



Australian Government  
Department of Education,  
Skills and Employment

# New Employment Services Model

NEST and OES data update, Provider Survey results, PBAS and Transition and Training

Melissa Ryan

*3 September 2021*

Thank you Nathan.

## Probity in the new model



The department is committed to conducting a fair and transparent process



The department has created a NESM Probity Plan



Our processes are **fair, equitable and transparent**

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- Firstly, I'd like to take this opportunity to remind everyone that the department is committed to conducting a fair and transparent process for the procurement of services for the new model and that we are in a probity environment. This ensures each process is fair, equitable and transparent.
- The department has created a NESM Probity Plan which has more information about the individual principles and protocols that we are applying to managing probity in relation to the NESM. All of our staff working on the new model have also gone through probity training.
- What this means for you is that we will be ensuring every single process we enter into is fair, equitable and transparent.

## OES and NEST data

Overall trend

**Stable →**



Top reason for exits  
**Moving into  
employment**

OES Caseload 

~192,000

OES Exits

22,400

NEST Caseload 

~43,000

NEST Exits

2900

As at 31 July 2021

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- Onto our latest OES and NEST data update.
- Overall, the changes in caseloads and exits continue to show a stable trend as we are seeing similar data for the month of July 2021 compared to June 2021.
- It is encouraging to know that most of our exits in OES and NEST continue to be because job seekers are moving into employment.
- Between 30 June and 31 July 2021:
  - The OES caseload dropped by around 12,000 job seekers and has reduced to just under 192,000.
  - An additional 22,400 job seekers exited OES.
  - The total NEST caseload (digital and enhanced services) has dropped by around 1,400 job seekers and is currently sitting just under 43,000.
  - An additional 2,900 job seekers exited NEST (total including both digital and enhanced services).
- The latest available data shows employment outcomes in the NEST are relatively stable. Four week outcomes were higher in July compared to June, however, 12 and 26 week outcomes were slightly lower.
- This increasing trend is still an indicator of strengthening economic conditions and Enhanced Service providers helping their job seekers to move into sustainable employment.
- During July 2021, Enhanced Services providers claimed:
  - 795 - 4 week outcomes
  - 741 -12 week outcomes
  - 428 - 26 week outcomes.

# Provider Survey Results

## FEEDBACK

Questions covered five dimensions of change and experience with the Department.

### Ready

Are you **ready** for the change?

### Willing

Are you **willing** to make the change?

### Able

Do you feel **able** to make the change?

### Experience

Questions about your **experience with** the Department on the new model?

### Expectations

Are you **confident** about the change to come?

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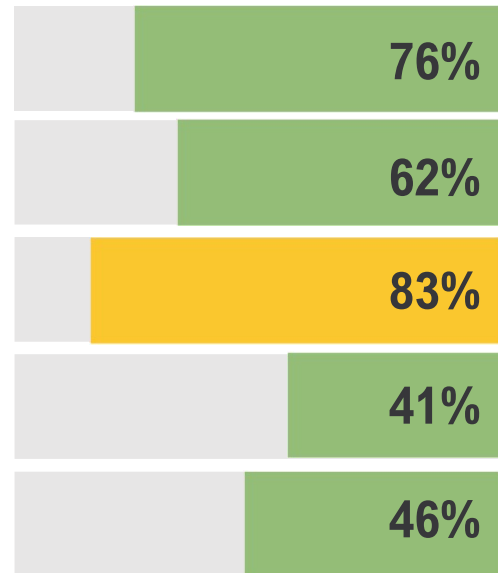
- Now to our provider survey, the Department's key feedback mechanism for our change management approach.
- Firstly, thank you to those who completed our second survey.
- We had 27 current jobactive providers respond.
- The survey was open in May and June, before the release of the Exposure draft.

## Provider Survey Results

When compared to first survey results, there was an increase in four out of the five dimensions.

