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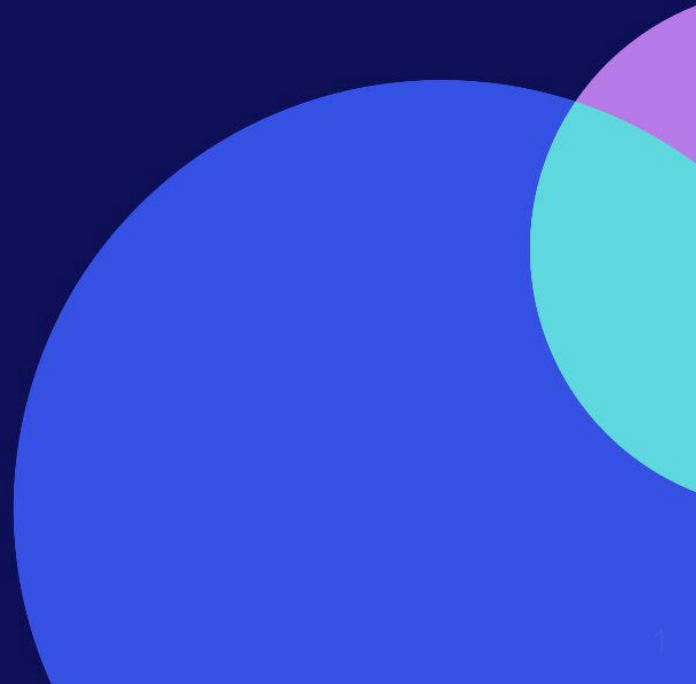


**paulramsay**  
**FOUNDATION**

July 2023

Reimagining the Employment  
Services System of Australia:

**Explore Research Report**



# About this document

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This document summarises key insights obtained during research with job seekers, which included fieldwork site visits and in-depth virtual interviews. The research activities were conducted by the Behavioural Insights Team (BIT) on behalf of System 2. The research was conducted as part of the Reimagining the Employment Services System of Australia project, funded by the Paul Ramsay Foundation (PRF). Research activities took place from May to July 2023, and therefore many of the findings reflect the status of the employment services system at that time.

The project is focused on understanding the needs of two target cohorts to design a system that better supports them to obtain meaningful employment:

- **Young people:** Individuals aged 15-24 years who are not in education, employment or training (NEET)
- **Parents:** Families with dependents under the age of 15 years where no persons are employed (single- or dual-carer families).

**The purpose of this Explore research report is to:**

- Highlight key attitudinal and behavioural factors of our target cohorts (young people and parents) and service providers
- Summarise what the day-to-day interactions between job seekers and service providers look like
- Summarise what is and is not currently working well in the employment services system from the perspective of job seekers and providers
- Highlight likely leverage points for intervention

This report is not intended to be exhaustive or comprehensive. Rather than summarising every detail and data point, this report is intended to summarise the key findings from our research that will be used to inform the design of potential solutions as part of the next phase of the project. The next phase will involve co-designing solutions with individuals with lived experience, policymakers and practitioners. The co-design process will culminate in the development of implementation and evaluation plans for two pilots to reimagine the employment services system.

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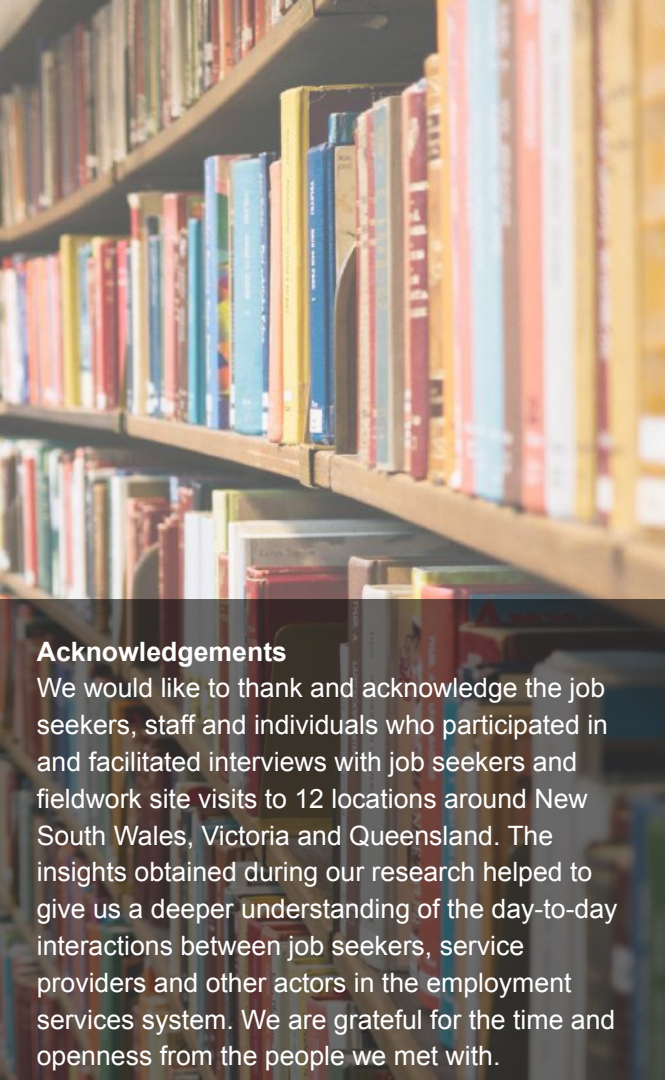
## About System 2

[System 2](#) is a not-for-profit focused on tackling complex social issues by combining behavioural science, systems thinking and insights from deep collaboration with those with lived experience. System 2 was created by the Behavioural Insights Team (BIT) and Nesta in 2022 with the launch mission of enabling young people experiencing disadvantage to thrive. Our inaugural project on reimagining employment services was delivered in partnership with BIT and in collaboration with YLab.

# Contents and acknowledgements

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## Acknowledgements

We would like to thank and acknowledge the job seekers, staff and individuals who participated in and facilitated interviews with job seekers and fieldwork site visits to 12 locations around New South Wales, Victoria and Queensland. The insights obtained during our research helped to give us a deeper understanding of the day-to-day interactions between job seekers, service providers and other actors in the employment services system. We are grateful for the time and openness from the people we met with.

# Definitions of key terms used throughout this report (1 of 2)

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- **Behavioural insights:** The practical application of concepts from behavioural science to design policies, programs and communications that are aligned with how people behave and make decisions in a real-world context.
- **Behavioural science:** The study of human behaviour through the use of systematic experimentation and observation, including disciplines such as behavioural economics, psychology, sociology, neuroscience and anthropology.
- **Disability Employment Services (DES):** An employment program focused on supporting individuals with disabilities, injuries and/or health conditions to find and keep a job. Delivered by the Department of Social Services (DSS).
- **Employers:** People and businesses that employ people.
- **Employment service providers** (also referred to as “**service providers**” or “**providers**”): Organisations that are contracted by the government to provide employment services, including providing information and support to job seekers. Service providers also play a key role in monitoring and reporting on job seeker compliance.
- **Employment services system** (also referred to as “**the system**” in this report): The actors who are involved in delivering employment services (including job seekers, service providers, nonprofit organisations, all levels of government, and employers), the interactions between these actors and the rules that govern their behaviour.
- **Experiential Training Provider (ETP):** A term used to describe organisations that provide intensive, hands-on training for participants, and focus on building technical skills and soft skills, while also helping participants to build positive habits and routines.
- **Government:** In this report, ‘government’ is used to refer to the federal government, unless otherwise stated.
- **Job agent:** Frontline staff that deliver employment services, and who are employed by employment service providers.
- **Jobless families:** Households with dependents under the age of 15 years where no persons are employed.
- **Jobless household:** A household in which no person of working age is employed.
- **Job seekers:** Individuals who receive income support payments and participate in the employment services system.
- **Lived experience:** Individuals who are currently involved in the employment services system as a job seeker, or who recently were.
- **Mutual Obligation Requirements (MORs; also referred to as “mutual obligations” or “compulsory activities”):** The tasks and activities that job seekers agree to complete in exchange for receiving income support payments.

# Definitions of key terms used throughout this report (2 of 2)

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- **Not in Education, Employment or Training (NEET):** Individuals who are not participating in education, employment or training. Note, for the purposes of this report, “NEET” is used to refer to individuals aged 15-24 years who are not in education, employment or training, unless otherwise specified.
- **Non-vocational barriers:** Barriers that can hinder an individual’s ability to participate in education, employment or training, including homelessness, lack of transport, mental or physical health challenges, drug or alcohol addiction, or abuse, among other barriers.
- **Parents (from jobless households):** Parents from households with dependents under the age of 15 years where no persons are employed.
- **Program providers:** A term used in this report to refer to service providers who deliver Workforce Australia Services, ParentsNext or DES.
- **Reverse marketing:** A process whereby service providers promote job seekers to employers.
- **Transition to Work (TtW):** An employment program focused on supporting young people aged 15-24 years.
- **Vocational barriers:** Training, skills or qualification gaps that present challenges for individuals seeking employment.
- **Workforce Australia:** The employment service delivered by the Department of Employment and Workplace Relations (DEWR). Workforce Australia is also the name given to the mainstream employment program, which can be delivered by service providers. Key programs discussed in this report are listed [here](#).

A hand is holding a yellow sticky note on a wall covered with other sticky notes. The background is a light-colored wall with several yellow and pink sticky notes pinned to it. The text 'Executive summary' is overlaid on the right side of the image.

# Executive summary

# Executive summary: Background

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The current approach to employment service delivery in Australia is ineffective in meaningfully supporting job seekers, especially those with complex needs. The Paul Ramsay Foundation (PRF), one of Australia's largest philanthropic funders, is committed to tackling cycles of disadvantage, and employment is one of the foundation's key strategic focus areas. In 2022-23, PRF funded research to reimagine the employment services system for job seekers with complex needs. This research was delivered by System 2 in partnership with the Behavioural Insights Team (BIT).

**This project focuses on reimagining the employment services system to better support two target cohorts to obtain meaningful employment:**

- **Young people:** Individuals aged 15-24 years who are not in education, employment or training (NEET)
- **Parents:** Families with dependents under the age of 15 years where no persons are employed (single- or dual-carer families).

**This project involves primary and secondary research, deeply informed by collaboration with people with lived experience, across three phases:**

1. **Rapid evidence review of the system:** including interviews with experts and a rapid literature scan, summarised in the Rapid Evidence Review report
2. **Explore research with target cohorts:** including in-depth interviews and fieldwork, summarised in this report
3. **Solution prototypes and implementation plans:** including co-design with people with lived experience and other stakeholders, to design solution ideas that would meaningfully support young people and/or parents, which could be piloted and evaluated

**Explore research activities conducted:** The Explore research involved virtual in-depth interviews with 16 job seekers (young people and parents), and fieldwork visits to 12 sites across New South Wales, Victoria and Queensland (including service providers and social enterprises). During fieldwork, we observed interactions between job seekers and job agents, and interviewed staff and job seekers, to understand more about their experiences.

**Employment programs discussed in this report:** The programs discussed in this report include: Workforce Australia (fieldwork locations refer to Workforce Australia Services, while interview participants represented a mix of Workforce Australia Online and Workforce Australia Services, but for brevity, the term "Workforce Australia" has been used), Transition to Work (TtW) and ParentsNext. We also discuss Disability Employment Services (DES) to a lesser extent.

**Next steps:** Findings from our rapid evidence review and the findings in this report will provide key inputs to upcoming co-design workshops. The focus of the workshops is to engage with job seekers, service providers, experts and stakeholders to develop solutions to reimagine the employment services system.

# Executive summary: Key insights from Explore research

(1 of 2)

Our Explore research (interviews and fieldwork site visits) provided us with a deeper understanding of the day-to-day interactions between job seekers and key employment service programs. We also visited social enterprises and Experiential Training Providers (ETPs), which gave us insight into one mechanism of engaging with employers, or ideas to create a stepping stone for job seekers from unemployment to mainstream employment. Key findings are summarised below.

## Key insights about Workforce Australia, ParentsNext and Disability Employment Services (DES)

- **Job agents' focus on compliance inhibits personalised support and erodes job seeker trust:** Appointments tend to be brief and highly functional, with job agents often using generic Job Plan templates and even copying/pasting case notes, due to high caseloads and compliance concerns. However, many job agents still find ways of building rapport and help job seekers to navigate the system.
- **Targets and measurements drive job agent behaviours:** Job agents' employment outcome targets are often on display in job centres and some providers now also set monthly targets for Progress Payments. The onus on job agents to reduce job seekers' points targets on a regular basis, based on their personal and individual barriers, is well-intended, but often leads to interactions which are overly deficit-focused.
- **The changing needs of job seekers has highlighted gaps in staff skills:** The most job-ready job seekers now self-serve online and job seekers who work with a job agent have increasingly complex needs. This has accentuated gaps in job agents' capabilities to support those with complex needs and connect them with relevant training and job opportunities. Several managers suggested this is having a negative impact on staff resilience and retention.

