

Inquiry into Workforce Australia Employment Services

Navitas submission
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Submitted on behalf of Navitas by:

Simon Finn – Head of Government Relations and Strategic Engagement

(E) simon.finn@navitas.com

(M) 0408 709 148

Executive Summary

Navitas is a leading Australian provider across higher education, training and employment services and has a unique position in the Australian employment landscape

Navitas is an Australian education company that was founded in 1992 that is now a global leader in the delivery of education and training. Navitas, through Navitas Skilled Futures, delivers settlement English, language, literacy, numeracy and digital skills (LLND skills) and Foundation Skills programs to people from a culturally and linguistically diverse backgrounds (CALD) background and more recently to jobseekers. Navitas delivers a number of programs that are part of the broader Workforce Australia system or interact directly with it. This includes the Employability Skills and Training (EST) and Career Transition Assistance (CTA) program which are directly in scope for this inquiry. Navitas Skilled Futures also delivers the Skills, Education and Employment (SEE) and the Adult Migrant English Program (AMEP) which are identified as 'complementary' programs to Workforce Australia.

We share nine key insights on our experience with Workforce Australia employment services

Navitas supports the first principles approach to the inquiry in order to deliver better outcomes for job seekers and employers. This provides a valuable opportunity to reassess whether the employment services model is for those that are unemployed and seeking work.

Based on our experience in working with Workforce Australia we share some key insights:

- **Workforce Australia does not integrate well with existing foundation skills programs or local place based responses.** There is misalignment between local place based responses and Workforce Australia. Greater use of innovation projects could support strong local and place based initiatives.
- **Navitas has experienced significant challenges with the implementation of the Workforce Australia model.** This includes due to significant challenges resulting from changes to its referral networks due to significant changes in service regions and providers. This may have resulted in jobs seekers not accessing the foundation and employability skills supports they require.
- **Self referrals is an existing part of the system that is challenging.** Government should take steps to restrict self-referring for education and training programs as this is not in the best interests of the clients and can result in a mismatch with their training requirements. For this reason, 'service bundling' is also not an effective model for delivery of training and should not be pursued. Despite challenges in this area, Navitas does not believe that behaviours such as 'creaming' and 'parking' are inherent in private delivery models.
- **Eligibility means that many refugees and migrants that would benefit from foundation and employability skills are not able to access it.** As such there would be benefits in exploring whether eligibility can be extended or alternative programs can be developed.
- **Culturally and linguistically diverse clients face challenges in engaging with Workforce Australia.** This includes due to language barriers, culturally inappropriate services and challenges with mutual obligations and the compliance focus of Workforce Australia Employment Service Providers (ESPs). There can be challenges with adopting a 'work-first' approach with job seekers from migrant communities.
- **The interface with the AMEP can also be challenging.** Often ESPs providing incorrect guidance and information to clients that participate in both programs.
- **Existing employability and skills programs have distinct value and should be retained** – including the CTA, EST and SEE. Proposed changes to these programs would support them to deliver long-term and secure employment outcomes more effectively for participants.
- **'Human capital' focused supports should be prioritised over 'work first' approaches.** This should be considered in determining 'default' referral pathways to employability and skills training for job seekers as part of activation efforts.
- **Foundation Skills for Your Future is an effective program that supports the needs to employers and employees.** There are very limited existing connections between this program and Workforce Australia.

Navitas makes nine recommendations to the Inquiry to improve outcomes for job seekers

Based on Navitas' direct experience with Workforce Australia we put forward several recommendations – both related to specific programs but also on the system more broadly. A summary of these are presented below.

Figure 1 | Summary of recommendations made by Navitas

Identified issues	Navitas recommendation
<p>1. The underlying policy objectives for employment services</p>	<p>Recommendation 1. The program design of Workforce Australia should support improved linkages with existing Foundation Skills programs to ensure that clients can access these valuable programs and their participation is recognised.</p> <p>More broadly, the Australian Government should clarify the roles and responsibilities for Foundation Skills across levels of government (state and federal) and develop a coordinated and aligned approach to program delivery and funding.</p>
<p>2. The best operating structure for employment services</p>	<p>Recommendation 2. Remove the ability of Workforce Australia Employment Service Providers to self-refer to the same or related entities.</p> <p>Recommendation 3. Consider re-allocating responsibility for all accredited and non-accredited training to be separately managed by the Department of Employment and Workplace Relations and remove training from the scope of the Workforce Australia program.</p>
<p>3. Integration and support for local responses</p>	<p>Recommendation 4. Consider the use of Innovation Projects funding to support local and place-based initiatives through the Employment Facilitators and Local Jobs Programs.</p>
<p>4. Identifying and responding to the needs of jobseekers</p>	<p>Recommendation 5. Consider that refugees and migrants be referred by default to provider-led services – such as the Humanitarian Settlement Services and AMEP programs. This includes for the Workforce Australia, Transition to Work and possibly Disability Employment Services programs.</p>
<p>5. Enabling choice in the types of assistance</p>	<p>Recommendation 6. Retain and introduce the proposed changes to the EST, CTA and SEE program to increase their effectiveness in supporting Workforce Australia participants to gain secure and well-paid employment.</p>
<p>6. Helping job seekers into secure jobs</p>	<p>Recommendation 7. The Foundation Skills for Your Future program which to provide LLND support to employers should be more closely linked to Workforce Australia, while still separately managed, through post-placement support and incentives to connect employers with providers of the program.</p>
<p>7. Meeting employers needs</p>	
<p>8. Mutual obligations and activation</p>	<p>Recommendation 8. Re-state the ‘default’ referral programs for both the ESP and Digital Service streams ensuring that the default referral is into an education and training program that will better support skills development and more stable and secure employment outcomes.</p> <p>Recommendation 9. That the definition and application of mutual obligations be revised to ensure that it supports increased opportunity to access safe and secure employment and does not incentivise an undue focus on mutual obligation compliance by providers.</p>
<p>11. Research, evaluation and adaption</p>	<p>No recommendations, but Navitas are supportive of an increased focus on consistent and robust evaluation of the system.</p>

Navitas would welcome the opportunity to appear before the Inquiry to share our experience and insights on Workforce Australia.