- ⬆️ **Ready**
- ⬆️ **Willing**
- ⬇️ **Able**
- ⬆️ **Experience**
- ⬆️ **Expectations**

Avg. % favorable responses



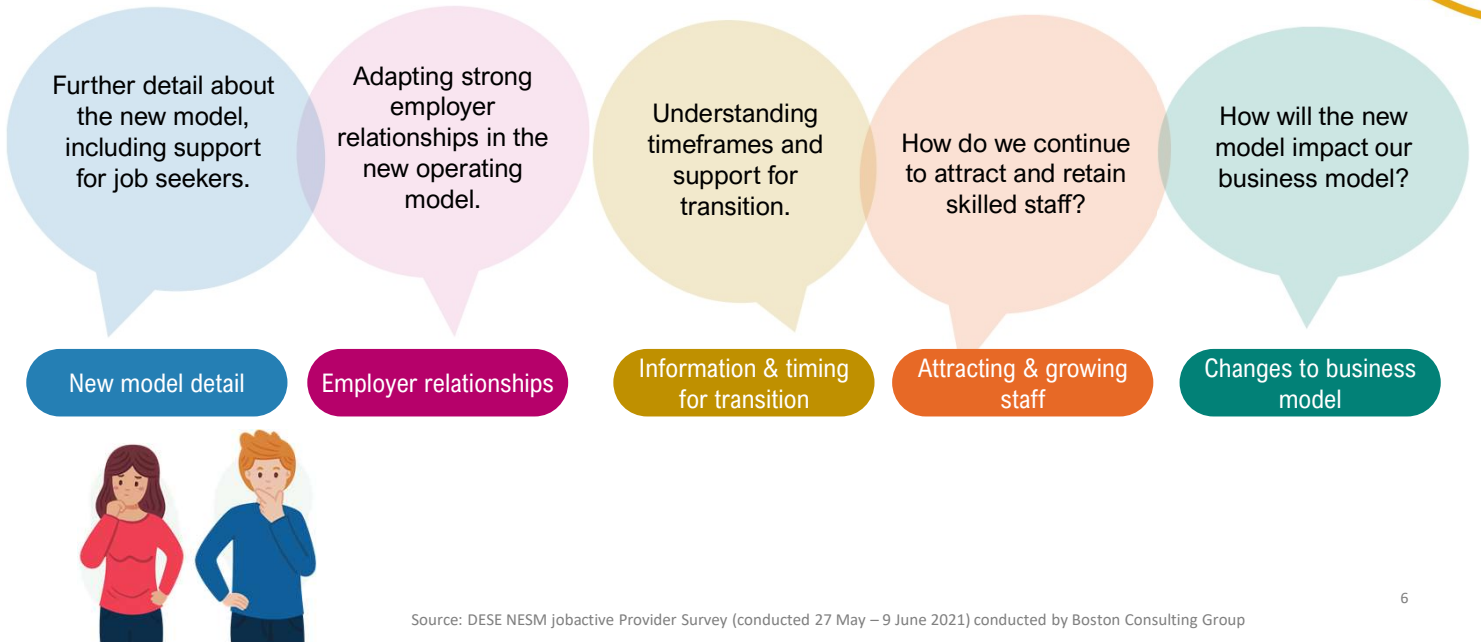
Source: DESE NESM jobactive Provider Survey (conducted 27 May – 9 June 2021) conducted by Boston Consulting Group

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- The results show that the views of current jobactive providers have improved since November 2020.
- Some emerging views include:
  - **Ready** – we hear that most understand the vision of the new model and required operational changes, however further detail is needed. We hope that the release of the Exposure Draft helped provide some of this detail and we will continue to answer your questions and release information as it becomes available.
  - **Willing** – every respondent indicated a willingness to support the roll-out of the new model; with a marked increase in respondents recognising the need for a new framework and belief that the impact will be worth the effort.
  - **Able** – whilst specific challenges have been expressed, we hear that you are confident you understand what is required to implement the new model, and have a plan to build the skills and resources required
  - **Experience** – more of you reported greater clarity on the implementation plan, however you would like increased consultation and engagement from the department.
  - **Expectations** – your confidence in managing the change has improved, but it remains an area for engagement.