## Key insights about Transition to Work (TtW)

- **Upfront, longer-term funding and flexible requirements enables better support:** TtW providers receive more upfront government funding than Workforce Australia providers do. Therefore, they have greater opportunity to invest in creating engaging, co-designed youth hubs for job seekers, and to recruit more staff members with specialist skills to provide holistic support to job seekers.
- **Strengths-based approaches enable trust and stronger relationships:** Flexible requirements mean that job agents are not burdened with job seeker compliance and monitoring, and can instead focus on tailoring their approach to an individual's needs. These factors facilitate trust and rapport.
- **Access to wraparound support services and work experience is a challenge:** TtW providers can face challenges in connecting job seekers to wraparound services for support with non-vocational barriers. Employer engagement (including to provide work experience or job opportunities) is also challenging. Some providers have good connections with selected employers, but this is highly variable.



# Executive summary: Key insights from Explore research

(2 of 2)

## Key insights about social enterprises and Experiential Training Providers (ETPs)





- **Support to build habits yields positive results for those with complex needs:** Some social enterprises and ETPs gradually increase participants' time commitments and responsibilities while providing support with building routines and healthy habits. This helps build participant confidence and self-efficacy.
- **Hands-on training in a social environment helps to build participant skills:** Experiential and practical training help participants to understand the day-to-day realities of different industries, while the strong focus on the social environment helps them to build connections and networks.
- **Balancing social mission while remaining profitable can be difficult:** Social enterprises and ETPs can face challenges in balancing commercial realities with the need for long-term investments to support those with complex, non-vocational barriers. Collaboration with service providers is patchy, often due to misaligned priorities.

Our Explore research provided us with an in-depth understanding of key employment programs. These findings have also provided broader insights about the employment services system as a whole, which further complements insights obtained from experts during the rapid evidence review phase of the project.

## Key insights about the employment services system overall

- **The recent recontracting process of mid-2022 and the burdensome reporting requirements were universally criticised by staff:** Many staff members from service providers, across all programs, acknowledged that some of the recent changes in employment services have been positive (for example, the newly-introduced Progress Payments to incentivise service providers to focus on supporting job seekers with non-vocational barriers to employment). However, staff were also critical of the disruption that recontracting decisions caused. We heard up to 80% of providers lost their local contract despite reporting high performance. This significantly impacted provider relationships with job seekers and collaboration with local services.
- **Changes introduced in mid-2022 are still bedding in:** The recent introduction of Workforce Australia Online, where the most job-ready job seekers self-serve online, and the introduction of the Points Based Activation System (PBAS) for Workforce Australia participants, are still bedding in. These changes have highlighted some problems (for example, Workforce Australia staff capability), but also bring new opportunities to co-design approaches with job seekers and to test new ways of supporting them.
- **Use of data and evaluation is limited:** We observed that there is little use of robust data, or measurement of what works at a program, cohort and individual level. There is a clear opportunity to help service providers and system actors to better tap into data to inform personalised approaches.

# Executive summary: Leverage points for solutions

| Key actor  | Leverage points for solutions to improve and reimagine the employment services system   |
|--|---|
|  <p>Providers</p>   | <ul style="list-style-type: none"> <li>• <b>Provider compliance and contract management:</b> Specify guidelines for service providers but allow for tailoring based on an individual's needs and use this approach for provider monitoring. Also incorporate upfront funding across all programs (similar to TtW).</li> <li>• <b>Definitions of success and performance incentives:</b> Expand definitions of success beyond employment outcomes to include human capability building, and carefully design service provider performance incentives to encourage meaningful action.</li> <li>• <b>Service provider environments and offices:</b> Support service providers to build welcoming environments with fit-for-purpose spaces.</li> </ul>  |
|  <p>Job seekers</p> | <ul style="list-style-type: none"> <li>• <b>Mutual Obligation Requirements (MORs):</b> Remove compliance and mandatory activities. Empower job seekers to co-design goals with their job agent across a broad suite of activities, including pre-employment programs that gradually build routines).</li> <li>• <b>Effective triaging and tailoring of support:</b> Support service providers to effectively measure job readiness, to enable them to provide personalised support. Incorporate effective and creative use of data to help tailor approaches.</li> <li>• <b>Support in navigating and accessing different services:</b> Create a more structured and clear process for service providers to engage with and refer job seekers to wraparound support services, and help job seekers to be aware of the services available to them.</li> <li>• <b>Tapping into the power of social networks:</b> Incorporate social elements into employment services, such as by engaging with a job seeker's nominated 'support person' (e.g. friend or family member), and by facilitating social interactions among job seekers.</li> </ul> |
|  <p>Employers</p>   | <ul style="list-style-type: none"> <li>• <b>Structured involvement of intermediaries and social enterprises:</b> Embed intermediaries and social enterprises into the employment services system, to create a structured pathway and stepping stone for job seekers to mainstream employment.</li> <li>• <b>Support and incentives for employers to change work practices:</b> Incentivise employers to provide training or change their workplace culture to be more accommodating of the needs of different groups of people, including working parents.</li> <li>• <b>Stronger connections between employers and service providers:</b> Engage with employers to co-design incentives and the process for engaging with service providers, to build stronger connections and avoid backfire effects (such as those caused by wage subsidies).</li> </ul>   |
|  <p>The system</p>  | <ul style="list-style-type: none"> <li>• <b>Building and sharing evidence of what works:</b> Support service providers and other actors involved in the employment services system (e.g. intermediaries and social enterprises) to measure and evaluate the effectiveness of their programs and approaches.</li> <li>• <b>Reducing competition and creating knowledge-sharing mechanisms:</b> Create mechanisms for service providers and other actors to share knowledge about what works to support job seekers, to enable system-wide learning.</li> <li>• <b>Elevating job seeker voice and choice:</b> Empower job seekers and engage them in the design and development of policies, programs and services which are intended to support them, and provide greater choice to job seekers about the support that they receive.</li> </ul>  |

EXIT

# Introduction

# Background

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**The employment services system is not consistently and effectively supporting job seekers with complex barriers to employment.** The system, originally intended to be a temporary solution to unemployment issues which occurred in the aftermath of World War 2 (O'Sullivan et al., 2021), is no longer fit-for-purpose, given **1 in 3 job seekers have been in the employment services system for 12+ months, and 1 in 5 have been in this system for 5+ years** (Department of Jobs and Small Business, 2018). Despite multiple iterations of the system over the 25 years since employment services were outsourced in 1998, there appears to be little evidence of meaningful progress for disadvantaged job seekers (O'Sullivan et al., 2021).

Further, despite the strong recovery of the Australian labour market since the COVID-19 pandemic hit in 2020 (e61 Institute, 2022), with the national unemployment rate sitting at 3.5% (Australian Bureau of Statistics, June 2023), **individuals furthest from the labour market have been “left behind”** (e61 Institute, 2022). Moreover, despite the low national unemployment rate, there has been a 26% increase in the number of Australians in the employment services system compared to pre-pandemic levels. This includes approximately 111,000 young people currently in the system (McLeod, 2022). The misalignment between the low unemployment rate and the increasing number of people receiving employment support signals a key issue in the types of jobs being offered and the way that ‘success’ is measured. For example, if individuals are employed in insecure or low-paid work, they may still need support payments to supplement their income.

It is clear that structural, evidence-based approaches to reimagine the employment services system are needed. The reimaged system should ensure that all job seekers, including those with complex needs, receive the support they need to help them progress on the path to meaningful, quality employment.



# Recent changes in the employment services system

Australia's employment services system has undergone a number of changes since it was fully contracted out to be delivered by external service providers in 1998. At the time of writing this report (in July 2023), service providers and job seekers are still settling into the latest change in employment services: the shift from jobactive to Workforce Australia in July 2022.

**The shift to Workforce Australia in July 2022 created a number of significant changes in the system, including:**

- **The recontracting process and the turnover of providers:** Employment service providers must tender for contracts to be able to deliver government employment services. Contracts are determined by the employment program to be delivered (i.e. Workforce Australia, Transition to Work, ParentsNext, etc.) and by the employment region (Australia has 51 regions). During the procurement process, some service providers may lose their contract for a particular program and/or a particular region, or lose all of their government employment contracts altogether. As a result of the 2022 procurement round, “just 17% of providers were providing the same contract in the same region compared to 2016” (Sally Sinclair, NESAs, quoted in Marin-Guzman, 2022).
- **The introduction of Workforce Australia Online, allowing job seekers to self-manage:** All job seekers were previously placed with employment service providers. The shift to Workforce Australia introduced a new stream of servicing, whereby the most job-ready job seekers now self-manage online and are not assigned to work with a service provider at all. Estimates of participants in Workforce Australia Services versus Workforce Australia Online as of April 2023 indicate that approximately 24% of the caseload self-serve online (Department of Employment and Workplace Relations, 2023a). This changes the overall profile of job seekers that service providers work with, as a larger proportion of a job agent's caseload are deemed less job-ready.
- **The introduction of the Points-Based Activation System (PBAS) for Workforce Australia participants:** Job seekers who participate in government employment service programs have Mutual Obligation Requirements (MORs). Previously, this primarily consisted of a minimum number of job searches and applications per month. The introduction of PBAS allows Workforce Australia participants (both those that self-manage online and those that work with service providers) to be able to report a number of different activities to contribute toward their points target and therefore meet their obligations. Service providers can lower an individual's PBAS target to acknowledge the barriers they face in finding work and make it more achievable. However, solely focusing on an individual's barriers without equally considering their strengths perpetuates a deficit-based approach within the system.

At the time of writing this report the [House Select Committee Inquiry into Workforce Australia Employment Services](#) is ongoing. The Committee is conducting a first principles review into the employment services system more broadly, including pre-employment programs such as ParentsNext. The government is seeking input across the sector to understand the core issues about the system as a whole and to receive suggestions for opportunities for systemic change. In response to the ParentsNext interim inquiry report (tabled 1 March 2023), some immediate changes were made to ParentsNext. **This leaves us optimistic that the government is open to truly understanding the challenges in the employment services system and to making changes in response to recommendations.** The Committee will report on the broader inquiry into employment services no later than 30 November 2023.

# Project vision and aims

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System 2, BIT and PRF share a vision to create an **equitable employment services system**, where everyone is given the opportunity and support that they need to **access secure and meaningful employment**. This project aligns with PRF's Employment strategic impact area, which not only aims to address unemployment itself, but also the deeper social and economic conditions that create systemic barriers to employment.

The aim of this project is to identify how employment services could be better designed and delivered, to provide more effective and meaningful support for job seekers. This includes ensuring that job seekers receive the support that they need and have a better experience while working with service providers, and ensuring that job seekers can obtain meaningful employment.

The project vision is underpinned by our commitment to:

- **Consult and co-design** with people with lived experience to build our understanding of the problem and develop solutions
- **Be guided by research** to ensure that solutions are evidence-based, including insights from behavioural sciences
- **Develop solutions that are measurable** to ensure that pilots of new solutions are able to be evaluated, leveraging existing data sources where possible

The ultimate objective of this project is to develop **implementation and evaluation plans** for evidence-based and co-designed solutions. These plans will identify how the solutions could be piloted and evaluated to provide evidence for the effectiveness of those solutions and ultimately enable change in the system.

# Target cohorts for the project

This project focuses on two target cohorts: **young people and parents**, defined below. Unemployment and the cycle of disadvantage can be intergenerational as an individual's worldview and aspirations are heavily influenced by their childhood. Therefore, there is a clear need to support young people to effectively transition from school to work, to ensure that they don't become disconnected from the system; and there is a need to support parents to obtain secure and meaningful work, to both access the benefits of employment and to be a positive influence for their children.



## Young people

15-24 year olds who are Not in Education, Employment or Training (NEET)\*

\* Note, while the term NEET does not strictly apply to young people, it is often implied that 'NEET' refers to 15-24 year olds. For the purposes of this project, "young people" is used to refer to those who are 15-24 and are NEET (unless otherwise specified).



## Parents

Households with dependents under the age of 15 years where no persons are employed (single- or dual-carer families)^

^ Note, for the purposes of this project, the term "parents" has been used to refer to parents and carers with dependents under the age of 15 years where no persons are employed (sometimes referred to as "jobless families").

# Project approach

**Applying behavioural insights:** We applied a behavioural insights (BI) lens to conduct research and design solutions to reimagine the employment services system. This involved applying findings from behavioural science to design and develop evidence-based solutions that create better alignment between behaviours and the contexts that they are performed in.