Introduction

Navitas welcomes the opportunity to contribute to House of Representatives Select Committee on Workforce Australia Employment Services. The following submission outlines feedback from Navitas against the Inquiry's Terms of Reference and guide questions provided for submissions. Navitas would welcome the opportunity to appear before the Inquiry to share our experience and insights.

Navitas is a leading Australian provider across higher education, training and employment services

Navitas is an Australian education company that was founded in 1992. Initially aimed at delivering education programs to support students to successfully transition from a school environment to an Australian higher education environment, Navitas is now a global organisation delivering higher education to both domestic students and international students, delivering training programs and employment services programs in Australia. The full scope of Navitas' role across education, training and employment is summarised in Figure 2 overleaf. In this way Navitas is unique in Australia, with services spanning across the education and employment sectors, from foundation skills programs to postgraduate award degrees. Our response to the Inquiry reflects our experience in delivering education and training programs for over 30 years.

Navitas supports the first-principles approach to the inquiry to deliver better outcomes for unemployed persons and employers

The House Select Committee on Workforce Australia Employment Services was established to inquire into and report on matters related to Workforce Australia Employment Services and the supporting pre-employment and complementary programs that support it. This provides a valuable opportunity to reassess whether the employment services model is working those that are unemployed and are seeking work.

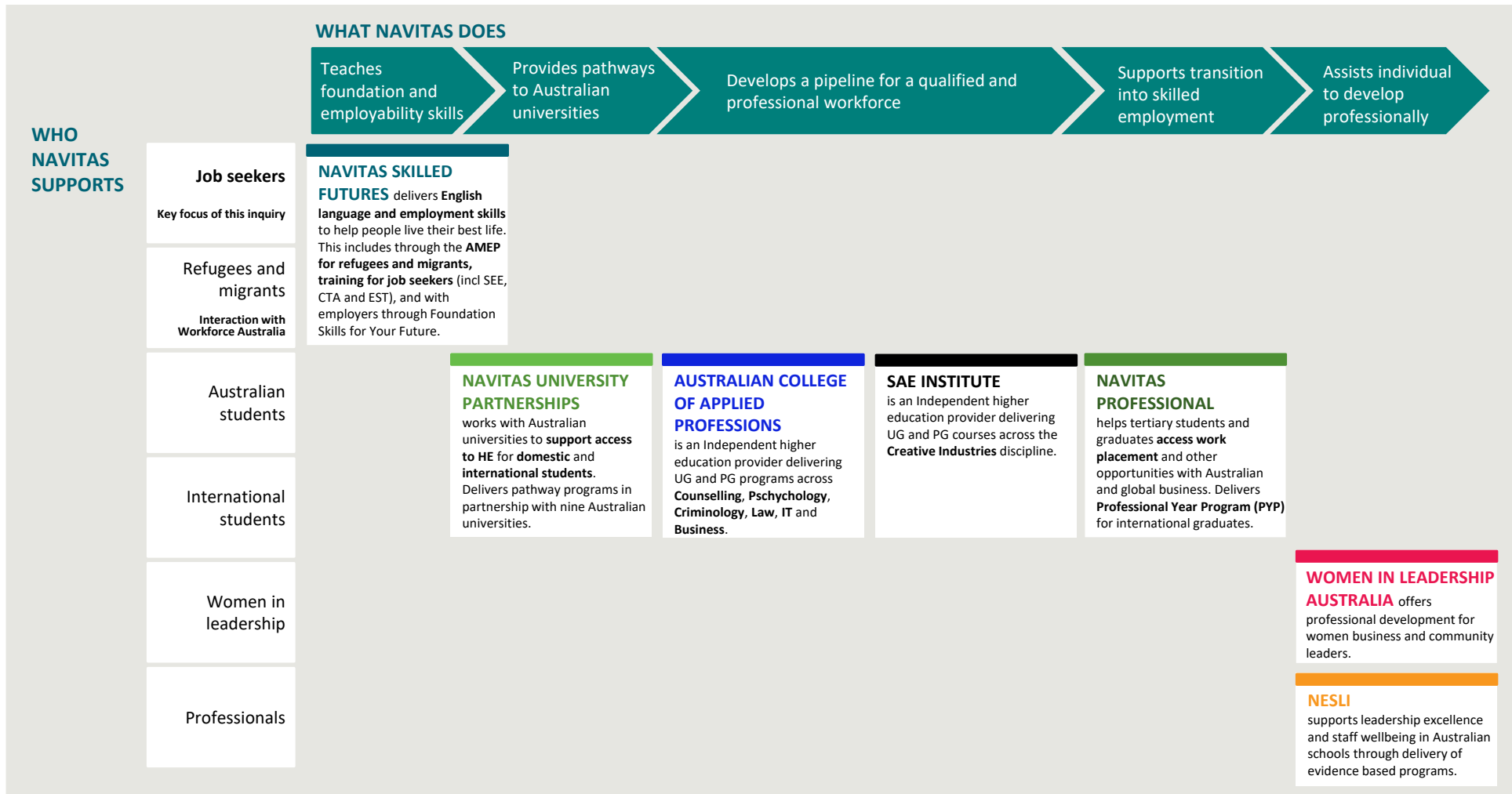
Unemployment, in its various forms, is a major social and economic cost that is borne by all Australians and Australian society more broadly. It is important that Australia has the policies and programs in place that minimise that cost to individuals and society and support employment opportunities for those that are able to work. The majority of Australians that experience unemployment will never use Workforce Australia services, as they have the agency, autonomy and skills to find employment independently. Workforce Australia, and earlier program iterations, represent an important safety net provided by government to meet the needs of jobseekers who are not able to gain employment on their own. The program needs to appropriately balance competing priorities. It needs to be efficient and effective, but also caring and respectful, as participants in Workforce Australia are often the most vulnerable members of our communities.

