



The Future of Employment Services in Australia

FEEDBACK FORM

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Stakeholder Type		
Job seeker	<input type="checkbox"/>	
Employment Services Provider	<input type="checkbox"/>	
Employer / Employer Association	<input type="checkbox"/>	
Union	<input type="checkbox"/>	
Australian / State / Local Government	<input type="checkbox"/>	
Welfare Agency / Peak Organisation	<input type="checkbox"/>	
Other	<input checked="" type="checkbox"/>	
	Please specify: Outsourced Employment services performance management	
For employment services providers, what programs do you provide?		
Job Network	<input type="checkbox"/>	
Job Placement Licensed Organisation	<input type="checkbox"/>	
Community Work Coordinator	<input type="checkbox"/>	
Personal Support Programme	<input type="checkbox"/>	
Job Placement, Employment and Training	<input type="checkbox"/>	
New Enterprise Incentive Scheme	<input type="checkbox"/>	
Vocational Rehabilitation Services	<input type="checkbox"/>	
Green Corps	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
	Please specify:	
Please indicate if you <u>do not</u> wish your submission to be published	<input type="checkbox"/>	

Discussion point 1 (refer to discussion paper, pages 11-12 (PDF) or 13-14 (RTF)):

In addition to the development of job seekers' job search techniques, training and work experience, are there other activities that should be approved as an intensive activity?

How should we best balance the need to ensure a job seeker receives assistance appropriate to their needs with the provider's responsibility to manage funds effectively across their case load?

We have no comment for this discussion point at this time.

Discussion point 2 (refer to pages 11-14 (PDF) or 13-16 (RTF)):

Employment service providers will be given flexibility to determine the frequency of their contacts and other activities in accordance with the needs of the job seeker. However, to ensure a reasonable level of service, providers will be expected to meet regularly with job seekers and this will be reflected in the job seekers Employment Pathway Plan.

Should there be a minimum contact requirement? For example, should providers need to meet with job seekers at least once per month?

We have no comment for this discussion point at this time.

Discussion point 3 (refer to pages 11-14 (PDF) or 13-16 (RTF)):

What are the practical administrative issues that will need to be resolved in order to ensure the streams are as effective as possible?

We have no comment for this discussion point at this time.

Discussion point 4 (refer to pages 14 (PDF) or 16-17 (RTF)):

What should and should not be able to be purchased with the Employment Pathway Fund?

Which is preferable, a principles-based approach to prohibited items or an exhaustive list of prohibited items?

Is there anything about the proposed Employment Pathway Fund that may contribute to it being under-utilised?

At what level should purchases be permitted on the basis of a simple invoice and without the need for detailed case by case justification?

We have no comment for this discussion point at this time.

Discussion point 5 (refer to pages 16 (PDF) or 18-19 (RTF)):

How can the legitimate interests of a job seeker to choose a service provider be balanced with the need to provide certainty for providers?

We have no comment for this discussion point at this time.

Discussion point 6 (refer to pages 16-17 (PDF) or 19-20 (RTF)):

Are there any further improvements that can be suggested to deriving and paying service fees?

Are there alternatives to claw back mechanisms?

How should fees be shaped to discourage parking?

We have no comment for this discussion point at this time.

Discussion point 7 (refer to pages 17-18 and 22-25 (PDF) or 20-21 and 25-28 (RTF)):

Should activity test requirements be made more flexible and responsive to job seekers' needs? If so how?

The Government has already acted to ensure that job seekers participating in approved training are no longer forced to accept work that would interfere with that training. Are there other areas in which a similar approach should be adopted?

Should job seekers with recognised qualifications or skills be permitted to restrict their job search to their chosen field for a period? If so, for how long, and in what circumstances?

We have no comment for this discussion point at this time.

Discussion point 8 (refer to pages 18 (PDF) or 20-21 (RTF)):

How can the needs of parents returning to the workforce be balanced with the need for greater employment participation? Should volunteering be incorporated into participation requirements for parents?

We have no comment for this discussion point at this time.

Discussion point 9 (refer to pages 18-19 (PDF) or 21-22 (RTF)):

How can universal employment services be better integrated with Community Development Employment Projects and Indigenous Employment Program?

We have no comment for this discussion point at this time.

Discussion point 10 (refer to pages 19 (PDF) or 22 (RTF)):

How can best practice be disseminated to encourage adoption elsewhere?