**Target cohorts:** Our project initially focused on young people (aged 15-24 who are not in education, employment or training) and parents (with dependents under the age of 15 years in households where no persons are employed). However, our research provided insight into the challenges and opportunities for improving employment services for job seekers with complex needs more broadly. Therefore, solutions have been developed to support all job seekers with complex needs.

| Phase      | 1. Rapid evidence review of the system   | 2. Exploratory research with target cohorts   | 3. Solution prototypes and implementation plans  |
|------------|--|---|--|
| Activities | <ul style="list-style-type: none"><li>• Rapid scan of academic and grey literature</li><li>• Interviews with experts and stakeholders across the system</li></ul>                                | <ul style="list-style-type: none"><li>• In-depth job seeker interviews</li><li>• Fieldwork visits to gain deep insight into job seeker interactions with providers and other employment programs</li></ul>      | <ul style="list-style-type: none"><li>• Solution co-design workshops with job seekers, stakeholders and providers to generate possible solutions to reimagine the system</li></ul> |
| Goals      | <ul style="list-style-type: none"><li>• Understand current challenges and opportunities</li><li>• Identify previous initiatives that have been developed to support our target cohorts</li></ul> | <ul style="list-style-type: none"><li>• Understand the needs of, and the behavioural barriers and enablers faced by, our target cohorts</li><li>• Identify potential leverage points for intervention</li></ul> | <ul style="list-style-type: none"><li>• Develop implementation and evaluation plans for two ideas to identify key solution elements and trial options</li></ul>                    |
| Reporting  | Findings are summarised in the Rapid Evidence Review report  | <b>Findings are summarised in this report</b>   | Findings are summarised in the Solution prototypes and implementation plans report   |





# Overview of key challenges and opportunities

# Four key actors in the employment services system

The first phase of the project was to conduct a rapid evidence review. The review included interviews with **27** experts and a complementary rapid literature scan. Many insights are overlapping and interconnected, but for ease, we have grouped the key insights based on the primary actor of the challenge or opportunity, resulting in the following four categories:



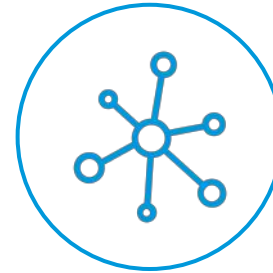
Service providers



Job seekers



Employers



The system

The subsequent slides provide an overview of the key themes from the rapid evidence review. Our findings from the Explore research, summarised in this report, further expand upon the insights from the initial evidence review. Our Explore research focused on understanding the day-to-day interactions between service providers and job seekers, but we also gained insights into challenges and opportunities related to employers and to the system as a whole.

# Summary of challenges and opportunities (page 1 of 2)



## 1. Service providers

### Overarching finding:

**Employment service providers operate within a set of structures, incentives and practices that don't serve the needs of young people or parents**

### Key themes:

- 1.1** The government's approach to employment services contract management hinders the ability for service providers to deliver quality, effective services and to collaborate with each other
- 1.2** Providers are primarily paid based on performance outcomes, and the blunt tools used to measure success discourage providers from investing in job seekers with complex needs
- 1.3** The burden of administrative requirements squeezes out the time and opportunity for service providers to focus on the relational aspects of supporting job seekers
- 1.4** The provider workforce is predominantly poorly trained and poorly paid, comprised of job agents who lack the experience, skills and tools to be able to effectively support disadvantaged job seekers with complex needs



## 2. Job seekers

**The system takes a highly individualised approach focused on narrow employment outcomes**

- 2.1** Mutual obligation requirements reinforce the onus on the job seeker as an individual who needs to be 'activated' and prove compliance
- 2.2** The strict focus on mutual obligations, and service provider staff turnover, erodes job seeker trust in the system
- 2.3** The current system fails to tap into the power of relationships and social networks
- 2.4** The focus on rudimentary employment outcomes can individualise a systemic issue and fail to recognise the impact of non-vocational barriers to employment
- 2.5** The fragmented system is difficult for individuals to navigate, exacerbated by overlapping programs, multiple points of entry and different eligibility requirements

# Summary of challenges and opportunities (page 2 of 2)



## 3. Employers

### Overarching finding:

**Employers are a critical actor in the system, but they are generally disconnected and disengaged**

### Key themes:

- 3.1** Very few employers engage with service providers, and many hold negative stereotypes about the job seekers referred by providers
- 3.2** Employers strongly prefer to recruit individuals who are job ready and experienced, and have limited engagement with training and work experience programs



## 4. The system

**There is a severe lack of understanding about what works, for who and why, hindering effective feedback loops within the system**

- 4.1** There is little robust evidence of what works; system actors need mechanisms to test, measure, share learnings and scale-up effective policies and programs
- 4.2** Tools used to measure success of services are blunt; better measures (including job seeker feedback and human capability measures) are needed
- 4.3** Policies, programs and services have been developed in a predominantly top-down approach, with little meaningful co-design with people with lived expertise
- 4.4** There is an absence of nuanced, personalised data to inform targeted approaches to support job seekers

**Overview of federal  
employment programs  
discussed in this report**

# Key federal government employment programs (1 of 2)

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In our Explore research, we focused on understanding the on-the-ground delivery of key federal government employment programs, particularly those that support a large proportion of job seekers who are young people or parents or jobless families. Below is a high-level summary of the key programs which we focused on in our research, and are summarised in this report. Many service providers deliver multiple employment programs, sometimes at the same site.

**Workforce Australia:** Workforce Australia is the mainstream federal employment program, with a caseload of approximately 615,000 job seekers as of April 2023 (Department of Employment and Workplace Relations, 2023a). Job seekers receiving JobSeeker, Youth Allowance and Parenting Payments are eligible, and are required to meet their Mutual Obligation Requirements (MORs) to avoid a payment suspension, using the Points Based Activation System (PBAS). There are two subgroups within the program: Workforce Australia Online (the most job-ready job seekers, who self-manage meeting their MORs online for a maximum of 12 months) and Workforce Australia Services (job seekers with more complex needs, who either require support from a job agent, have requested to work with a service provider or have been in Workforce Australia Online for more than 12 months) (Department of Employment and Workplace Relations, 2022). The majority of participants are in Workforce Australia Services and work with service providers, while a sizeable proportion are streamed into Workforce Australia Online.

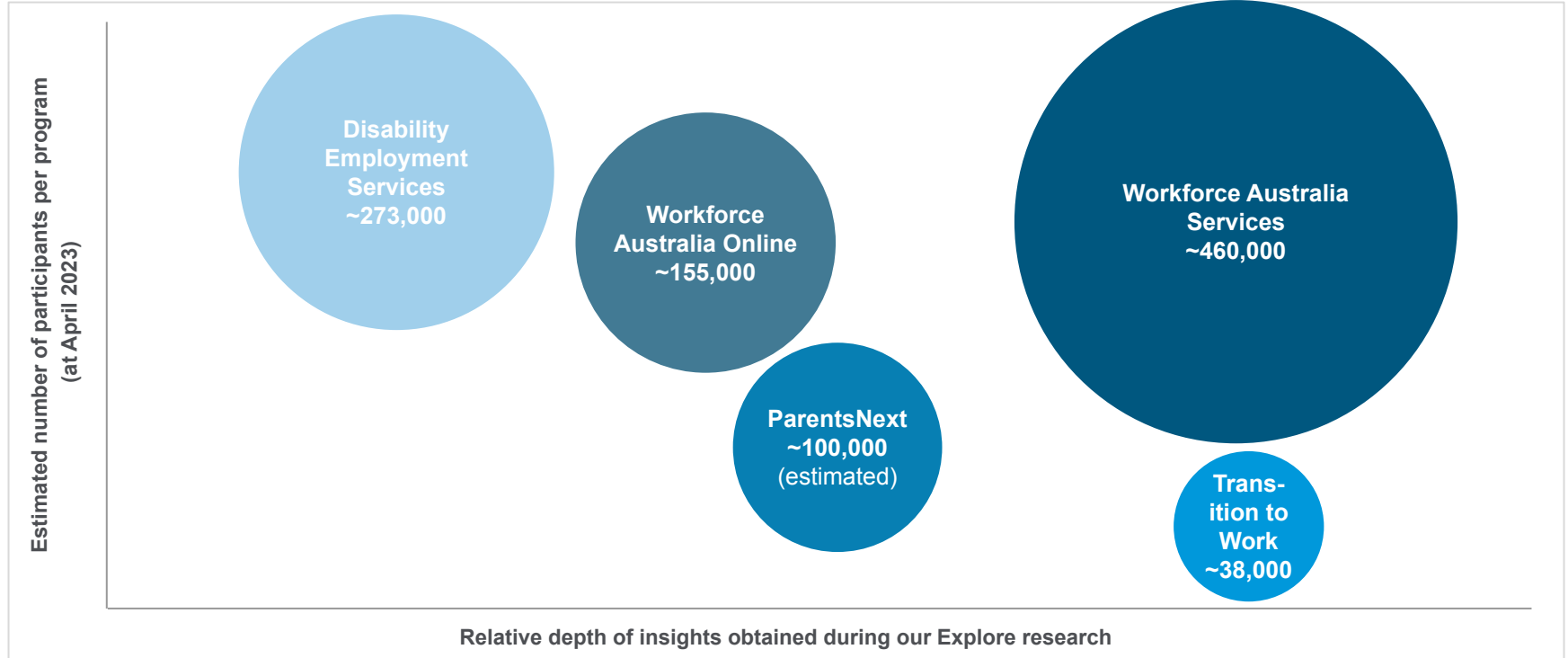
**Transition to Work (TtW):** Transition to Work (TtW) is an employment program designed to assist young people aged 15-24 to transition to training or employment (Workskil Australia, n.d.). TtW is a much smaller program than Workforce Australia. Eligible young people receiving income support payments can choose to participate in TtW instead of Workforce Australia, and can choose to opt out of the program after attending their first appointment (Workforce Australia, n.d.). Young people aged 15-24 who are not receiving income support payments can choose to participate in TtW as a volunteer. All participants must complete 25 hours of activities per week. Unlike Workforce Australia, there is only one TtW provider in each of Australia's 51 employment regions. Young people can typically participate in TtW for a maximum of 18 months, after which they are referred to Workforce Australia.

**ParentsNext:** ParentsNext is a pre-employment program for parents and carers who have been receiving a Parenting Payment for at least 6 months, have a child between 9 months and 6 years old, and have some level of disadvantage (e.g. have received income support continuously for at least four years) (Department of Employment and Workplace Relations, 2023b). The MORs for ParentsNext participants were paused in early 2023, and participants are no longer required to attend appointments with their service provider, to agree to a participation plan (outlining activities aligned to a their education or employment goals) or to complete the activities outlined in the participation plan (Services Australia, 2023). Participants can do these activities, but they won't face payment suspensions if they don't.

**Disability Employment Services (DES):** Disability Employment Services (DES) is comprised of two services: the Disability Management Service for job seekers with a disability or health condition who need assistance to find a job, and the Employment Support Service for those who have a permanent disability and therefore require regular, ongoing support to maintain employment (Department of Social Services, 2023).

# Key federal government employment programs (2 of 2)

The relative size of the circles below highlights the relative size of each of the federal government employment services programs, determined by the number of participants (note that the circles are not to scale). The visual also highlights the depth of insights that we obtained about each program during our virtual interviews and fieldwork site visits, which are summarised in this report. (Caseload figures from the Department of Employment and Workplace Relations, 2023a).





# Explore research method



# Purpose of the exploratory research

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Our Rapid Evidence Review report summarised findings from the literature, as well as the expert opinions of academics, practitioners and policymakers. This gave us an overview of the employment services system as a whole, from a distance. The purpose of our Explore research was to conduct a deep-dive into the job seeker and service provider actor categories, by engaging with these cohorts directly and observing firsthand what their interactions look like. This approach gave us a more detailed picture of what the employment services system looks like on the ground, from close up.

## Our Explore research consisted of two focal research activities:

1. **Virtual interviews with job seekers**
2. **Fieldwork site visits to employment service providers, social enterprises and experiential training providers**

## Our research has been complemented by ongoing engagement with three young people, who have lived experience in employment services:

We have ongoing engagement with three associates with lived experience via our partnership with YLab. These young people, aged 25-30 years, have engaged with the employment services system since adolescence and are still engaged in the system.

In addition to seeking their input into the design of our research methods and interpretation of the findings, we conducted a third, supplementary research activity with the associates to develop individualised user journey maps. Over a series of meetings, the associates described the series of events that have marked their employment journey, and the key highlights and lowlights along the way. They then worked with us to co-design a personalised journey map to depict these experiences in a visual format. These journey maps are not intended to be representative. Instead, the maps serve as examples to showcase the unique and often non-linear nature of each job seeker's experience to complement the summarised findings presented throughout this report.\*

\* Our lived expertise associates are currently engaged in Workforce Australia. The user journey maps have been included in the [Workforce Australia, ParentsNext and DES](#) section.