Navitas sees that the key vocational barriers to employment are low educational attainment, low levels of literacy and numeracy, limited digital skills and lack of post-secondary qualifications. Appropriately targeted and delivered education and training are therefore fundamental in supporting positive skills development leading to positive labour market outcomes for people that are not in employment. Ongoing emphasis on these areas are critical if meaningful support is to be provided to assist people in finding good, secure work.

Three principles therefore inform Navitas' work with job seekers:

- **Employment provides an individual with autonomy and agency to live their best life and contributes to a just, fair and well-functioning society.** Securing employment for those that are able to work is therefore the primary objective long-term objective of employment services programs.
- **There needs to be a focus on the 'upstream' determinants of unemployment.** Long-term and structural unemployment is usually the downstream result of individuals experiencing a range of vocational and non-vocational barriers. The system and supporting programs need to focus on the upstream policies and programs that can better address the barriers that lead to unemployment.
- **Investment in 'human capital' approaches deliver the strongest returns.** Education and training programs, including in delivering foundational skills, are the most effective and cost-efficient effective in supporting people that are not in work, including the long-term unemployed.

Figure 2 | Navitas' role across education, training and employment



Navitas Skilled Futures delivers a number of programs that are part of the broader Workforce Australia system or interact directly with it

Navitas, through Navitas Skilled Futures, has over 30 years' experience delivering settlement English, language, literacy, numeracy and digital skills (LLND skills) and Foundation Skills programs to people from a culturally and linguistically diverse backgrounds (CALD) background and more recently to jobseekers.

Navitas, through Navitas Skilled Futures, has delivered the Adult Migrant English Program (AMEP) since 1998. Over this period Navitas has provided settlement English training to over 300,000 newly arrived migrants and refugees settling in Australia. Some people participating in the AMEP are also Workforce Australia participants. The majority of our AMEP clients however are not participants as they did not receive unemployment benefits. While we understand that the AMEP itself is not directly in scope for the Inquiry, it does represent part of the broader employment services system and was identified as a 'complementary program' to Workforce Australia. We therefore provide feedback on our AMEPs client's interactions with Workforce Australia.

Navitas Skilled Futures also delivers training to Workforce Australia participants through delivering a number of government department programs. This has included both the Skills for Education and Employment (SEE) program and the Career Transition Assistance (CTA) program. Since 1 July 2022, Navitas Skilled Futures has also delivered the Employment Skills Training (EST) program. All three of these programs are intended to support individuals develop the skills they will require in the workforce and reduce barriers to employment they may experience. Jobseeker participation in the SEE, EST and CTA programs is dependent on referrals from Workforce Australia ESPs and the Workforce Australia digital service. It is our understanding that EST and CTA are directly in scope for the review. SEE and the Foundation Skills for Your Future Program, which Navitas also delivers, are considered only as complementary programs and part of the broader system.

A summary of the service regions for each of the programs Navitas Skilled Futures delivers is included in Figure 3.

Figure 3 | Navitas' programs and participants, FY2021-22 employment

Program	Program objectives	Relevant agency	Number of participants in FY 2021-22	Service regions ¹
Adult Migrant English Program	To improve participants language, literacy, numeracy and digital skills (LLND) to support employment.	Department of Home Affairs	4,632	NSW – Sydney South West, ACT – Capital
Skills for Education and Employment (SEE)	To improve participants language, literacy, numeracy and digital skills (LLND) to support employment.	Department of Employment and Workplace Relations	848	NSW – Sydney South West, Sydney Greater West
Career Transition Assistance (CTA)	To build employability skills and successfully gain secure paid employment for mature aged (>45 years) unemployed persons.	Workforce Australia	224	NSW – Sydney Greater West, Sydney East Metro, Sydney North and West
Employability Skills Training (EST)	To build employability skills and successfully gain secure paid employment.	Workforce Australia	n/a	*NSW – Sydney Greater West, Illawarra South Coast, *QLD – Brisbane South East *SA – North West Country
Foundation Skills for Your Future	To support employers to improve employees LLND skills and increase their productivity.	Department of Employment and Workplace Relations	177	Personalised training: Capital (ACT), Sydney South West Workplace Based Training: National

¹ Service regions commenced from 1 July 2022 are marked with a *

1. Policy objectives that underpin employment services

This section outlines Navitas' comments on necessary reform to the foundation skills system which should underpin an effective employment services model.

Foundation skills are critical for the growth and productivity of Australia's economy and are an important tool in addressing unemployment

Foundations skills are a critical pre-condition for secure, stable work in many instances. Navitas Skills Future delivered both accredited and non-accredited Foundation Skills training under a number of its programs – including SEE, CTA and Foundation Skills for Your Future.

There is strong evidence that Australia's economic growth and productivity are underpinned by increasing foundation skills. Key work by the Australian Industry Group in 2016 identified that:

- **Literacy levels were comparatively low for Australia**, with 44 per cent of Australians having literacy skills below Level 3, considered to be the minimum requirement to operate effectively in workplaces and society.
- **Numeracy levels were lower still**, with 55% of the population having numeracy levels below Level 3.
- **Employer investment in Foundation skills delivers strong return on investment (ROI)**, with investment in foundation skills training delivering strong returns for employers.²

The existing Workforce Australia model is not proactively focused and does not integrate well with the broader foundation skills landscape

The existing Workforce Australia model is primarily focused on activation for individuals that are unemployed. In some ways, this can be seen as a 'blunt instrument' in addressing unemployment and does not focus on proactively addressing the broader complex set of economic, social and human issues that contribute to this. Navitas' view is that there needs to be increased focus in the broader system to avoid instances of unemployment in the first instance, this includes through the provision of support services and training. Interventions should focus on building their resilience to manage and avoid becoming unemployed and as a result and requiring access to Workforce Australia services and financial supports. Decreasing frictional unemployment and reducing structural employment requires a greater focus on training and skills development however responsibility for this largely falls on the states and territories to address, and there are relatively few federally funded programs (through the SEE and Foundation Skills for Your Future), to build workforce and individual skills.