## Provider Survey

### Areas of focus we heard



The Department will continue to share information and support the areas of focus raised by providers in the survey:

- NESM model detail
  - We are using engagement forums, user centered design and testing to ensure the new model design meets the needs of stakeholders. We are also developing appropriate safeguards to ensure that job seekers are protected.
- Employer relationships
  - We are looking at refining the employer service offer and are also engaging with peak bodies and employers on system development. We will continue to build feedback we receive in our current work to ensure the model meets stakeholder needs.
- Information and timing for transition
  - The Exposure Draft has outlined indicative timeframes for the procurement process. We are also developing a transition guide and will be sharing this with providers. The Transition team have been engaging with account managers and some providers to gain insights on previous transition experience to support the development of the guide.
- Attracting and growing staff
  - We recognise this is an ongoing challenge. We will be ensuring through the transition strategy that there will be appropriate training for providers and their staff on details of the NESM
- Changes to business model
  - We hope the Exposure Draft has provided the opportunity to provide feedback on the potential business model changes and expected payments. As Minister Robert acknowledged in his address to the CEO Forum, for providers this means changing their business model to operate in the future. Providers will need to continue to quickly adapt to the changing labour market, the needs of job seekers and employers, and advances in technology. Where possible, the Department will continue to share information as appropriate to support successful transition.

# Points Based Activation System

Elements that tested well with other interested stakeholders.

- ✓ Minimum job search requirement
- ✓ Awarding points for attendance at activities
- ✓ Recognising job seeker's personal circumstance through an upfront credit.

Note: these are based on early feedback and not the final PBAS settings which will be subject to government decisions



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- At the last CEO livestream I shared some feedback received from NEST providers on their experience of the Points Based Activation System (PBAS) in the New Employment Services Trial (NEST) regions.
- Following consultation with NEST providers we held consultation sessions with other interested stakeholders, including jobactive providers, NESAs, ACOSS, on the proposed policy settings for PBAS in the New Employment Services Model (NESM).
- Please note that this is early feedback on what tested well, and not the final settings for PBAS which will be subject to government decisions.
- Elements that tested well included:
  - **minimum job search requirement**
    - This is not currently part of the NEST PBAS trial but was supported by the majority of stakeholders.
    - We note feedback that for some jobseekers a minimum job search requirement may not be appropriate. So while proposing that the new model introduces a minimum job search requirement, there needs to be an ability to tailor this based on job seekers individual circumstances (similar to the ability to tailor the number of job searchers in jobactive).
  - **Awarding points for attendance at activities**
    - Once again, this is a change from how PBAS is currently operating in the NEST.
    - While this element received overwhelming support from the majority of stakeholders, we are still working through how these points will be awarded.
  - **Recognising job seekers personal circumstances through an upfront credit to clearly reduce their Points Target for the reporting period.**

# Points Based Activation System

- Insights and learnings from consultation will continue to inform design
- PBAS presentations and Q&As published on department website:  
[www.dese.gov.au/new-employment-services-model/consultation-inform-new-employment-services](http://www.dese.gov.au/new-employment-services-model/consultation-inform-new-employment-services)
- Continued feedback is welcome, please send to: [pbas@dese.gov.au](mailto:pbas@dese.gov.au)
- Final PBAS policy will be announced prior to 1 July 2022