# Interview participants and fieldwork sites

The table below provides an overview of the participants from the virtual interviews as well as the sites we visited during fieldwork.

| Virtual interviews with job seekers   | Fieldwork sites  | Fieldwork job seeker interviews  |
|---|--|--|
| <p>One-hour, semi-structured interviews conducted online with job seekers from two cohorts:</p> <p><b>Young people:</b> Seven young people aged 18-24 who are unemployed and currently receiving a Jobseeker payment, Youth Allowance or Disability Support Payment. This comprised:</p> <ul style="list-style-type: none"> <li>• 4 Workforce Australia + 2 TtW + 1 DES participant</li> <li>• 4 VIC + 1 NSW + 2 QLD participants</li> <li>• 5 metro + 2 rural/regional participants</li> <li>• 4 female + 2 male + 1 nonbinary participant</li> </ul> <p><b>Parents:</b> Nine parents of at least one child under 15 who are unemployed and living in a household where no other persons are employed; and currently receiving a jobseeker payment or parenting payment. This comprised:</p> <ul style="list-style-type: none"> <li>• 8 Workforce Australia (6 of which were previously in ParentsNext) + 1 current ParentsNext participant</li> <li>• 7 VIC + 2 NSW participants</li> <li>• 5 metro + 4 rural/regional participants</li> <li>• 8 female + 1 male participant</li> </ul> | <p>We visited 12 sites across New South Wales (3), Victoria (5), and Queensland (4). This comprised four Workforce Australia providers, three TtW providers, two DES providers, two ParentsNext providers, two social enterprises and one Experiential Training Provider (ETP).<sup>*</sup> Among service providers, six were non-profits and three were for-profits.</p> <p>The visits involved semi-structured interviews with job agents and senior staff (e.g. managerial staff), observing the physical environment, observing workshops and appointments between job seekers and their job agents, and 10-minute opportunistic interviews with job seekers.</p> <p><i><sup>*</sup>The total does not sum to 12 as some service providers offered more than one employment program at the site that we visited.</i></p> | <p>Participants were recruited opportunistically during our fieldwork site visits. We interviewed a total of 19 participants, which comprised:</p> <ul style="list-style-type: none"> <li>• 4 participants from sites in New South Wales</li> <li>• 7 participants from sites in Victoria</li> <li>• 8 participants from sites in Queensland</li> </ul> <p>Fieldwork sites were specifically chosen based on their servicing of young people and parents, and due to the rates of unemployment in that region. However, we did not specifically target particular job seekers, to ensure that we received a broad set of insights.</p> |



**Explore research findings**

# Introduction to this section

This section of the report summarises key findings from our virtual in-depth interviews and fieldwork visits.

Our findings have been structured to broadly align with key employment programs. We have combined multiple programs where findings between different programs were similar (for example, the insights from a DES participant were similar to the insights from a Workforce Australia participant), or where sample sizes from individual programs were too small to be able to draw sensible conclusions about that program.

Our findings have been structured into the following subsections:

| Subsection  | Programs and cohorts represented   | Key points covered  |
|---|--|---|
| <a href="#">Workforce Australia, ParentsNext and Disability Employment Services (DES)</a> | Young people in Workforce Australia or DES<br>Parents in Workforce Australia, ParentsNext or DES<br>Staff from Workforce Australia, ParentsNext or DES | <ul style="list-style-type: none"><li>• A description of the sites that we visited during fieldwork</li><li>• The barriers that job seekers face to employment</li><li>• The drivers of job seeker behaviour</li><li>• Staff capabilities and drivers of behaviour</li><li>• Challenges and opportunities for improvement in the system</li><li>• Staff and job seeker views on what meaningful support would look like (which includes things that are currently working well)</li></ul> |
| <a href="#">Transition to Work (TtW)</a>  | Young people in TtW<br>Staff from TtW  |   |
| <a href="#">Social enterprises and Experiential Training Providers (ETPs)</a>             | Staff from social enterprises<br>Staff from ETPs   | <ul style="list-style-type: none"><li>• A description of the sites that we visited during fieldwork</li><li>• The barriers that job seekers face to mainstream employment</li><li>• Staff capabilities and drivers of behaviour</li><li>• Challenges and opportunities for improvement in the system</li><li>• Staff views on what meaningful support would look like (which includes things that are currently working well)</li></ul>   |

# **Workforce Australia, ParentsNext and Disability Employment Services (DES)**

# Overview of sites we visited

We visited four Workforce Australia providers, two ParentsNext providers and two DES providers across New South Wales, Victoria and Queensland. We visited a mix of for-profit and nonprofit organisations. All service providers that we visited delivered a range of employment programs and also delivered employment services in other regions.

In this section, we have consolidated insights from all three types of providers: Workforce Australia, ParentsNext and DES providers. We have combined insights across the three programs as some providers deliver multiple programs from the same site. We also noted a number of similarities in the interactions between participants and service providers across the three programs. Finally, we have consolidated insights due to the relatively small sample size of sites, staff or job seekers that we spoke to for ParentsNext and DES.

For brevity, we have used the term “providers” or “program providers” to refer to service providers of Workforce Australia, ParentsNext and/or DES. We have indicated where a finding is specific to a particular program.

Young people and parents who are eligible could participate in Workforce Australia, ParentsNext or DES. Therefore, we have also indicated where a particular finding is specific to either young people or parents. We have used the term “job seekers” throughout this section to indicate where a finding is relevant to both young people and parents, as well as job seekers in general.

## Our description of one of the Workforce Australia sites that we visited during our fieldwork:

The office is sparsely furnished, with open plan cubicles surrounded by grey and white walls, which display whiteboards listing job placement outcomes and targets. The waiting area by the front door contains six empty chairs, with posters and booklets promoting training opportunities and explaining the compliance system. The atmosphere is quiet due to a series of appointment no-shows. The silence is broken by a crackly, old radio in the staff kitchen. When there is a meeting, the open-plan layout exposes job seeker interactions to the full earshot of staff and visitors. We overhear a tense interaction about non-compliance, a hushed conversation about a court case, while another staff member is working to address a job seeker’s housing issues. A counsellor is on-site that day, but also experiences a series of no-shows. We find a private room and speak with an office manager who has 22 years’ experience in the industry. She stresses that to help the hardest to place job seekers, it takes time to build relationships and chip away at barriers one by one, but this is becoming harder to do. She highlights that reporting requirements and financial targets increasingly drive the sector, especially among for-profit program providers. Staff are paid bonuses if they meet their targets, but these are increasingly hard to achieve.

*“The red tape is crippling, half of my time is spent on administration and reporting under the new contract - previously it was probably 20-30%... The Department’s approach is ‘guilty until proven innocent’, so we have to jump through hoops on reporting’ - Centre manager, Workforce Australia provider*

# Interactions between job seekers and job agents



*"I got into this gig [job] to help people. A job is more than just a job or source of money, it gives people meaning, but now I just feel like I'm monitoring people, more like Centrelink than an employment provider."*

*- Staff member, Workforce Australia*

*"If they're doing what they're employed to do... the meeting should take around about 15 minutes, because you want to sit down and go, 'Okay, look I found these jobs for you. Let's have a look at them together and see whether we should apply for this one or apply for that one.'"*

*- Parent, Workforce Australia*



*"I don't really think it works. It seems like a process... [you] punch your card to get the payment... It seems like I just show attendance to take that marked attendance and you continue to get your payment."*

*Parent, ParentsNext*



## What do appointments with service providers look like?

Workforce Australia participants who do not self-manage online and DES participants are required to attend appointments with a job agent through a provider. Appointments tend to be:

- **Brief, generic and compliance-focused:** Job seekers reported that their appointments were typically in-person, lasted 5 or 10 minutes, and often felt generic. Most of the appointment is spent reviewing mandatory reporting of job searches or other PBAS activities, reminding participants of their requirements for the next month and setting the next appointment. Discussion of specific vacancies or help with applications is rare and brief. Some young people told us they were asked about their individual strengths, aspirations and wellbeing in the initial meeting with their job agent, but this wasn't revisited in subsequent appointments or used to tailor advice they received.
- **Conducted with limited privacy:** Most providers operated in open plan offices where conversations between job seekers and job agents were audible. Some providers had private rooms for sensitive conversations, but these did not appear to be regularly used for appointments.

ParentsNext participants were previously required to attend appointments with a job agent.\* Some of the unique features of ParentsNext appointments that we heard about included:

- **More flexible delivery, with some appointments conducted over the phone:** One ParentsNext provider estimated 70% of appointments are conducted over the phone as opposed to face-to-face, while another estimated that 40% were over the phone. Phone-based appointments provide flexibility and alleviate the need for participants to find childcare to be able to attend.
- **Longer, less frequent appointments:** The two providers we visited conduct longer appointments (e.g. 30-60 minutes) less frequently (e.g. once every few months), to provide flexible support.
- **Pre-employment focused:** Appointments and activities are designed to develop soft skills and address other non-vocational barriers, rather than a strong focus on applying for jobs.

\*As of May 2023 and at the time of writing this report, participation in ParentsNext (including attendance at appointments) is voluntary and there are no MORs.

# Barriers and behavioural drivers for job seekers

## Reasons that job seekers enter and remain in Workforce Australia

The reasons for entering and remaining in employment services often interact dynamically.

### Parents in Workforce Australia, ParentsNext or DES:

- **Caring responsibilities:** Child care requirements often leave parents with limited time and capacity to engage with job search activities.
- **Lack of suitable roles:** Parents are typically searching for flexible or part-time employment which often results in a shortage of suitable opportunities.
- **Relationship breakdown:** Parents who are compelled to relocate due to domestic violence or separation commonly need financial assistance to secure suitable housing and employment.
- **Lack of experience and qualifications:** Parents who have taken an extended career break due to caring responsibilities face significant barriers when attempting to re-enter the workforce such as skills erosion, limited or outdated qualifications, reduced professional networks and a lack of confidence.

### Young people in Workforce Australia:

- **Issues are similar to those faced by TtW participants:** See the page on reasons why young people enter TtW [here](#), as the barriers faced by young people in Workforce Australia are similar.
- **Issues with streaming:** Some young people with disabilities are placed with Workforce Australia providers due to challenges with accessing DES.

## What drives job seeker behaviour?

### MORs

- **MORs and punitive approaches can cause job seekers to disengage:** When MORs feel meaningless, parents and young people report that they perform “empty job searches” to reach their targets. Job seekers can also withdraw when they feel like they are being treated like “they are in school”, such as when they are reprimanded for being late or receive a demerit point.
- **Some job seekers find MORs motivating:** Some parents and young people in Workforce Australia can find PBAS targets motivating, and said that they would be unlikely to conduct as many job searches without them.
- **There are mixed attitudes toward removing penalties in ParentsNext:** The removal of MORs for ParentsNext has been positively received by some parents, and increased their level of participation. Others have disengaged from the program due to the absence of a threat of penalty.

### Relationships

- **Job seekers can feel a sense of reciprocity towards job agents.** Some job seekers highlighted the value of the relationship they had with their job agent. Some reported meeting their MORs or maintaining program engagement to avoid disappointing their job agent. Job seekers have a greater chance to build rapport when they have continuity of care with a single job agent over time.

### Motivations

- **Readiness and motivation for work varies between different job seekers:** Some parents are highly motivated to find employment, while others do not want to seek employment as they want to prioritise being home with their children. Similarly, among young people, some job seekers are highly driven to find work, and desire financial stability and autonomy.



# Experiences, capabilities and behavioural drivers of staff

## What are the experiences and capabilities of staff?

- **Desire to help people:** Similarly to TiW staff, most staff we spoke to said they chose to work in employment services as a way to help others.
- **Generic, non-specialist work experience:** Most frontline staff had previously worked in service industry roles, such as in retail, reception work, logistics or hairdressing. One staff member who had worked in employment services for a long time told us most people fall into the job. This experience is likely sufficient for a highly administrative role, but it is unlikely to equip staff to provide holistic support for job seekers with complex barriers.
- **On-the-job training:** Most staff tended to be upskilled by shadowing another experienced agent and completing significant amounts of online training. There appeared to be limited formal professional development opportunities. This further limits the ability for staff to gain specialist skills in supporting a caseload with increasingly complex needs.
- **Centralised 'reverse marketer' role:** Many providers have a dedicated staff member who specialises in building relationships with employers and 'reverse marketing' job seekers (i.e. promoting job seekers to employers). While this may have created some efficiencies, it often had the impact of limiting individual job agents' knowledge of the local labour market or employer needs. Access to reverse marketer staff has decreased due to budget cuts.
- **Leadership perspectives:** Staff seemed to share the attitudes of their managers. For example, staff views on PBAS varied between providers, but staff tended to align to their manager's view.

## What drives staff behaviour?

### Key Performance Indicators (KPIs) and payments

- **Individual KPIs are set to motivate and direct staff behaviour:** Some providers incentivised individual staff to achieve targets for employment outcomes. Anecdotally, we heard this was more common at for-profit providers. It is likely that the pressure on staff to achieve employment outcomes for job seekers influenced their emphasis on finding and maintaining employment in appointments with their clients. However, staff did not self-report that the KPIs had a significant impact on their own behaviour.
- **Provider payments and other performance metrics are on public display:** Some providers had large whiteboards to track the job readiness of particular job seekers or the employment outcomes achieved by individual staff. Some providers had the provider payments for different employment outcomes pinned at staff workstations to maximise its salience.
- **Job agents can reduce PBAS targets based on job seeker barriers:** The recent introduction of PBAS in Workforce Australia means that job seekers can complete a wider variety of activities, beyond job searches, to meet their MORs. Job agents have the flexibility to reduce a job seeker's PBAS target, based on the barriers that job seekers face. However, this inadvertently takes a deficit-based approach, whereby conversations with job agents can overly focus on identifying an individual's barriers in order to reduce their target, rather than discussing their individual strengths or addressing systemic issues.

### Habits

- **Routinised tasks create automatic and ingrained work habits:** Many of the tasks job agents completed were standardised (e.g. the process for an initial consultation, fortnightly appointments and taking case notes). It appeared that job agents are encouraged to use standardised processes or approaches.

