

RESPONSE TO PROPOSED LICENSING SYSTEM FOR THE NEW EMPLOYMENT SERVICE MODEL – DISCUSSION PAPER

Background:

Nirrumbuk Aboriginal Corporation (NAC) is an Aboriginal controlled organisation, registered with the Office of the Registrar of Indigenous Corporations. Our mission is to build the capacity of Aboriginal communities and people to participate in and benefit from economic and employment opportunities in the Broome/Kimberley region. Through our directors, members and staff, we play a major role in Indigenous affairs in the region and hold memberships in key Kimberley Indigenous regional bodies concerned with employment, education & training, health, community development programs, law, culture and native title.

Nirrumbuk Aboriginal Corporation (NAC) has delivered employment services, as a subcontractor through Job Futures (via Kimberley Employment Services – up to April 2019) and currently directly through Nirrumbuk Employment Services.

Panels:

The setting up of Panels for tendering processes of the licensing system is a viable method of identifying potential service providers. **Generalist and specialist organisations should be included on the same panel, this would allow flexibility should circumstances change.** Our major concern with the Panel proposal is that larger Employment Providers would be apply for Employment Regions that would push aside smaller organisations such as ourselves that may result in a lesser service to jobseekers. In addition, it would undermine the primary purpose of the Indigenous Procurement Policy of providing Indigenous enterprises in securing business opportunities from Government.

Licences:

The contractual licencing model is supported by NAC. The licencing model would be most suitable for larger Employment Regions and obviously the numbers of licences would depend on the number of Employment Service Providers that are located in a particular region as well as the local labour market conditions. Once again our concern would be the advantageous positioning of larger providers who are strongly capitalised and have the ability to carry significant costs to enter markets. This may detract smaller community based organisations from being able to compete against such providers and stay in the market or enter the market. This could provide a lesser service to particular cohorts, in particular, regional providers where understanding of the client's needs is understood by a local service provider.

Licences should be issued for an initial period of three years and NAC supports the proposed Licencing Review model as outlines in Chapter 4 of the discussion paper.

Specialist Licences:

The Broome Employment Region profile is rather unique, compared to most other Employment Regions, with the caseload consisting predominantly of Indigenous people (approximately 70%).

Reporting Period	Total jobactive Caseload (15+)	Number Indigenous jobactive Caseload (15+)	% Indigenous jobactive Caseload (15+)
Nov-19	876	700	79.91%
Mar-20	904	731	80.86%
Jun-20	1044	760	72.89%
Sep-20	1144	793	69.32%
25-Oct-20	1112	787	70.77%

Figure 1. Broome Jobactive Caseload breakdown Nov-19 to Oct-20

Whilst on the face of the above statistical data of the Broome Caseload, it would make sense that the Indigenous jobactive caseload be serviced by a specialist provider to capitalise on their expertise in the delivery of their target cohort. NAC is such a provider who provides a holistic approach in servicing the Indigenous community and build the capacity of Indigenous people to enable them to participate in the local economy. However, NAC also provides these opportunities to non-Indigenous people, in addition, the fact that Broome is a multicultural community and significant efforts by Local, State and the Australian Government in promoting Reconciliation between Indigenous and non-Indigenous people, the separation of services between Indigenous and non-Indigenous could potentially undermine the efforts of Reconciliation.

NAC is of the opinion that the financial viability of the Broome Employment Region would be significantly impacted by the separation of generalist and specialist services to the point where the contract would not be viable.

Performance Framework and cyber security:

NAC agreed with the Performance framework and cyber security measures as outlined in Chapter 8 of the New Employment Service Model Discussion paper.

A Quality Assurance Framework must be the foundation for service providers to deliver services under the New Employment Services Model. Quality accreditation such as ISO 9001 should be the minimum standard required to be achieved. In addition, ISO 27001 should also be the minimum standard to be achieved for ensuring the security of organisation's IT systems.

Transition to the New Employment Services Model:

An effective transitioning of jobseekers from job active to the new model is critical and must provide both jobseekers and provider's staff sufficient time and training to comprehend the new arrangements. This would also require full access to the system from day one of the New Employment Services Model. As an organisation that was involved in transitioning from one provider (Job Futures via KES) to a new provider (NES) there were a number of issues around

access to the system which delayed effective transitioning. It would also be useful if there was a clear mapping of the transitioning processes for both providers and jobseekers. Clarity of information for jobseekers will be paramount in the transition process and will require clear messaging from both the provider and the Department.

Other Considerations:

As mentioned earlier in this response, NAC is concerned that larger providers may seek to apply for Employment Regions, such as the Broome Region. As a small providers, NAC could be in a position where could not possibly compete against a larger provider. Whilst, it is reassuring that one of the design principles in the proposed new licencing system is to encourage diversity in the market, the reality is that the Broome Region would not sustain a number of providers without having a significant impact on the financial viability of delivering the Employment Services contract. Careful, consideration is required to ensure that capital already invested by NAC in the current contract is able to be realised into the future.

NAC has always believed that **additional resources should be allocated to the most disadvantaged jobseekers** and it is encouraging to see that new Employment Model will have a greater focus on this. NAC is also **in total agreeance with the upfront engagement fee that will support the early investment** in addressing vocational and non-vocational barriers of jobseekers.

One of our concerns, in relation to the New Employment Service Model, is the greater dependency on digital platforms. There were a number of challenges that were experienced by jobseekers during the COVID-19 pandemic in accessing digital services, including software, hardware and internet services. In addition, many job seekers continued to choose to utilise face-to-face interaction with the Employment Service Provider.

Whilst **NAC is in agreeance with the most job-ready job seekers being self-managing online via Digital Services and not with a dedicated provider**, it is unclear how this would be determined. Currently, we have experienced jobseekers being assessed as Stream A and have received very little support as a result of that assessment. Clearly, some of those assessed as Stream A should not have been in that stream to begin with, this included recently released ex-offenders and homeless youth. **How regular will job seekers be assessed to be considered as job-ready job seekers and able to self-manage?**

In conclusion, of the major encumbrance to organisations, in particular, small providers such as NAC, is the overburdening requirements of the Jobactive DEED at the point of offer and the variation(s) thereafter.

Anything that reduces the administrative burden of delivering employment services and allows the Employment Provider to focus more directly on jobseekers and employers, as the centrepiece of the New Employment Service Model, can only be a good thing and lead to greater outcomes.