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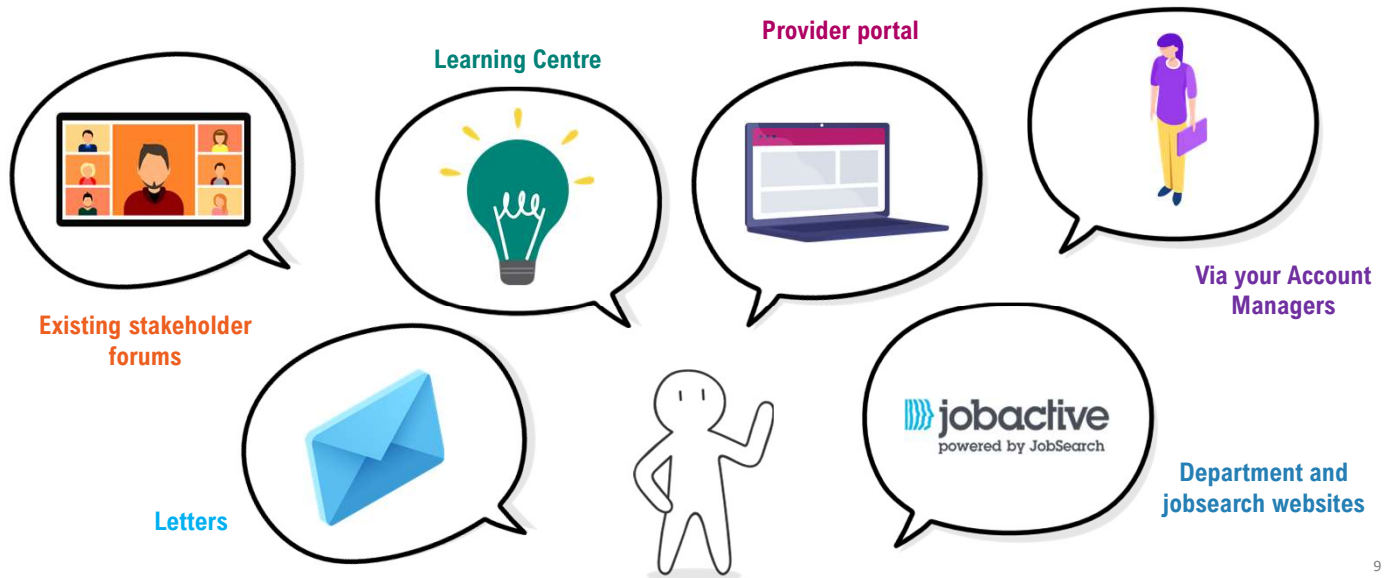
- As previously advised the PBAS presentation and initial Questions and Answers are now available on the department's website on the Consultation to inform the new employment services page (link: [Consultation to inform the new employment services - Department of Education, Skills and Employment, Australian Government \(dese.gov.au\)](http://www.dese.gov.au/new-employment-services-model/consultation-inform-new-employment-services)).
- The Questions and Answers are being updated and republished progressively, with a new version published recently.
- I expect that a further update will be made in the next week as well so I suggest you monitor them on the website.
- While the principles for PBAS came out of extensive consultation and was a recommendation of the Expert Advisory Group, the current trial of PBAS and feedback from stakeholders are being used to develop the final design of PBAS for the new model.
- I really appreciate your early engagement and for providing your thoughts and suggestions in such a positive way.
- While initial feedback was sought by 18 August 2021, we will be continually evaluating PBAS even after it has been implemented and modifying where necessary
- So your continued feedback is encouraged, and can be sent to myself or the PBAS team's mailbox ([pbas@dese.gov.au](mailto:pbas@dese.gov.au))
- It is important to note that we still need to go back to Government on the final design of PBAS later this year.



- So nothing we have consulted on is as yet set in stone.
- Information including points values for different tasks and activities, proposed for the purposes of consultation will be indicative until the final PBAS policy is announced. This will be announced before 1 July 2022.

# Transition and Training

Transition information will be shared through these channels:



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- The department has established an Employment Services Transition Branch responsible for managing the new model's transition related activities, including communication and engagement with providers, participants, host organisations, employers and peaks throughout the transition period.
- I know that the Branch has already spoken to some providers to gain insights about what has worked well for previous contract transitions, including the two trial (ie NEST) regions.
- Whilst we are still in the transition planning phase, we acknowledge that timely training and ongoing communication is critical to the success of a smooth transition.
- Over the next few months, we will start to provide communications on transition using multiple channels, including existing stakeholder forums, letters, via your Account Managers, on the provider portal, learning centre and the department and jobsearch websites.
- The department is also preparing advice for job seekers and for continuing, exiting and new providers that will be distributed after successful tenderers are announced. The advice will include information for all providers (exiting and continuing, merging or new providers) on:
  - transition key dates
  - IT and branding requirements
  - how to manage participant records
  - copies of the letters that will be sent to participants
  - how to wind up the current services
  - how to be ready for the NESM.
- To help prepare for the commencement of the new model, we will provide dashboard reports to providers to indicate how many participants the individual organisation will receive.
- If you have any transition related queries in the meantime, please raise these with your Account Manager.

- This ends my update for today. Thank you for your time.