# Challenges and opportunities for improvement (page 1 of 2)

*"It's really difficult to meet MORs when you're in the middle of domestic violence or raising a child."*  
- Parent, Workforce Australia

*"[It was] really unclear when appointments were, and whether they were in person or over the phone. If I missed a call my payment would automatically get cancelled, and if I called back immediately they wouldn't answer."*  
- Young person, DES

A parent we spoke to during fieldwork told us that: *her job agent puts her name down for jobs without consulting her, without telling her they've put her name down until it's too late (they'll say "did the employer call you?"), or without being able to tell her basic information about the employer, such as their name.*  
- Parent, Workforce Australia

*"They push us into any type of job they have available, rather than something you would want to get into."*  
- Young person, Workforce Australia

## Pain points from Workforce Australia participants' perspectives:

- **Lack of positive outcomes:** Despite prolonged job search activities, many job seekers reported that they received limited interview or job offers.
- **Appointments with job agents feel "tick-boxy":** Job seekers feel that job agents tend to provide the minimum "by the book service". Job seekers crave more personalised support with job searches, applications and interviews. Job agents' focus on penalties can demoralise some job seekers and cause them to disengage, while others found MORs to be motivating.
- **Poor communication:** Job seekers can feel "left in the lurch" when it comes to understanding their obligations, especially when transferring between programs, such as from ParentsNext to Workforce Australia. Some participants are unclear on the purpose and benefits of the program they are in. Feedback from employers or job agents about a job applications is also rare.
- **Low continuity of care:** Regular staff turnover prevents rapport between job seekers and job agents, and creates frustration for job seekers who have to repeat themselves to new staff.
- **Generic recommendations:** Job agents can make recommendations that are not tailored to the job seeker's experience or interests. For example, most young people are offered the same training certifications (e.g. white card, traffic control) despite their varying interests.
- **Need for wraparound support for young people:** Young people desire services and resources that would address non-vocational barriers, including transport or housing.
- **Limited availability of flexible work for parents:** Many parents require flexible work arrangements to align to their parenting commitments (e.g. working during school hours). However, the parents we spoke to were struggling to find jobs that offered such flexibility, precluding them from applying for or accepting roles they would otherwise be interested in.
- **Limited support addressing career gaps:** Many parents, especially those looking to return to work after a long career break, crave more experiential opportunities and want more assistance to identify and complete qualifications.
- **Lack of affordable childcare for parents:** Engaging with providers and securing employment often requires parents to make inconvenient and costly childcare arrangements, a factor particularly challenging for single parents or those with limited family support.

# Challenges and opportunities for improvement (page 2 of 2)

A manager at a DES provider told us that: *a key challenge is progress payment issues. For this cohort, actually finding a job is really challenging, but there's no recognition, measurement or payment for progress, especially as some people with disabilities now work with Workforce Australia.*

- Centre manager, DES provider



We observed that: *the Job Plans given to job seekers were very much a template. The job agent would say, "Your Job Plan is expired, we need to renew that today" and she'd print it off, talk the job seeker through it, and get them to sign. It basically just listed how many jobs they needed to apply for each month. The Job Plan is intended to be tailored to the job seeker's unique circumstances, but beyond differences in the number of jobs to apply for, it didn't seem like that.*

- Observation from appointments with job seekers at a DES provider



*"It's an industry you fall into. You either love it and you stay, or you don't and you get out."* - Staff member, Workforce Australia provider



## Pain points from program providers' perspectives:

- **Funding insecurity:** Service providers struggle to fund upfront investments in supporting job seekers because most of their funding is received after achieving an employment outcome. Additionally, providers' limited insight into procurement decisions makes them fearful of losing their contract. This leads to strict adherence to government requirements, as they have heard that failure to do so has previously been a reason for providers losing their contract during the regular procurement process.
- **Auditing of case notes:** Compliance checks of case notes means that job agents take very routinised notes (e.g. one provider gave staff drag and drop pre-populated text for case notes).
- **Staff resilience and turnover:** Managers told us that staff need to have high resilience to persist in the job, due to large caseload numbers (some as high as 100-150 job seekers per job agent) and pressure to achieve employment outcomes quickly. The needs of job seekers are also increasingly complex as the most job-ready job seekers now self-manage online. This means a higher proportion of job seekers working with job agents are long-term unemployed. Job agents reported that these job seekers are harder to manage and experience lower success rates.
- **Limited support for non-vocational barriers:** Some staff recognise that some job seekers have complex barriers to employment (e.g. some job seekers are homeless, or have mental health challenges), but agents have limited capability to support or refer job seekers to other services to address these barriers. Some providers did provide onsite counsellors or mental health support, but the motivation for this is unclear as it also allowed providers to easily claim Progress Payments.
- **Limited skills or tools:** Job agents tended to apply similar strategies to helping all job seekers, such as printing out job ads or trying to reinforce confidence. Some staff would use appointment times (e.g. booking morning appointments) as a way to help job seekers to build routines.
- **Lack of collaboration with other providers:** Managers tended to report that they had limited interactions with other providers, which limits their ability to learn from each other. For example, one provider that we visited was temporarily co-located with another in the same office, but there was an adversarial and tense relationship between them.
- **Misalignment in perceptions of job seeker readiness:** Job agents tended to rate job seekers as more work ready than the job seekers did. Job agents saw that the main barrier for job seekers is motivation and confidence to search and hold down a job.

# Parents' and young people's views of meaningful support

*"More training [for job agents is needed]. Maybe there's nothing wrong with the system but the staff don't do what they need to do. At least read my resume and match the job with what I expect and my working experience."*

- Parent, ParentsNext



*"More financial and practical assistance [for] gaining certifications and qualifications, and more intensive, hands-on training for specific skills like cover letter writing."*

- Young person, Workforce Australia



*"[The system] can always be better, but it's actually pretty good... I'm treated like a human and not just a number to be ticked off."*

- Parent, Workforce Australia



The following examples of meaningful support sometimes occur and could be scaled up:

## Relevant for both parents and young people:

- **Tailored support:** Job seekers want support from their job agent which is personalised, tailored to their needs (e.g. parents' need for flexible work) and aligned to their interests.
- **Support with addressing non-vocational barriers:** Job seekers want support for non-vocational barriers, which could involve being connected to other services. Barriers faced by parents tended to include issues with housing, domestic violence and childcare. Barriers faced by young people tended to include housing, transport, mental health challenges, and drug and alcohol support.
- **Stronger connections with employers:** Job seekers expressed a desire for their job agent to facilitate more frequent interactions with employers. Some job seekers reported that their job agent had introduced them to employers or recruiters (e.g. they had been reverse marketed), and they appreciated this, especially when their job agent had connections in their preferred industry.
- **Job agent transparency and rapport:** Job seekers appreciated when their job agent was honest about the limitations of what they can help with and when they showed compassion by withholding penalties. Job seekers who had good rapport with their job agent reported better experiences.

## Relevant for parents:

- **Support which is flexible and is accommodating of children:** Parents value support services that accommodate their unique needs. For example, phone or tech-enabled meetings and the inclusion of child-friendly play areas at service provider offices, were appreciated.
- **Social connection with other parents:** Environments and services that facilitate interaction with other parents can be particularly helpful for women returning to the workforce after a career break who may have limited social and professional networks.

## Relevant for young people:

- **Better access to training opportunities:** Young people desire more time with their job agents to identify and discuss relevant training opportunities that align with their interests.
- **Assistance with job applications:** Many young people desire assistance to tailor their job applications beyond generic templates. Some job seekers reported that they wanted their job agent to prepare their resume on their behalf, whereas others found this strategy disempowering.

# Staff views of meaningful support

*"[I would like] more flex in my diary and less admin, so I could take job seekers to employers. When people see each other face-to-face it's much better, but some can't get to employers or don't have a car."*

- Staff member, Workforce Australia provider



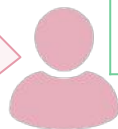
*"[The] key thing these people [job seekers] need is life skills and support regarding confidence and connection. Many have become increasingly socially isolated and lost confidence after months of rejection. Office-based case management is not enough. These people are also typically experiential learners and need hands on pre-employment support."*

- Staff member, Workforce Australia provider



When asked about what should be included in the new KPIs for ParentsNext, a staff member at one provider said: *they would prefer performance to be measured based off voluntary participation with engagement outcomes. They noted employment and education outcomes are also useful for encouraging women into the workforce and avoiding gender inequality.*

- Staff member, ParentsNext provider



## What meaningful support looks like from providers' perspectives:

The following examples of meaningful support sometimes occur and could be scaled up:

- **Job agent discretion and training:** The role of job agents is highly administrative and routinised, with little room for discretion or creativity. There is a need to create the space for discretion and to equip job agents with the skills to effectively adapt their strategies to meet the needs of job seekers. Some individual job agents manage to be creative when supporting job seekers work (such as by looking at local Facebook pages for jobs), but this seemed to vary between staff. Additionally, some job agents have experiences or capabilities that enables them to support job seekers with complex needs, but this is also highly variable between individuals.
- **Connections to wraparound services:** Currently, individual staff or providers need to research wraparound services and build relationships individually. A more formalised and streamlined approach for job agents to connect job seekers with wraparound services would enable job seekers to receive the support that they need using existing structures.
- **Triage tools:** Many service providers triage job seeker support based on readiness. A standardised approach that is co-designed with job seekers could create efficiencies.





The following examples of meaningful support appeared to be broadly lacking in the current system:

- **More nuanced measures of success:** Targets, KPIs and incentives are linked to binary achievement of employment outcomes. Measuring and celebrating a wider set of progress markers could incentivise job agents to help job seekers in a more holistic way.
- **Stronger connections to employers:** There is a need for stronger incentives for employers to engage with service providers and to support job seekers as they transition into mainstream employment (e.g. by changing to the conventional working week or providing structured training). The current incentives (wage subsidies) are ineffective due to limited employer uptake of these initiatives. Wage subsidies may also backfire as they can signal that eligible job seekers are of a 'lower quality' than other candidates.

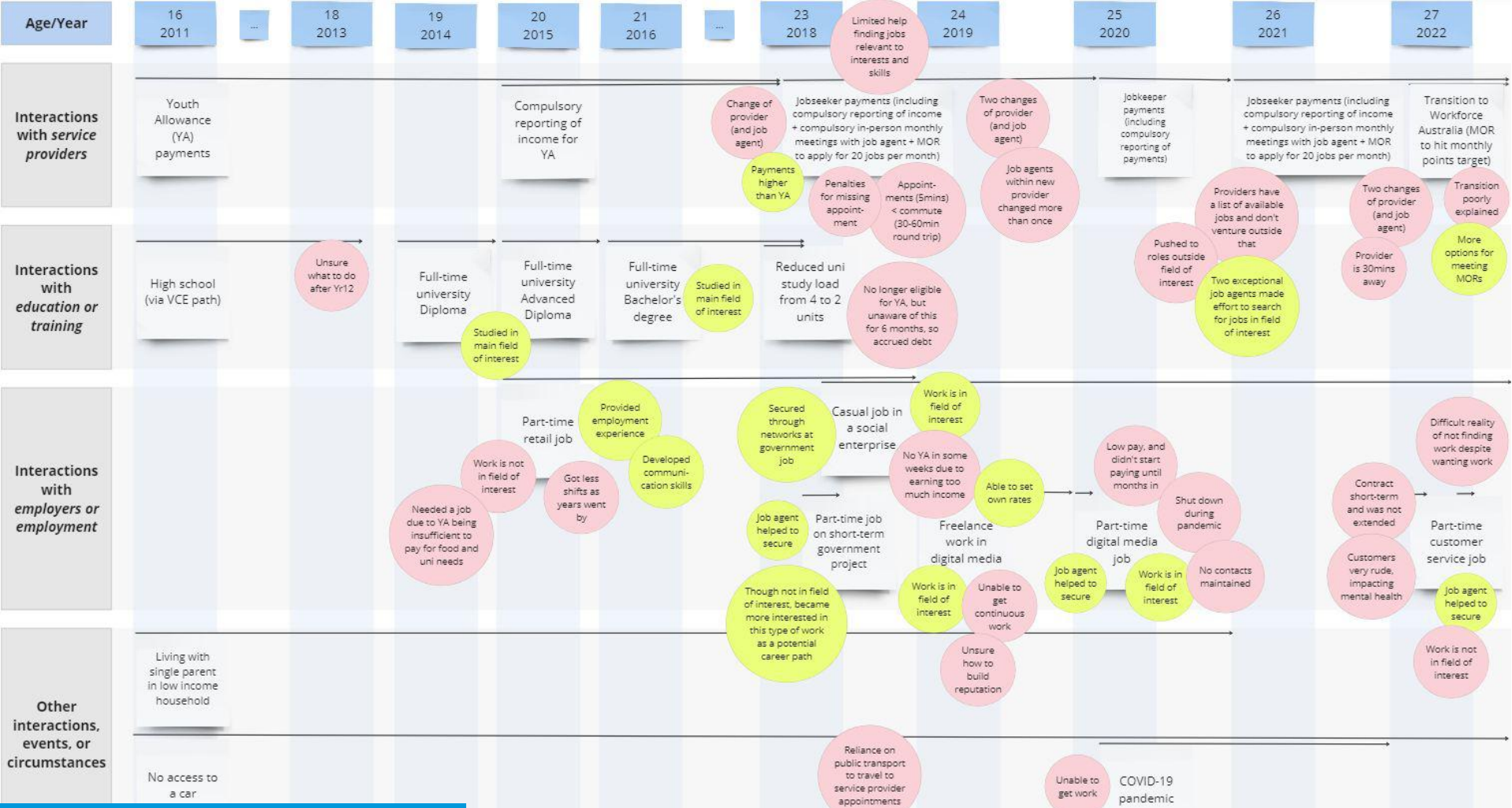
# Overview of individualised job seeker journey maps

Over the next two pages, we present two job seeker journey maps, each of which represents the individual experience of a job seeker aged 25-30 who has engaged with the employment services system since adolescence. Each map was co-designed with the corresponding job seeker to give prominence to their voice and lived experience. These journey maps are not intended to be representative. On the contrary, they serve as examples to showcase the unique and often non-linear nature of each job seeker's individualised experience.