Workforce Australia sits within a patchwork of Federal, State and local government policies and programs established at different times and with different objectives. For example, in NSW the Refugee Employment Support Program (RESP) is funded specifically by the NSW Government to address the employment needs of refugee arrivals in NSW. Similarly, as part of the Adult Migrant English Program (AMEP) the Pathways to Work sub-program provides a 10-week program which delivers English language and vocational training and includes a two-week work placement. From 2009 to 2017 Navitas enrolled 5,484 AMEP eligible participants in Pathways to Work courses.

This has delivered strong outcomes with:

² AI Group (2016) 'Tackling Foundation Skills in the Workforce'

- 4,890 completed (89% of all clients)
- 28% gained employment within 8 weeks of completing the course
- 36% went on to further education; and
- the balance of 36% continued in the AMEP.

Although the AMEP Pathways to Work is highly effective in generating employment outcomes and orientating people towards further training it is not linked to the Workforce Australia program model for participants who are job seekers. As the Pathways to Work program is a sub-program of the AMEP, participants do receive Points Based Activation Scheme (PBAS) points for participating. However, there is not a clear link between the Pathways to Work program and ESPs are not incentivised to refer into the program or provide support to participants. Stronger integration of Workforce Australia with the foundation skills system would support stronger outcomes for clients.

Foundation skills reform is necessary to support better sustainable labour market outcomes for the long-term unemployed

Currently foundation skills are delivered across a complex training and employment ecosystem. This represents a patchwork of policies and programs across the Commonwealth and State / Territory jurisdictions which lacks overarching coordination and leadership and coherent funding arrangements.

The importance of Foundation Skills has been identified in several government reviews, including:

- **Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System (Joyce review), 2019**, which proposed all Australians that had not achieved Level 2 on the Australian Core Skills Framework (ACSF) should be given access to fee-free LLND skills.
- **Productivity Commission, Skills and Workforce Development Agreement**, which recommended developing a national strategy to improve Foundation Skills.

Navitas notes that there has been a comprehensive review of Foundation Skills recently announced by the Australian Government. It is critical that this results in a coordinated and aligned approach to program delivery and funding. This should be included as part of any proposed reform to the Workforce Australia model. This may include a stronger role for the Australian Government as a steward of the employment services and foundation skills systems.

Recommendation 1

- The program design of Workforce Australia should support improved linkages with existing foundation skills programs to ensure clients can access and are recognised as participating in these valuable programs.
- More broadly, the Australian Government should clarify the roles and responsibilities for Foundation Skills across levels of government (federal and state) and develop a coordinated and aligned approach to program delivery and funding.

2. The best operating structure for employment services

This section outlines Navitas' views on the most appropriate operating structure for employment services in Australia – including challenges with the implementation of Workforce Australia, the role of government in employment services and proposed changes to the model.

Navitas has experienced challenges with the implementation of the Workforce Australia model

The introduction of the new Workforce Australia model commenced from 1 July 2022. At the same time Navitas commenced delivery of the EST and CTA programs across a number of regions. Over the past nine months, there have been significant challenges with way these programs have operated with the new Workforce Australia model. This has meant overall demand for these services and challenges the viability of the program for Navitas and other providers.

There have been five specific challenges:

Employment Service Provider (ESP) referral pathway

- **Significant changes in the service providers and regions in the introduction of Workforce Australia**, which has resulted in an extended period of establishment of new providers since 1 July 2022 and led to immature referral pathways and low understanding of local services and providers – in particular for training and skills programs targeted to Workforce Australia participants
- **Introduction of charges to ESPs for referral into EST programs**, which was not intended in the initial program design and have further disincentivised ESPs to refer into the program. The introduction of a subsequent waiver has also created increased competition between EST providers with an expectation by ESPs that the fee is waived.

Digital Services referral pathway

- **Uncertainty with regards to transitioning to the Digital Employment Services model**, with challenges in transitioning to this new model of delivering employment services to clients.
- **Changes to the 'default' referral to the EST program at the four-month point**, with clients provided additional options at this 'activation' point which has limited referrals to the EST program and meant that participants have not accessed this valuable support.

EST program design

- **The removal of work experience internships and placements from the scope of the EST program**, which has diminished the value of the program to clients and, to a lesser extent, ESPs.

These above factors have all resulted in very low participant commencement numbers far below the indicative participant numbers provided in the NESM Request for Proposal.³ This has severely undermined the viability of the program for Navitas, as well as for other training providers. These deficiencies in the system will need to be addressed in any reform or redesign of the Workforce Australia model.

³ From 1 July to 31 December 2022 there have been only 33 CTA participants and 74 EST enrolments across all contract regions. Navitas had budgeted for 6,850 CTA clients annually based on indicative numbers for its service region. Actual participant numbers represent 2% of overall budgeted participants.

Self-referrals is an existing part of the system that is challenging, but Navitas strongly believes that ‘creaming’ and ‘parking’ are not inherent parts of an outsourced delivery model

An increase in self-referrals has created challenges for Navitas and other providers and has resulted in poorer access to important services and programs for clients. Issues of ‘creaming’ and ‘parking’ (as they are referred to in the ‘Submission Guide’) by ESPs are not new to Workforce Australia but do create ongoing challenges. These issues typically arise due to both challenges around financial viability and compliance and KPI requirements of Workforce Australia and similar programs.

Navitas currently sees challenges with ‘creaming’ and ‘parking’ across both Workforce Australia and complementary programs delivered by ESPs – including the SEE, CTA and EST programs. Specifically, ESPs that have been contracted to deliver these programs in the same contract region are able to refer job seekers internally. While there is a restriction on 50 per cent of clients being self-referred to these programs, ESPs are able to refer the most suitable participants to their own programs. Those with higher needs are then referred to other providers in the region to ‘park’. This means that clients do not receive the supports that they require, their choice is limited based on self-interested considerations of ESPs and overall system efficiency and efficacy is diminished.

