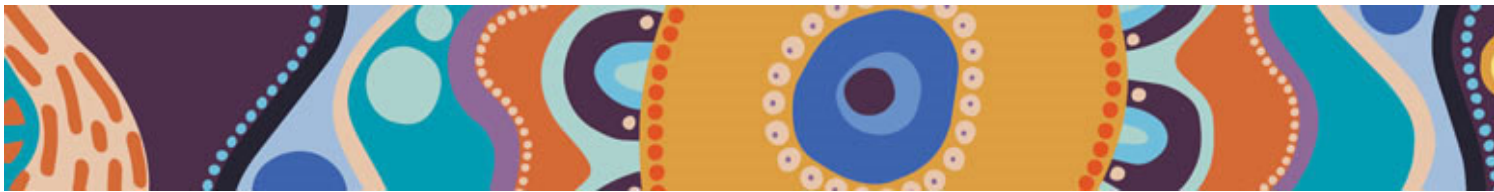
Job seekers may also potentially accrue demerits very quickly. If a job seeker's only requirement is a monthly points requirement, it may take three months to accrue three demerits. However, if a job seeker is required to attend daily activities as part of an activation point, they could potentially accrue three demerits in three days.

Given the nature of the matters I have raised, happy to set up a time to discuss further if you would prefer.

Thank you

Mel

Melissa Ryan
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New Employment Services Model Program Implementation Division
Australian Government Department of Education, Skills and Employment
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The Department of Education, Skills and Employment acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to community. We pay our respects to them and their cultures, and Elders past, present and emerging.

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