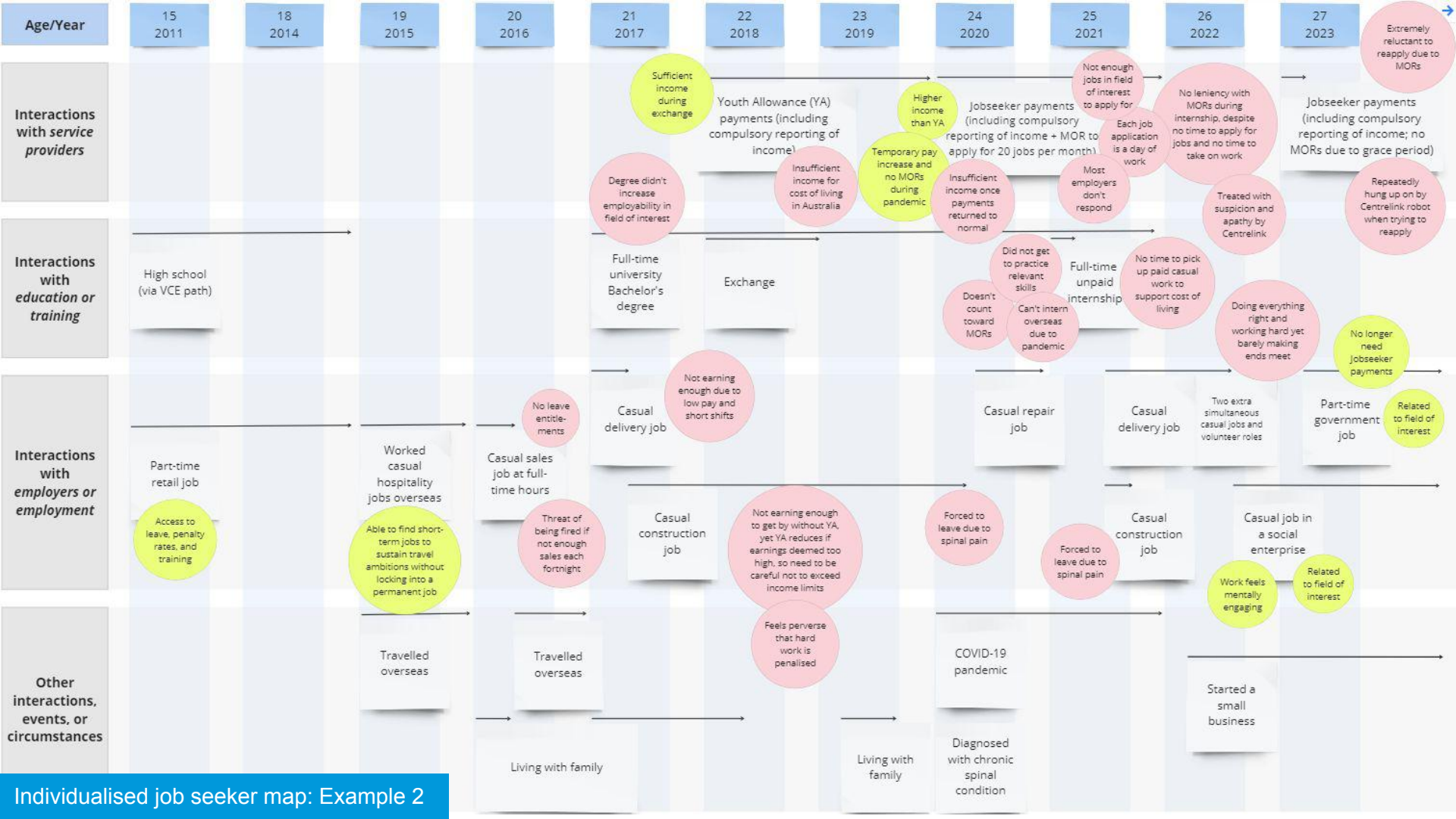
## Key of elements on each journey map:

-  Events
-  Highlights / Positive experiences associated with an event
-  Lowlights / Negative experiences associated with an event
-  Approximate duration of the event, relative to other events in the map.





Individualised job seeker map: Example 1



Individualised job seeker map: Example 2



# Transition to Work (TtW)

# Overview of sites we visited

We visited three TtW sites across New South Wales, Victoria and Queensland. All three of the TtW providers that we visited were nonprofits and also delivered other employment services programs (such as state-based programs). All three providers also operated out of youth hubs, which are spaces that are intended to attract young people to visit, socialise, participate in activities and to simply hang out. We deliberately visited sites that deliver TtW services in innovative, co-designed ways, and therefore the insights from our fieldwork cannot be reflective of all TtW providers.

At each TtW site, we conducted a number of semi-structured interviews with staff and managers, as well as opportunistic interviews with job seekers. In addition, we conducted one-hour in-depth virtual interviews with seven young people and two of those participants were currently participating in TtW.

Many young people that we spoke to during interviews and fieldwork were classified as Not in Education, Employment or Training (NEET). Some young people were studying or working, however, they were still receiving income support payments and still had MORs to meet. Some young people had exited and re-entered the system multiple times as they cycled through periods of unemployment.

## Our description of one of the TtW sites that we visited during our fieldwork:

We enter a vibrant space where a dozen young people are immersed in games of pool and cards, eating sandwiches and making coffee from an espresso machine, while pop music plays in the background. A staff member proudly shares that this youth hub was recently created and co-designed with young people, aiming to provide a safe and positive environment for young people to hang out. There is a clothing rack stocked with donated work outfits, accessible to anyone who needs them. The main room is large, light and open, with floor-to-ceiling windows and pastel green walls. There are small private meeting rooms, which have round tables for one-on-one conversations, rather than centred around a computer screen. There are larger rooms for workshops, with a session on identifying personal strengths taking place in one of these rooms. One young person reveals how useful their job coach has been in supporting their wellbeing, mental health and housing issues, and even driving them to appointments. They flag that access to transport is a major issue. Another young person shared they have to take a bus for an hour to reach the hub. A third participant shares that while the holistic wraparound support is incredibly valuable, they felt that more job-ready young people would benefit from more help applying for work and connections to employers.

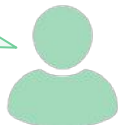
*“The hub is open to all young people. It’s a safe place for them. There are no wrong doors here .. the more time young people spend here, the more opportunities there are to support them” - Centre manager, TtW provider*

# Interactions between job seekers and job agents



*"We have mutual respect... and care about each other's feelings" - TtW participant*

*"[My job agent] always checks in about my wellbeing... It's very comforting." - TtW participant*



*"[Being offered mental health support] was very, very helpful... I'm now in a much better mindset to look for work." - TtW participant*



## What do appointments with service providers look like?

- **Longer and more flexible appointments compared to Workforce Australia:** Appointments typically last 30–45 minutes and are scheduled either weekly or fortnightly. The duration and frequency of these meetings vary to suit the specific needs of the job seekers. When individuals require more immediate and intensive support, longer and more frequent appointments are arranged to cater to their acute needs. Job seekers can sometimes choose where they prefer to conduct their appointments.
- **Youth hub environments boost social interactions with peers:** Spaces are co-designed with young people, fostering engagement and social interaction among peers. Most providers we visited offered amenities like games, food, music and comfortable furniture.
- **Support is human-centred and strengths-based:** Job agents offer personalised support that is tailored to each individual, focusing on their strengths and using positive and affirming language to foster confidence.
- **Sessions focus on coaching and soft skill development:** Providers often offer on-site workshops aimed at skill and qualification development, alongside one-on-one coaching and mentoring sessions. Most job seekers responded well to this approach, although some job seekers would prefer a stronger focus on practical job search activities.
- **Digital support is offered:** Some providers offered live-streaming of face-to-face workshops, allowing young people to participate from home.
- **Proactive assistance with non-vocational barriers:** Youth hubs provide services and resources that address mental health, housing and transport issues. For example, one provider gave transport vouchers to assist job seekers to attend interviews and training.
- **Relationships and rapport-building is prioritised:** Job agents regularly follow-up on the wellbeing of job seekers, and create space during appointments to foster trust and rapport.

# Barriers and behavioural drivers for job seekers

## Reasons that young people enter and remain in TtW

Below, we outline key reasons why TtW participants enter and remain in employment services. These factors often interact dynamically, with some leading to others and some co-occurring within groups. For instance, some young people shared that unstable housing and mental health challenges co-occurred during high school years, contributing to a lack of work experience, ultimately impacting their professional networks and knowledge or interest in career pathways.

- **Young people experience multiple, compounding non-vocational barriers:** Challenges with mental health, housing, finances and transport in teenage years can lead to disengagement with employment and education. These experiences influence and overlap with each other.
- **Networks are largely undeveloped:** Many job seekers had little to no social or professional networks.
- **Suitable roles are unavailable:** Employment opportunities are scarce for individuals with limited work experience, particularly for young people seeking roles in niche or competitive industries (e.g. in creative or design industries).
- **Reliance on benefit payments may prolong time in system:** Some may remain engaged with the employment services system to continue receiving income support payments.
- **Young people can get stuck in casual roles with insecure working conditions:** Young people in casual roles may not be guaranteed predictable and ongoing work, and may rely on income support payments to supplement their wages. Cycling between insecure roles can also stagnate career progression.

## What drives job seeker behaviour?

### MORs

- **Allowing job seekers to co-design MORs makes them more meaningful:** Job seekers choose from a range of activities to meet their 25 hours of MORs, including attending workshops, counselling or training. Trusting job seekers to manage their own activities makes them feel respected, increases their sense of agency and gives the MORs greater meaning.

### Relationships

- **Job seekers can feel a sense of reciprocity towards job agents:** Job seekers are motivated to meaningfully engage in programs and activities when they have a positive rapport with their job agent. Some reported their job agent goes above and beyond to create employment or training opportunities that aligned with their personal interests. In response, many expressed a desire to not let their agent down.

### Motivations

- **Goal attainment creates a sense of progression:** Job seekers are given an opportunity to complete a variety of programs, workshops and qualifications. They feel a sense of accomplishment and progress as they complete elements of the program and progress towards their longer term employment goals.
- **Involving young people in key decisions leverages the endowment effect:** The endowment effect is the human tendency to attach more value to items we own or have helped create. Job seekers co-design many aspects of their experience in TtW, including who, when and how they meet with their job agent and even what TtW provider environments look like. This involvement in the design process makes their experience of employment services more meaningful.

# Experiences, capabilities and behavioural drivers of staff

## What are the experiences and capabilities of staff?

TtW staff were referred to as 'job coaches' (though we have used the term 'job agent' in our reporting below for consistency). This language emphasises that staff see themselves as playing a supportive role.

Across the three TtW sites we visited, we observed a number of similarities in staff motivations, skills and capabilities, including:

- **Staff have a strong desire to help people:** Many staff find meaning and purpose in providing holistic support to job seekers.
- **Staff tended to be younger, and some had lived experience:** Many of the frontline (non-managerial) staff that we met during our fieldwork tended to be early to mid career, and appeared to be under 35 years old. Some staff members reported that they had lived experience of employment services or faced other non-vocational barriers.
- **Staff tended to have relevant experience to engage young people:** Some staff had previously worked as social workers or youth workers and were well-equipped to engage with young people with complex needs. However, they had relatively less experience helping people to find work and had less knowledge of the local labour market.
- **Staff participated in professional development and training:** In addition to on-the-job training and induction, staff tended to engage in external development opportunities, such as training facilitated by the Brotherhood of St Laurence.
- **Some staff were employed in specialised roles:** Some staff at TtW providers were engaged as specialists, such as counsellors or Indigenous Employment Coaches, to provide targeted support to job seekers with particular barriers.

## What drives staff behaviour?

### KPIs and payments

- **Individual staff KPIs can motivate and direct staff behaviour:** Staff at some TtW providers have targets that relate to educational or employment outcomes, and some providers incentivised these targets with benefits such as providing an additional day of annual leave.
- **Recognising participant progress beyond employment outcomes:** Staff told us that holistic progress (for example, increases in confidence or engagement) is discussed in an informal way at staff meetings or when talking with colleagues about a particular participant.
- **TtW providers receive both upfront funding and outcome payments:** Upfront payments means that job agents have access to a larger pool of funding to support job seekers, and there are less restrictions on the items that funding can be used for. Outcome payments, similarly to individual KPIs, motivate staff to achieve educational or employment outcomes.