How should the success of innovation projects be judged?

We have no comment for this discussion point at this time.

Discussion point 11 (refer to pages 20 (PDF) or 23 (RTF)):

If a benchmark was adopted, how would it be set? Would each provider's benchmark be the same, or would it differ based on the make up of their case load or the nature of their labour market?

How could the interests of the hardest to place be advanced by the performance management system?

How can the experience of job seekers and employers best be included when assessing the performance of providers?

About us:

JN Solutions works with some of the biggest Job Network providers in the industry. Our most successful product has is a tool that forecasts star ratings. I believe that the team here holds some of the most paramount knowledge of the system outside of DEEWR.

Why we are submitting:

The star ratings will undoubtedly change in the next contract and our software will have to be modified in any case, so any changes that are made will largely affect us indifferently to alternative changes. As a body that is an expert in performance management we feel obliged to put a logical viewpoint forward.

The current system:

There is no shortage of people that will complain about the current system. Although we agree that the system is not perfect, we do not see the need to move to another system just because it is different.

The current system has had years of refinement, has shown some success and has been, for the most part, reliable. Great care and prudence must be used when considering any radical change.

Providers have lived through the current system and therefore are more than able to make their own submissions detailing any shortcomings. Therefore I will focus on the suggested benchmarking system.

Benchmarking:

The concept of benchmarking is rudimentary, short-sighted, one-dimensional and over simplistic for its intended use. To demonstrate this I will go through the logical progression of the benchmarking system. I realise this will be over simplified but is in keeping with the level of question.

Basic benchmarking:

A provider is set x outcomes to achieve in a timeframe.

Result:

The system is simple and transparent.

Providers have a short term focus and place the softest parts of their caseload as they will create the most cost effective strategy to ensure their business survival.

The model develops and a more complex benchmarking system is introduced to create a focus more in line with DEEWR's.

Multiple benchmarking:

Benchmarks are set in several categories. A provider is set x, y and z outcomes to achieve over a set time frame.

Result:

In a scenario where a provider has achieved x and y but is nowhere near achieving z. Remaining job seekers in x and y are neglected as the site's survival is dependent on z.

It is clearly not in the interest of job seekers to be referred to a site and be parked as they do not fit into a category, this would always occur to some extent.

Again the model develops and a more flexible approach would be adopted. Weighting is also added.

Flexible weighted benchmarking:

We have moved away from a simple system now, but the system remains transparent.

In this model, the benchmark is a minimum score which can be achieved in multiple ways in a set timeframe. Scores are calculated as follows:

$$s = v + 2w + 5x + 7y + 9z...$$

Result:

Providers are able to do well in their expertise and gain an acceptable score; some job seekers can still be parked.

Time in assistance must be added to penalise a site from parking job seekers.

Flexible weighted benchmarking with time in assistance:

Unfortunately, at this stage things just got too difficult to calculate for the average site and the system no longer seems transparent.

A benchmark score is set of s to be achieved in a set timeframe. Scores are calculated as follows:

$$s = v + 2w + 5x + 7y + 9z - f(t_v) - f(t_w) - f(t_x) - f(t_y) - f(t_z)...$$

$f(t_x)$ would be a function of time, almost certainly non linear.

Result:

Providers would be largely happy with this system and most of the needs of job seekers and DEEWR are taken into consideration. Providers can excel in one area yet find it difficult to park job seekers.

Unfortunately we have left out one of the biggest complications of the system.

Economic change.

A performance system must exclude external influences from the body being

measured. Contextual example:

One site is in an ESA that has had a resource boom; they meet their score in the first month. They will either have little reason to increase performance over the rest of the timeframe or start to delay outcomes to the next timeframe to ensure their next score is met. The system is being 'played'.

In another ESA a site has no chance of meeting its score, as the economic situation is very different from when the targets were set. The site has performed well and outperformed its competitors but unfortunately faces closure.

The first example is not in the interest of the job seeker or DEEWR. The second example is not in anyone's interest.

For the benchmarking system to be made acceptable, it would need to incorporate economic data, national performance, a less compartmentalised grouping of job seeker characteristics, job seeker exceptions and deal with job seekers that have been transferred between sites.

The system also needs to be easily understood so that job seekers can make informed decisions about their choice of provider.