Despite the presence of ‘creaming’ and ‘parking’ Navitas does not believe these are inherent characteristics of a privatised or outsourced model, as is put forward in the paper. Many providers, not only private providers, are responding to the operating model of Workforce Australia to ensure they are able to remain financially viable. Rather they are challenges that require addressing through reconsideration of program requirements and revision of incentives. Government therefore has a role in addressing these challenges as a ‘system steward’, but they do not inherently require government service delivery.

‘Service bundling’ is not an effective model for delivery of accredited and non-accredited training to unemployed persons

The Discussion Guide identifies that the Committee will examine whether preference should be given to related entity training and preferences for ‘wrap around models’. Navitas believes that the bundling of services and adoption of a self-referral model is an inherent conflict of interest and should not be preferred in any employment services model. This approach would create perverse incentives for providers and would not be in the best interests of job seekers.

Navitas sees four specific challenges with prioritisation of a service bundling approach:

- **Removes client choice and increases dependence**, through making the decision for the client that they will pursue further programs with the ESP.
- **Can create challenges with transport and location**, whereby locations of alternate training providers may be more suitable for clients.
- **Does not prioritise culturally appropriate setting and training**, with many providers specialising in delivering training and supports to certain client cohorts; for example, Navitas Skilled Futures through its longstanding experience working with migrant and refugee communities; and
- **Quality and expertise of provider**, with ESPs incentivised to move into areas where they are not specialists and refer to themselves over more qualified alternative providers.

Changes should be made to remove these perverse incentives and reconsider responsibility for training programs to support better outcomes for clients

Navitas proposes two changes to the structure of employment services and the delivery of complementary programs. Firstly, we propose that the ability of ESPs to refer to their own programs is removed. This takes away the perverse incentive that exists and ensures providers are acting in the best interest of job seekers, not their own commercial interests. Secondly, Navitas recommends that accredited and non-accredited training which currently sit within the scope of Workforce Australia should be managed by the Department of Employment and Workplace Relations (DEWR). Separate procurement and management by the department would support better integration of these programs with the broader foundation skills and other vocational training system. This would result in Workforce Australia focusing on its key area of expertise – employment – rather than skills and training. To some extent this will also reduce the stigma associated with the programs as it will be available to a wide range of individuals, not only Workforce Australia job seekers.

Recommendation 2

- Remove the ability for Workforce Australia employment services providers to self-refer to the same or related entity.

Recommendation 3

- Consider re-allocating responsibility for all accredited and non-accredited training to be separately managed by DEWR and remove these from the scope of the Workforce Australia program.

3. Integration and support for local responses

This section outlines Navitas' views on the effectiveness of Workforce Australia in integrating with local services and supporting place-based responses.

There are current challenges with the integration and coordination of local services and Workforce Australia

Navitas are very supportive of place-based approaches to employment services and more broadly in service delivery. Programs that have strong linkages to the local community and service network are effective and ensure they are aligned with community needs and preferences. Navitas adopts a place-based approach to its service design and delivery, including through partnerships and close referral pathways to existing services.

There have been challenges with Workforce Australia and its integration with local services. As outlined in our response to the first section, 'Policy objectives that underpin employment services', there are a range of related Australian Government and state government programs that could link more effectively with Workforce Australia. We do not recommend that these are integrated into a Workforce Australia model, but rather the revised design of Workforce Australia acknowledges the value of other employment focused programs and design links to ensure that they are complementary.

Navitas Skilled Futures also works closely with the Employment Facilitators and Local jobs program in two Sydney employment regions. Despite best intentions and efforts, these positions do not link and connect with the core national employment services system. In part, this is driven by the Workforce Australia employment services model which does not encourage or fund cooperation, collaboration or innovation. Instead it is driven by the compliance and KPI requirements and incentives within the Workforce Australia financial model.

There are opportunities to increase use of Innovation Projects to support local and place-based initiatives

A number of other Commonwealth programs delivered by NSF provide funding for innovation projects to address local and place-based needs. Navitas believes these are opportunities to further consider the use of Innovation Projects funding to support collaborations and innovation through place-based initiatives. This could be considered in assessing applications or represent a separate program stream. Proposals should focus on local needs of the community and approaches should be responsive to direct local input and demand.

Recommendation 4

- Consider the use of Innovation Projects based funding to support local and place-based initiatives through the Employment Facilitators and Local Jobs Programs.

4. Identifying and responding to the needs of jobseekers

This section outlines Navitas' views on challenges for refugee and migrants communities with service eligibility and access. This is based on our experience in working with clients through the AMEP.

Eligibility means that many refugees and migrants that would benefit from foundation and employability skills training are not able to receive it

As outlined, Navitas Skilled Futures is a long-standing provider of the AMEP – delivering settlement English training to over 300,000 newly arrived migrants and refugees settling in Australia. This has provided Navitas Skilled Futures with a unique insight into the challenges faced by these cohorts as they settle in Australia.

While some people participating in the AMEP will be Workforce Australia participants, for the majority of our AMEP clients they are not eligible to participate in Workforce Australia as they do not receive unemployment benefits. As an example, the family visa stream arrivals are subject to a two year wait period before accessing benefits and therefore have very limited access to Workforce Australia services.

Many of these clients are seeking work that fit their skills and experiences. Navitas' view is that there would be benefits to considering further opportunities for these cohorts to access foundation and employability skills training, either through Workforce Australia or through an alternate model. This would support both increased labour market participation from this cohort and overall settlement benefits.

Those that are eligible to participate in Workforce Australia face specific cultural challenges

Migrants and refugees face a unique set of challenges settling in Australia. Many migrants and refugees are unfamiliar with how employment services operate in Australia, and this applies particularly to the concept of mutual obligation. The link between mutual obligation requirements and the receipt of benefits creates a heightened risk particularly where people lack the English skills and literacy necessary to navigate safely employment services.