### MORs

- **Autonomy and flexibility regarding MORs reduces red tape:** Given the flexible MORs for TtW participants, and the commensurate flexibility in service provider reporting requirements, job agents had the time and space to support job seekers in a more holistic way, beyond just job search activities or reporting.

### Resources

- **Providers develop bespoke tools to triage job seekers:** Each provider developed their own framework to evaluate and triage participants based on job readiness. The outputs of the tool informed strategies job agents used with job seekers.

# Challenges and opportunities for improvement

One participant we met during fieldwork said that: *they like the focus on soft skills and building confidence, but hopes the the focus will turn to practical employment outcomes soon.* - TtW participant



When asked how they would improve the system, one staff member said, *“Better community engagement. There are no services, or limited services, that actually link young people with social workers or housing... and we need to ensure there are consistent programs [that don't get their funding pulled].”* - TtW staff member



One TtW staff member said that: *employers need to offer more experiential work opportunities that are covered by the federal government, and there is a need to create pre-employment programs that are co-designed with young people, as TAFE is now quite rigid and inflexible.* - TtW staff member



## Pain points from TtW participants' perspectives:

- **Some job seekers want less focus on building soft skills:** Although the holistic focus of TtW activities tends to benefit many young people, some job seekers are eager to start work immediately and can feel frustrated by the strong focus on building soft skills.
- **Job seekers may face barriers in travelling to their local provider:** There is only one TtW provider per employment region, which can cover a large area, particularly in regional and rural areas. Young people can live hours away from their local provider.
- **Lack of access to transport can present a barrier to employment:** Young people can face transport barriers, including not having a driver's licence or car. While some TtW providers offer public transport vouchers or driving lessons, they are less able to assist with supporting young people to get access to cars and lack other services to refer young people to for this.

## Pain points from TtW providers' perspectives:

- **Lack of evidence about what works:** Despite plenty of anecdotal evidence about the effectiveness of some of their activities and strategies, providers have limited capabilities, tools and incentives to effectively measure and evaluate their programs.
- **Wraparound support services can be difficult to access:** TtW job agents try to refer young people to wraparound support services. However, services can be difficult for young people to access due to long waiting lists or funding changes that impact service delivery.
- **Young people may not be aware of TtW or its benefits:** Job seekers may not be aware of what TtW is or how it differs to Workforce Australia, and therefore may not opt to participate in TtW.
- **Some young people slip through the gaps:** There are limited communication channels to reach young people who leave school and do not receive income support payments, who could participate in TtW as volunteers. Volunteer participants can also disengage prior to their first appointment and TtW providers have no mechanism to encourage their attendance.
- **Lack of employer engagement:** Employers may not engage with TtW providers, making it difficult to connect young people to work or training opportunities. Additionally, some job agents have limited knowledge of the local job market and employment pathways for job seekers.

# Job seeker and staff views of meaningful support



*"When I was [self-managed online] with Workforce Australia I had so little support, absolutely nothing, it was very gruelling... But since going to a physical job provider [through TtW], I have found it so wonderful, it has been so extremely helpful to me." - TtW participant*

*"It's not the worst thing on earth. Once you find who you're comfortable with... you won't feel like a job is too much... they will help you find something you're going to enjoy." - TtW participant*



*"Participants being able to speak up and ask questions, [to] walk up to someone, even if it's a manager in the workplace or a volunteer place... [for example, when a participant goes from] having anxiety and then being able to approach or voice their needs, [when they] come from a place where they didn't have a voice." - Staff member, TtW provider*

## What meaningful support looks like from TtW participants' perspectives:

The following examples of meaningful support were commonplace at the TtW providers that we visited:

- **Providing support with non-vocational barriers:** Job seekers valued support addressing non-vocational barriers such as housing, mental health, transport, clothing and obtaining an ID.
- **Co-designing MORs to tailor them to individual goals and needs:** Job agents collaborate with job seekers on their individual goals, aspirations and strengths. They then co-create MORs that help job seekers to progress toward these goals. Flexible MORs can also create space for young people to pause job search activities when needed (e.g to focus on mental health challenges).
- **Trust from job agents fosters reciprocity in job seekers:** Gestures such as providing clothes or transport vouchers for interviews reinforce trust, prompting young people to reciprocate by actively engaging with the program in a positive manner.
- **Offering multiple engagement channels enhances accessibility:** While most appointments with service providers we visited were in-person, some activities were also available digitally.
- **Co-designed 'hubs' create welcoming environments:** The providers we visited delivered services out of co-designed youth hubs, and indicated that the space belonged to the job seekers. Some young people said they were "better than being at home."

## What meaningful support looks like from TtW providers' perspectives:

The following examples of meaningful support sometimes occur and could be scaled up:

- **Collaboration and referral to other providers:** The three providers we visited embraced a "no wrong door" policy, readily referring job seekers to other providers if appropriate. Moreover, TtW providers actively exchanged learnings and advice with other service providers.
- **Job agents possess diverse skill sets:** Job agents have specialised experience in fields like youth work or mental health support. They engaged with job seekers on a wide range of activities beyond MORs (e.g. building health behaviour habits), thereby honing a range of skills on the job.
- **Funding enhances flexibility:** Upfront provider funding allows them to invest in resources to benefit job seekers. For example, youth hubs offer ample staff, free food and spacious facilities. Job agents could also utilise funding for items like driving lessons or uniforms for participants.





# Overview of sites we visited

We visited two social enterprises and one experiential training provider (ETP)\*. These two types of organisations are not strongly linked with the employment services system. However, we visited these locations to understand what ‘good practice’ looks like when supporting individuals with complex needs to adjust to employment.

Social enterprises often have dual missions. They are viable businesses that also address social problems, improve communities and provide employment and training. These enterprises create employment opportunities specifically for socially-disadvantaged individuals and help them take steps towards better career prospects.

Experiential training providers (ETPs) offer intensive programs that focus on specific industries. ETPs provide hands-on training for participants and also provide support to help participants overcome other challenges they may face in life.

Although social enterprises and ETPs are quite different, we noted some strong similarities in their approaches and pain points, and have therefore reported the findings together.

\* The term ‘experiential training provider’ is a term we have used in this report, but is not a common term in the employment services system.

## Our description of one social enterprise that we visited during fieldwork:

We enter an old industrial building with high-ceilinged meeting rooms that overlook a large open warehouse space. Inside is the engine room of the business: an array of tools, workspaces, machinery and safety equipment. Young people in high-vis vests and hard hats move in and out of rooms, busy with their tasks. The daily group briefing is about to commence, where young people are assigned their duties for the day and safety matters are discussed. The young people appear eager and excited for their shifts, despite the rain beating down on the metal roof of the warehouse. Since their tasks are carried out outdoors, the meeting focuses on rain-related work health and safety procedures. Later, we chat with two passionate managers about the program. They emphasise the social enterprise’s strong mission focus. However, they caution that creating employment opportunities for disadvantaged young people can put pressure on the viability of their business. Before leaving, we meet an employee who graduated from the program. He acknowledges the support that helped build his confidence and skills along the way. We could see, in at least in this one employee, the enterprise is creating real opportunities for young people facing challenges who otherwise wouldn’t get a chance at employment.

*“We allow them to start with very easy, entry-level positions with reduced hours to build healthy habits and confidence. We typically lose money on these roles.” - Social enterprise staff member*

# Interactions between participants and staff



*“We’ve designed a new four-week program, which includes a focus on physical exercise, health, nutrition, wellbeing, teamwork and confidence, plus some mentoring. It’s for ages 17-35, long-term unemployed. And we build up the hours and days over the four weeks”*  
- Staff member, ETP

*“Changing their mindset is most important... expectations for school and work are very different.”*  
- Staff member, social enterprise



*“These people [job seekers] are also typically ‘experiential learners’ who need hands-on experiences, not office or desk-based support and courses. They need what I call ‘pre-pre employment support’.”*  
- Staff member, ETP

## What do interactions with participants look like?

Interactions between participants and staff occur in a variety of formats, including structured meetings, workshops, on-the-job training and one-to-one career coaching or counselling sessions. Key ingredients of these interactions include:

- **A focus on building routines and habits:** Both social enterprises and the ETP we visited placed a strong emphasis on guiding participants to develop healthy workplace and lifestyle habits. This involved establishing routines for regular workplace hours and promoting health-related behaviours, such as positive sleep habits and good nutrition.
- **Ramping up responsibility over time:** Programs start with reduced hours and responsibilities for participants, offering scaffolding and support to ensure they cope effectively. Gradually, confidence and responsibilities are strategically built, enabling participants to eventually take on tasks and responsibilities necessary in mainstream employment.
- **Experiential training and on-the-job learning:** New skills are learned on the job via interactive in-person training and job shadowing with experienced professionals. This approach not only imparts practical expertise but also exposes participants to the day-to-day realities of worksites in different industries, offering valuable insights into the nature of various job roles.
- **Solve for employment first while providing wraparound support:** Both social enterprises and the ETP had a philosophy of solving for employment first. They believe that when young people secure stable jobs or training opportunities, the structure and routines create a better foundation to then address non-vocational barriers. In-house support and connections to external services are provided to support participants to tackle non-vocational challenges effectively.
- **Participants are prompted to consider their career aspirations:** A significant emphasis is placed on mentoring and career coaching to spark long-term career ambitions. Staff actively facilitate both internal and external pathways to employment in line with participants’ aspirations.

# Experiences, capabilities and behavioural drivers of staff

## What are the experiences and capabilities of staff?

- **Understanding social disadvantage fosters empathetic support:** Staff members demonstrate a profound understanding of the challenges job seekers face. Their empathetic support is informed by both current and past professional roles, including experience working at employment service providers and as social workers. Some social enterprise staff members also bring lived experience as former program participants, adding to their ability to connect and provide meaningful support to current participants.
- **Imparting extensive industry knowledge enhances learning outcomes:** Staff possess a wealth of knowledge, skills and wisdom to share with participants due to their previous work experience in the industry that the social enterprise or ETP focuses on.
- **Product and service innovation drives social enterprise longevity:** Social enterprises are agnostic about their offerings, as long as they create employment opportunities and are financially viable. This mindset fosters an environment of innovation, prompting staff to create new job roles and service offerings that fill gaps in the market and provides opportunities for those who need them.
- **Mutual respect fosters positive participant growth and development:** Staff believe that the “secret sauce” to achieving positive employment outcomes lies in building rapport with participants and treating them as equals. This approach creates a supportive environment that nurtures participant growth and development effectively.

## What drives staff behaviour?

### KPIs and payments

- **Mission-aligned KPIs and quotas guide organisational behaviour:** Social impact KPIs incentivise and direct mission-aligned organisational decisions and activities. For instance, targets related to the proportion of participants who are NEET or from socially disadvantaged backgrounds ensure a minimum representation from these groups in the employment or training programs.
- **The dual need to achieve social impact and profit can be challenging for social enterprises:** Achieving both social impact and a self-sustaining profit margin poses challenges. Social enterprise staff feel that some contracts or elements of their program achieve one goal at the expense of the other.

### Evaluation

- **Evaluating programs drives continual improvements and attracts funding:** Some organisations measure their programs against objectives and track employment outcomes. These results can be used to inform program improvements or changes to staff behaviour. Evaluations can also be used to attract funding, which alleviates pressure on making a profit.

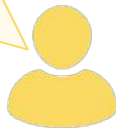
### Motivation

- **Staff are intrinsically motivated by the mission of the organisation:** Staff are proud of the organisation that they work for and are passionate about supporting disadvantaged individuals in their community.

# Challenges and opportunities for improvement

*"Many people now have complex barriers they need to address... Many have become increasingly socially isolated and lost confidence after months of rejection... They're not ready to complete training on offer such as free TAFE courses."*

- Staff member, ETP



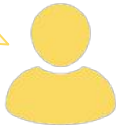
*"[One of our lines of business] is a loss leader. We lose money but it achieves huge employment outcomes."*

- Staff member, social enterprise



When asked about what they would do differently in the system, a manager said *"I'd love to have a cafe and a hotel, a place where young people can make their own food, a place to sleep for the night, and access to a counsellor."*

- Manager, ETP



We heard that *"[Workforce Australia] providers send people here that they don't know what to do with" and since the change of contracts in July 2022, the relationship between the ETP and service providers has broken down.*


- Manager, ETP



## Pain points from the perspective of staff from social enterprises and ETPs:


- Persistent non-vocational barriers of participants pose ongoing challenges:** Many participants in both social enterprises and the ETP face ongoing non-vocational barriers to employment, such as unstable housing, poor mental health or no driver's licence or car. While the organisations do provide some wraparound support, addressing these issues often requires in-depth investment of time and resources, which often falls into the remit of other services. There are challenges in accessing other wraparound support services, including a lack of a streamlined process for referring participants, limited services in the local area and long waiting lists.
- Challenges with being profitable can impact social impact focus:** Social enterprises can face challenges in consistently achieving social impact while maintaining financial viability. Although the social enterprises we visited appeared to manage this trade-off well, one described experience of taking a financially attractive contract that resulted in poorer working conditions for participants.
- Administrative burden of applying for government funding can discourage applications:** Although government funding has the potential to alleviate pressure on achieving a profit, the process of applying for funding - which is not guaranteed - followed by ongoing reporting requirements can dissuade social enterprises from applying.
- Disconnection with mainstream employment services system stifles system collaboration:** The social enterprises we visited were sceptical of employment services providers who prioritise profit. Similarly, since the introduction of Workforce Australia in July 2022, participation in the ETP is no longer approved as an activity that job seekers could report as part of their MORs. The lack of trust and interaction with the mainstream employment services system limits potential sources of funding, recruitment of participants and the potential for mutually beneficial collaboration at a system level.
- There is limited support in building capacity for evaluation:** Social enterprises, especially small organisations, often lack in-house resources and/or expertise regularly collect and evaluate performance data. Although some organisations currently do this, the practice is not widespread. Limited widespread knowledge and capacity for measurement and evaluation reduces the availability of robust evidence of what works.