The problems above have already been considered and the conclusions lead them to the star ratings model. Anything short of this is inadequate.

The star ratings model:

This is robust system that is fair* and is not prone to being 'played'.

DEEWR/DEWR spent a lot of time and effort solving this problem many years ago and going to a benchmarking system can only be seen as a step backwards.

External bodies have concluded on several occasions that it is the most appropriate system.

A more fair star ratings model:

No model is perfect and so the system can never be entirely fair but there are some improvements that should be made.

A site might have a caseload that is mostly made up of a certain type of job seeker. The change in competitive or economic variables in that region may have little influence on the placeability of this cohort for that site.

The model needs to strengthen relationships between cohorts of job seekers showing extreme characteristics at a LMR and national level and create a non linear link between this and ESA economic performance and unemployment rates.

Work must also be carried out to ensure that the implementation of the model

is correctly done. More attention must be paid to the data that drives the model and to insuring that job seekers are correctly characterised.

Exemptions must be strictly recorded and counted. Job seekers who are participating in programs such as CDEP are clearly less likely to achieve outcomes during their tenure.

In an effort to appease providers you may wish to consider publishing the formula and or weightings, though this will create intense scrutiny.

The data that goes into the model **must** be made available. The PI pack that has been available for the last year does not contain the exact data that is used, but rather something that is meant to be indicative. The PI pack lacked depth, to the point where it served almost no purpose. The **raw** data must be made available including ESA and national.

It goes without saying that the model should be updated to reflect the emphasis that is being placed on the most disadvantaged job seekers.

Conclusion:

The star ratings performance management system is world class. It has been exemplified as a solution to an almost impossibly complicated problem in both the UK and Canada.

Providers are unhappy because the system is not simple and transparent.

The model is not at fault regarding the transparency issue, DEEWR is. An in depth information pack about the workings of the model should be released and the raw data that goes into it should be available every day.

Unfortunately there is no acceptable simple solution to this immensely complicated problem; fortunately there are companies out there that do have the expertise to help providers with their performance.

The system is not fundamentally flawed; it only requires refinements and openness. It is almost without question the most appropriate model; I believed so when I was working at a provider and continue to believe so.

Discussion point 12 (refer to pages 20-21 (PDF) or 23-24 (RTF)):

How should Employment Service Areas be determined and how can they be aligned more closely with natural labour markets?

We have no comment for this discussion point at this time.

Discussion point 13 (refer to pages 22-25 (PDF) or 25-28 (RTF)):

Should both Centrelink and employment service providers be required to contact job seekers about Participation Reports?

We have no comment for this discussion point at this time.

Discussion point 14 (refer to pages 22-25 (PDF) or 25-28 (RTF)):

Remembering that the comprehensive compliance assessment is an opportunity to identify barriers or service options, what number of Participation Reports submitted in a particular timeframe trigger an assessment?

Should the trigger be the same for rapid reconnection failures as for No show, No pay failures?

We have no comment for this discussion point at this time.

Discussion point 15 (refer to pages 22-25 (PDF) or 25-28 (RTF)):

What should happen if the job seeker reengages through participation in an intensive activity but then again fails to meet their requirements (a persistent no show)?

Should payment be lost on a 'No show, No Pay' basis or should the job seeker, at some point, become fully precluded from income support for a period? If a job seeker is unable to undertake intensive activities for 50 hours per fortnight due to personal circumstances, what is an appropriate activity for them to undertake?

We have no comment for this discussion point at this time.

Discussion point 16 (refer to pages 26-27 (PDF) or 29-30 (RTF)):

Based on your experience with previous transitional periods, what are the key issues that you believe will need to be managed?

How can we learn from what has worked, and what hasn't worked, in the past?

We have no comment for this discussion point at this time.

Discussion point 17 (refer to pages 26-27 (PDF) or 29-30 (RTF)):

How can we best ensure the new employment services system retains specialist providers?

Is there anything DEEWR can and should do to assist providers in delivering a quality service for the remainder of this contract period?

We have no comment for this discussion point at this time.

Discussion point 18 (refer to pages 28 (PDF) or 31 (RTF)):

Are there any specific issues you would like addressed as part of the DEEWR information technology information sessions?

We have no comment for this discussion point at this time.

Are there any further comments you wish to make about the proposed employment services system?

We have no comment for this discussion point at this time.