We experience the anxiety AMEP participants feel, particularly when there is a transition to a new employment services contract and new providers. AMEP clients who are jobseekers will often receive a text message in English that they cannot read and understand from their new employment services provider. Similarly, the translated materials provided by DEWR and Workforce Australia providers assume people have a level of literacy in their first language that is often not appropriate for these clients based on their years of education.

Guidance provided by Workforce Australia ESPs can also be incorrect, not culturally appropriate and demonstrates low familiarity with the AMEP program and its role as a legislative entitlement for refugees and migrants. As an example, many AMEP participants will inform us that they have been advised to withdraw from the AMEP as their ESP has informed them they should instead by undertaking a VET course, despite AMEP participation counting towards mutual obligations. This advice is typically misguided and incorrect with individuals with very low levels of English being referred by their Workforce Australia provider to a Certificate III VET course which requires vocational English as an entry criteria. These programs are often delivered by the ESP or a related entity. Mutual obligations requirements and the compliance approach of ESPs means that staff can influence significant influence over migrant clients who are unlikely to push back against official advice they are given.

Given the multiple and complex barriers and the vulnerability of refugee and migrants arrivals during settlement by default they should be referred to provider-led services in the first instance. This includes Humanitarian Settlement Services, the AMEP, and in NSW, the Refugee Employment Support Program. These services are specialised and are better placed to provide more holistic and individualised assessment of migrant and refugee clients' strengths and barriers to employment.

Recommendation 5

- Consider that refugees and migrants be referred by default to provider-led services – such as the Humanitarian Settlement Services and the AMEP. This includes for the Workforce Australia, Transition to Work and possibly Disability Employment Services programs.

5. Enabling choice in the types of assistance

This section provides an overview of the employability and skills programs that Navitas delivers that are part of, or interact with, Workforce Australia. This includes the CTA and EST which are Workforce Australia skills and training programs and are in scope for the Inquiry. We also provide insights on SEE which is identified as a complementary program to Workforce Australia.

Navitas are supportive of each of these programs putting forward that they have distinct purposes and should be continued to be offered to job seekers.

The Foundation Skills for Your Future program is not included here and is instead discussed in Section 7.

Career Transition Assistance is a valuable and effective program for older unemployed people

Career Transition Assistance aims to support mature aged unemployed person to build key employability skills and gain secure employment. A summary of key aspects of the program and recommended changes is included below.

Program	Objectives	Delivery model	Recommended changes
Workforce Australia Career Transition Assistance (CTA) program	To build employability skills and successfully gain secure paid employment for mature aged (>45 years) unemployed persons	Delivery of intensive pre-employment training	<ul style="list-style-type: none"> Increased eligibility of program beyond ESP referrals

Navitas Skilled Futures delivers the CTA program in four contract regions – Capital (ACT), Sydney East Metro, Sydney Greater West and Sydney North and West. The outcomes of the program are strong, with:

- 734 referrals made by ESPs resulting in 469 participants commencing
- Of these, 426 participants completed the program (over 90% of participants)
- Resulting in 76 job placements (18% of all that completed the program)⁴

A case study is included below that illustrates the benefits of the CTA program.

Figure 4 | Benefits of the CTA program | Case study⁵

Valerie Solman 63 years old
<p>Valerie Solman worked in hospitality all her life, including owning three successful businesses. But after taking time off to care for her husband and father-in-law, she found it impossible to re-enter the industry. Despite 30 years' experience, good health and a strong work ethic, she said no one wanted to employ a 63 year old.</p> <p>But participating in the Career Transition Assistance (CTA) program at Navitas Skilled Futures turned her luck, and her life, around. The Western Sydney resident is now a full-time homecare worker, using her life skills in a job she is not only good at, but she loves.</p> <p>"After 14 years of caring for my husband, who had multiple sclerosis, and my father-in-law, with dementia, I tried to find a job – but I was looking in the wrong place," said Valerie, of Constitution Hill.</p>

⁴ Refers to period between July 2019 to December 2021

⁵ Other case studies for the CTA program are available at: <https://navitas-skilled-futures.com.au/news/cta-gives-jobseeker-sri-new-lease-on-life/>; <https://navitas-skilled-futures.com.au/news/cta-student-success-story-kuang-mui-tai/>; <https://navitas-skilled-futures.com.au/news/photographer-finds-new-focus-with-cta/>.

“Doing this course helped me to decide the path I really wanted to take, which was in aged care, where I had the life experience and the passion. The trainer was wonderful ... and gave me the direction, the job-seeking skills and the confidence I needed to pursue it.

“I got my qualifications and once my new resume went up (on LinkedIn) I had the companies calling me for interviews. I’m still getting calls today!”

Navitas believes that the program is an effective program to support older individuals that have become unemployed and require additional assistance to develop employability skills and work with them to identify strategies to re-enter the labour market. It is also an effective program for culturally and linguistically diverse job seekers. We recommend that it is retained and eligibility is expanded to include other individuals seeking to re-join the labour market that are not Workforce Australia participants.

Despite significant implementation challenges, the EST programs’ intent to support job seekers to develop their digital literacy skills is valuable

The Employability Skills Training (EST) program is a Workforce Australia aimed at supporting employability skills. Key features are outlined below.

Program	Objectives	Delivery model	Recommended changes
Employability Skills Training (EST) program	To build employability skills and successfully gain secure paid employment	Delivery of intensive pre-employment training to job seekers referred by ESPs and digital service	<ul style="list-style-type: none"> • Increased eligibility of program beyond ESP referrals • Reinstated and expand as ‘default’ program at 4 month ‘activation’ point • Re-consideration of online delivery

While Navitas Skills Futures experience delivering the EST program has been relatively limited, given the challenges identified in Section 2 above, there are some insights we can share on the program. Feedback from participants of the program has been positive. In particular, participants valued the opportunity for job seekers to work together, build team work skills, as well as digital literacy skills as part of Training Block 1. Similarly, Training Block 2 which focuses on local industry employment needs has received favourable responses from ESPs.