# Staff views of meaningful support




*"The program allows young people to build transferable skills, work experience and confidence. All of the main learnings are on the job. They learn transferable skills while they're out [working]: time management, dealing with stress, confidence and planning for transport, on top of the [technical] skills."*

- Staff member, social enterprise




*"The key to [participant] longevity is treating young people like adults, with real wages, real jobs and real responsibilities."*

- Staff member, social enterprise



*"Work is a source of dignity, identity, and provides money to live... the key thing these people need is life skills and support with confidence and connections."*

- Staff member, ETP



*"Changing the mindset is the most important... expectations for school and work are very different... It's an eight-week program, long enough to embed habits."*

- Staff member, ETP

## What meaningful support looks like from social enterprise and ETP staff perspectives:

The following examples of meaningful support happen sometimes at social enterprises and ETPs, and where possible should be scaled-up.

- Providing multiple chances for participants to re-engage provides a safety net:** Organisations provide multiple chances for participants to fail or disengage, that are often not available in mainstream employment. This provides participants with a safety net while they address other non-vocational barriers, and also helps participants to build their confidence and self-efficacy.
- Gradual focus on building habits helps participants become work-ready:** Programs are designed to gradually develop and build participants' skills and confidence. This is particularly effective for those with no prior work experience and those who have complex needs. The end goal is for participants to take on tasks and responsibilities required in mainstream employment.
- Internal employment pathways provide opportunities for participants:** The social enterprises crafted roles for participants to enable them to transition to other areas of the business. This contributed to the career progression of the participant, and also meant that programs were designed and delivered by individuals with lived experience to the benefit of other participants.
- Empowering participants through real jobs and responsibilities:** Social enterprise participants are treated "like adults", paid award wages\* and entrusted with real work responsibilities. The ETP also treated participants as equals to staff, offering multiple chances while holding them accountable for their actions, such as attendance punctuality. The combination of expectations and support empowers participants.
- Providing a social environment boosts social connections:** Organisations facilitate a positive environment to help participants collaborate with peers and build social support networks.
- Solve for employment first while providing support:** Programs are designed to provide training and employment opportunities. This provides a stable foundation to allow other non-vocational barriers to then be addressed. One of the social enterprises we met described this approach as "real life work with extra support".

\* Participants at one social enterprise were given award wages from the outset. At the other, participants started as volunteers and graduated to receiving wages after they meet certain eligibility criteria.



# Leverage points and next steps

# Overview and next steps

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This section summarises the key leverage points that provide fertile ground for interventions. Leverage points are strategic points or places within a system where a small, well-targeted change can lead to significant and influential results. Leverage points therefore highlight where interventions or actions can have a disproportionate impact on the overall outcome or behaviour of the system.

The leverage points discussed in this section are informed by our understanding of both pain points that can be resolved and successful aspects that can be expanded. The leverage points have been categorised according to the primary actor who will be influenced, namely:

1. **Service providers**
2. **Job seekers**
3. **Employers**
4. **The system**

**Next steps for the project:** These leverage points will provide the foundation for co-design workshops that will be delivered in the next phase of the project. We will engage with job seekers, service providers, experts and stakeholders, to collaboratively co-design solutions that could be tested and implemented. The focus of the solutions is to identify changes, programs or services that would enable young people and parents to be better supported by the employment services system and enable them to obtain meaningful employment.

This project will culminate in the development of implementation and evaluation plans. These plans will outline the approach to develop and pilot a select number of prioritised solution ideas.



# Leverage points: Service providers



## Provider compliance and contract management:

The current approach to managing employment services contracts is rigid and complex. There is an opportunity for the procurement process and ongoing contract management to employ a 'flexibility within fidelity' approach. This approach would give service providers overarching guidelines but provide sufficient flexibility and discretion within those boundaries. Additionally, incorporating more upfront funding (in addition to performance payments) would provide additional resources for service providers to invest in opportunities or other supports that would benefit job seekers.



## Definitions of success and performance incentives:

The current measures of success are blunt. Success metrics focus on the binary achievement of employment outcomes and most provider incentives are linked to these outcomes. Although Progress Payments have recently been introduced to incentivise a focus on non-vocational barriers, these are insufficient to cause service providers to shift their focus away from narrow employment outcomes and toward more holistic support. There is a need for more nuanced measures of success, such as recognising human capability building or progress toward solving non-vocational barriers to employment. The incentives for service providers to achieve holistic measures of success need to be designed carefully to ensure they are effective. Measuring progress on a broader set of measures has the added benefit of highlighting progress to job seekers, which can help boost their morale and motivation.



## Service provider environments and offices:

Service providers in Workforce Australia, ParentsNext and DES that we visited tended to have bare, almost clinical environments. Appointments took place in open-plan offices and environmental signals (such as the waiting area) reinforced that the space 'belonged' to the staff. In comparison, the TtW youth hubs were highly engaging and welcoming, and were clearly co-designed with the job seekers. There is an opportunity for service providers to create more welcoming environments and to have fit-for-purpose spaces – for example, spaces to facilitate social connection with peers, or spaces to build skills to help job seekers prepare for employment (such as a cafe space to help job seekers to build hospitality skills, as one TtW provider had).



# Leverage points: Job seekers



## Mutual obligation requirements (MORs):

The MORs for job seekers in Workforce Australia and DES are rigid and standardised, and are highly focused on job search activities. However, the MORs for TtW participants are much more flexible. This flexibility allows job seekers and job agents to co-design activities that meaningfully support the participant on the path to employment. There is an opportunity to use the TtW approach to MORs in other programs, including Workforce Australia, ParentsNext and DES. Flexible MORs could help job seekers to focus on activities that help address non-vocational barriers to employment, or to participate in pre-employment programs that gradually build up their routines and confidence (such as the program delivered by the ETP we visited).



## Effective triaging and tailoring of support:

Many service providers triage job seekers based on job readiness, but the rationale behind the segmentation is unclear to job seekers and tends to vary between providers. There is an opportunity to give tools and guidance to service providers to help them to triage job seekers and to use these tools to inform the strategies used to support job seekers. Such tools may also make effective use of data in the system, including behavioural data (e.g. levels of job seeker engagement with communications or activities) to enable a personalised experience for job seekers.



## Support in navigating and accessing different services:

There are a range of programs and services available to support job seekers, including young people and parents. However, job seekers may not be aware of the services that could support them, and few service providers are able to help job seekers to access these services. Additionally, accessing these services is complex due to different entry points and eligibility criteria. There is a need for a structured process for service providers to be able to refer job seekers to programs that could help with their unique needs. There is also a need for those services to be appropriately funded and accessible.



## Tapping into the power of social networks:

The current employment services system takes a very individualistic approach to supporting job seekers, and fails to tap into the power of relationships and social networks. Some TtW providers have seen positive results from creating youth hubs and actively facilitating connections between participants. There is an opportunity to harness the power of social networks when supporting job seekers in other programs. This might include asking job seekers to nominate a “supporter” to be involved in appointments (such as a friend or family member), or by equipping service providers to deliver group activities (e.g. ParentsNext providers could bring together groups of parents in the same way that TtW youth hubs bring young people together).

# Leverage points: **Employers**

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## **Structured involvement of intermediaries and social enterprises:**

Employers strongly prefer to recruit individuals who are job ready and experienced. Many employers lack the resources, time, capability or willingness to support job seekers to transition to mainstream employment, particularly individuals with complex needs. Intermediaries, including experiential training providers (such as the ETP we visited during our fieldwork), [group training organisations](#) (Australian Apprenticeships, n.d.), [sector strategies](#) (MRDC, 2020) and other pre-employment programs can help job seekers to develop skills and routines to help them transition to mainstream employment.

Additionally, social enterprises can play an intermediary role, as they can act as a stepping stone to mainstream employment. Job seekers are able to gain valuable hands-on work experience at social enterprises while receiving support (including coaching, or connection to wraparound services) and flexibility (including flexible start and finish times, or a flexible range of job tasks aligned to their skills and strengths).

There is an opportunity to embed intermediaries and social enterprises into the employment services system in a more structured way, so there is a clear pathway for job seekers to progress to mainstream employment.



## **Support and incentives for employers to change work practices:**

Employers often report they don't have the time or resources to provide training and support to help individuals transition to mainstream employment. This includes providing experiential work opportunities. Additionally, many employers are reluctant to change their current work practices to be more accommodating to the needs of different groups of people, including working parents. There is a clear need to support employers to be able to provide training or to change their workplace culture, and a need to carefully design incentives to encourage them to engage with such initiatives, as it is far easier for employers to keep doing what they are doing.



## **Stronger connections between employers and service providers:**

Very few employers currently engage with service providers. Employers tend to hold negative attitudes toward service providers and the job seekers that they refer. Wage subsidies offered to employers may have unintended consequences, such as providing a negative signal to the 'quality' of the job seeker. There is a clear opportunity to better connect employers and service providers, and employers with job seekers, and to incentivise employers to do so. Co-designing the incentives and process with employers will likely result in better outcomes and higher levels of employer engagement.

# Leverage points: **The system**

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## **Building and sharing evidence of what works:**

There is a lack of understanding and evidence about what approaches work, when and for whom. Coupled with this is the lack of capability among service providers to test and evaluate different approaches, as well as the use of blunt measures of success (as previously discussed). There is a need for system-wide support to help service providers and other system actors to measure the effectiveness of their approaches beyond the achievement of employment outcomes, to use that data to inform changes in their approach and to share lessons learned with other providers.



## **Reducing competition and creating knowledge-sharing mechanisms:**

The competitive nature of delivering most employment programs is a key barrier to collaboration among service providers. TtW is a non-competitive contract and there is only one provider per region, which may be one of the reasons that some TtW providers collaborate or to refer job seekers to other services and providers. Local employment facilitators can help connect and broker connections between service providers, which would be more effective if service providers are able to more freely engage in collaborating with other organisations. There is a need to reduce competition among service providers to facilitate stronger knowledge-sharing.



## **Elevating job seeker voice and choice:**

Policies, programs and services that are designed to support job seekers have been traditionally been developed in a top-down way, with little meaningful co-design with job seekers themselves. Job seeker feedback is rarely collected, and it is unclear if feedback is used to inform program changes. Finally, job seekers report that they are rarely consulted about changes that affect them, such as when they are told about their MORs or when they change service providers or job agents. There is a need for job seekers to be more strongly involved in the design and development of policies, programs and services that are intended to support them. There is also a need to empower job seekers to be actively involved in making choices that affect the support that they receive.



# Appendices

# References

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# Research questions for Explore research

The table below includes the overarching research questions which were used to guide our Explore research. We took a semi-structured approach to conducting the research, and therefore adapted our questions in response to the inputs we received from participants and people we spoke to.

| Virtual interviews with job seekers  | Fieldwork visits (including service providers and social enterprises / ETPs)   |
|--|--|
| <ul style="list-style-type: none"><li>• How do job seekers experience the employment services system (esp. their interactions with service providers and any mutual obligation requirements)?</li><li>• What do job seekers see as the key circumstances that drive entry into the system, or that make it hard to exit?</li><li>• What are job seekers' views on what meaningful employment support would look like for them?</li></ul> | <p><b>Interviews with job seekers:</b><br/>Same as virtual interviews with job seekers, namely:</p> <ul style="list-style-type: none"><li>• How do job seekers experience the employment services system (esp. their interactions with service providers and any mutual obligation requirements)?</li><li>• What do job seekers see as the key circumstances that drive entry into the system, or that make it hard to exit?</li><li>• What are job seekers' views on what meaningful employment support would look like for them?</li></ul> <p><b>Interviews with job agents and senior staff:</b></p> <ul style="list-style-type: none"><li>• What are the daily experiences of staff?</li><li>• What are the motivations and capabilities of staff?</li><li>• How do staff with employers and other service delivery organisations?</li><li>• What are staff members' views on what meaningful employment support would look like?</li></ul> <p><b>Observations:</b></p> <ul style="list-style-type: none"><li>• How do job seekers and staff behave, and interact with each other?</li><li>• How does the physical environment help/hinder these interactions?</li></ul> |



# Get in touch

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