There are some challenges also. The training model for the program does not reflect contemporary training practice, with requirements for face-to-face delivery not necessarily being in the best interests of participants. The training module is also heavily shaped by the mutual obligation requirements of participants.

Despite the challenges associated with the program, Navitas does believe it could offer significant value to job seekers and is distinct from other existing programs.

The SEE program effectively supports development of skills for younger job seekers but should not be the default program for mature job seekers

The Skills for Education and Employment (SEE) program is a program aimed at facilitating job seekers to develop their foundation skills to secure employment. Key features are outlined below.

Program	Objectives	Delivery model	Recommended changes
Skills for Education and Employment (SEE) program	To improve participants language, literacy, numeracy and digital skills (LLND) to support employment.	Clients are referred to SEE providers through Workforce Australia employment service providers (ESPs).	<ul style="list-style-type: none"> • Expanded eligibility to improve labour market participation, through allowing people not eligible for employment services support to access the program (for example, older women entering or re-entering the workforce). • Minimising use as a ‘default’ referral for mature aged cohorts, with the CTA seen as a more appropriate initial service

The SEE program is dependent on referrals from Workforce Australia providers to address a jobseeker’s language, literacy, numeracy and digital (LLND) skills gaps. These skills are critical for job seekers and address key vocational barriers that individuals have to securing employment.

It is our experience that the program is not used as effectively as it could be by Workforce Australia ESPs. Referrals for SEE are typically one of two distinct cohorts of job seekers. The first group is younger job seekers with LLND barriers to work. For this group, the benefit of the program to participants and outcomes achieved are considerable. This group is also more easy to place in employment following completion of the SEE program. The second group is older job seekers, often women, with LLND barriers. It is our view that many of this group are 'parked' in the SEE program. While they do benefit from the SEE program, it is more difficult for them to gain placements in employment. Navitas believes that a more appropriate and considered approach would be to refer this group to the CTA in the first instance, allowing them to map out a pathway to employment or training. Following this, participation in the SEE may be appropriate.

Previously the SEE has been a referral pathway for those completing the AMEP. However, since the introduction of the AMEP Reforms in 2021 to remove the cap on hours and extend the exit eligibility from functional to vocational English, the number of referrals to the SEE of exiting AMEP clients has decreased significantly.

We have included the table below to inform a view of the importance of the review of Workforce Australia programs and our concern that they are in adequately designed to meet the needs of the labour market.

Recommendation 6

- Retain and introduce the proposed changes to the EST, CTA and SEE program to increase their effectiveness in supporting Workforce Australia participants to gain secure and well-paid employment.

6. Helping jobseekers into secure jobs

This section outlines Navitas' views on the balance between 'work first' and 'human capital' focused approaches to activation. It also outlines challenges for CALD and migrant communities

'Human capital' focused supports are most likely to deliver long-term, secure and sustainable outcomes for most groups of job seekers

The adoption of a 'work first' approach must to be balanced against a longer-term view of client success. Navitas strongly supports that employment services should assist job seekers to gain long-term, sustainable and appropriately paid jobs that are aligned with their capabilities. To support this, approaches that focus on developing the 'human capital' of individuals, such as skills and training should be prioritised.

Navitas is also supportive of the proposition put forward in the discussion paper, with indicated the system 'needs to be more *active* in preparing unemployed people for work. A further shift towards active labour market programs, including additional availability of employability and foundation skills programs would be valuable. This increased focus on skills and capabilities development is more likely to support sustainable labour market outcomes for individuals that are unemployed.

Adopting a 'work first' approach can create challenges for job seekers from migrant communities

The consequences of a 'work-first' only approach is best reflected in the statistics provided by NSW Safe Work. There was a total 4217 workers compensation claims for CALD/Migrant workers between 2015/16 to 2017/18 where:

- 87.5% of claimants' spoken language at home was not English
- 70.5% of the total CALD / migrant worker claimants were male.

Australian and international research states that CALD and migrant workers are concentrated, and over represented, in high-risk industries and occupations. When working in the same occupations, they are often allocated tasks with higher risks.

Figure 5 | Risk areas for Migrant Workers according to Fair Work NSW⁶

At risk group	CALD workers
Highest risk factor	Language barriers hinder understanding of work health and safety rights and worker obligations
Second risk factor	Language and literacy barriers to accessing safety information
Third risk factor	Reluctance to 'speak up' and 'make waves' due to multiple factors
Fourth risk factor	Limited understanding of safe work practice
Fifth risk factor	Inexperience at the job and / or at the individual workplace
Sixth risk factor	Fear of authority due to cultural factors.

Jobseekers need the English language skills necessary to understand WHS requirements. This is not just an issue of their safety. It also impacts on the safety of their fellow workers.

A work-first approach without focusing on the English language skills necessary to work safely in the workplace has obvious long term social and economic consequences.

The second issue that arises with the work-first approach is that often the job is in a workplace where the majority of workers speak the same first language. We have experience of participants in the SEE program who after 20 years in a job have become unemployed and now lack the language and literacy skills to find work.

Migrants and refugees are strongly motivated to find work. It is a key settlement outcome that provides autonomy and agency as they establish a new life in Australia. This needs to be managed with a long term view and human capital approach.

7. Meeting employers' needs

This section outlines Navitas' experience with the Foundation Skills for Your Future program and its role in supporting needs of employers.

Foundation Skills for Your Future is an effective program that supports the needs of employers and employees

Foundation Skills for Your Future is an example of a demand led program that targets employees and delivers workplace training and personalised training. The program aims to work with employers and employees to improve core skills such as reading, writing and digital skills.

Program	Objectives	Delivery model	Recommended changes
Foundation Skills for Your Future (FSfYF) program	To support employers to improve employees LLND skills and increase their productivity.	Personalised training for eligible participants	<ul style="list-style-type: none"> Changes to funding and administrative arrangements to reduce barriers for provider delivery and employer engagement by linking to Workforce Australia employment providers

⁶ <https://www.safework.nsw.gov.au/resource-library/at-risk-workers-strategy-2018-22/cald-migrant-workers>

The Foundation Skills for Your Future employer programs provides an opportunity to address the key issues identified in Section 6 – namely adopting a work-first approach without addressing English language skills and often placements occurring in working environments with low levels of spoken English.

The link between this program and Workforce Australia is minimal and there are no incentives for ESPs to refer into the effective program

Linking the Foundation Skills for your Future to Workforce Australia post placement would support employers beyond their recruitment of jobseekers and building their workforce skills. Our experience with promoting this model to employment Services providers has been disappointing and their focus is on the short term and outcome payments, rather than building a workforce development approach with employers. There is currently no short-term financial incentive for Workforce Australia ESPs to promote other Commonwealth workforce development programs – including the Foundation Skills for Your Future Program.

The program could be positioned as a post placement support for jobseekers and employer workforce upskilling more generally and could be managed outside the Workforce Australia contract management framework to ensure its support both Workforce Australia participants but also broader client cohorts.

Pathways to Work is also an effective program with connection to employers that is not well integrated with Workforce Australia

As mentioned earlier, from 2009 to 2017 Navitas enrolled 5,484 AMEP eligible participants in Pathways to Work courses, 4,890 completed and 28% gained employment within 8 weeks of completing the course, 36% went on to further education and the balance of 36% continued in the AMEP. Although the AMEP Pathways to Work is highly effective in generating employment outcomes and orientating people towards further training it is not linked to the Workforce Australia program model for participants who are job seekers. A key feature of the success of the program was the placement support provided to employers. Over time as employers became familiar with the program they would approach NSF to say they had jobs coming up and when we were running our next course. The Pathways to Work program also addresses two key barriers leading to long-term unemployment – English and local work experience. There are opportunities for a strong connection between the Pathways to Work program and Workforce Australia through establishing clearer referral pathways into the effective programs for recent migrants and refugees.

Navitas also notes that changes to the EST program, as outlined in Section 1 and 5, has limited the scope for this program to undertake job matching. Given the Submission Guides view that “little job matching [is] occurring in the system” we advocate for reconsideration of this decision or expansion of an alternate program to support job seeker and employer job matching.

Recommendation 7

The Foundation Skills for Your Future program which to provide LLND support to employers should be more closely linked to Workforce Australia, while still separately managed, through post-placement support and incentives to connect employers with providers of the program.

8. Mutual obligations and activation

This section outlines Navitas' views the role of mutual obligations and activation in the employment services system.

Navitas supports the principles of mutual obligation and believe they are a key and necessary feature of a system aimed at 'activation'

Navitas supports the principles of mutual obligations but acknowledge they have not succeeded in directly addressing long-term unemployment. It should be acknowledged that Workforce Australia is the employment service of last resort for most Australians and participation by an individual is often driven by a jobseeker's mutual obligation requirements. Mutual obligations are therefore a core component of Australia's welfare system. They acknowledge the role that the government plays in providing support to those that need it, with a corresponding obligation of recipients of that support pursue the training and employment opportunities that are available to them. Navitas supports these principles and believes that their retention is critical to ensure there are not significant disincentives to work.

While Navitas supports the principles of mutual obligation, it also acknowledges that these alone have not been sufficient to address the long-term unemployment that has been experienced by many. Despite a period of very low unemployment, many job seekers remain out of work and are engaged with Workforce Australia as long term unemployed. The long term unemployed often face multiple vocational and non-vocational barriers to employment that cannot be addressed by the principles of mutual obligation alone.

The current mutual obligations allow for a focus on 'social capital' interventions such as training and education

Navitas believes that the design of the PBAS, which requires Workforce Australia participants to meet a points target each reporting period, does appropriately support clients to prioritise education and training programs. Participation in training programs such as the SEE, CTA and EST all attract points which count towards the mutual obligations of a Workforce Australia participant. Similarly, participation in the AMEP, for those eligible, counts towards the clients mutual obligation requirements.

Navitas supports the existing position that if a participant is in full-time training this will meet their mutual obligations requirements. In this way, the welfare conditionality model should support job seekers to improve their capacity and support employment outcomes.

As outlined in the first response section, Navitas has seen challenges with referrals to these training programs, including through 'default' activation activities. The Submission Guide outlines that "if the activation requirements are not meet, the participant is referred to Employability Skills Training or Work for the Dole depending on whether they are being serviced online or with a provider, respectively." Navitas does not believe that the EST has been a default referral for online Workforce Australia clients. Similarly, Navitas' view would be that an appropriately targeted training or education program would provide a better 'default' referral pathway than the 'Work for the Dole' program.

Recommendation 8

- Re-state the 'default' referral programs for both the ESP and Digital Service streams ensuring that the default referral is into an education and training program that will better support skills development and more stable and secure employment outcomes.

An over focus on mutual obligation compliance and use as a punitive tool could come at the expense of encouraging program participation that delivers strong outcomes

While the design of the existing mutual obligations supports training participation, in practice a focus on compliance and use of mutual obligations as a punitive tool could disincentive participation in training programs that would be valuable to clients. Advice and guidance from ESPs may also result in clients that would benefit from participating in training programs not participating in them.

Navitas believes it is critical that it is better understood what works in securing long-term and sustainable employment outcomes and set incentives accordingly. Training for job seekers is fundamental to ensuring that job seekers gain appropriate skills to be successful in the long-term and break the cycle between unsecure work and re-engagement with employment services. A robust evidence base is essential to understand what works most effectively. Incentives, including through the existing 100-point Point Based Activation System, should be revised to reflect this. Programs that are known to work and have a solid evidence base behind them should be further incentivised, those that do not have a strong track record of delivering outcomes should not.

Recommendation 9

- That the definition and application of mutual obligations be revised to ensure that it supports increased opportunity to access safe and secure employment and does not incentivise an undue focus on mutual obligation compliance by providers. .

11. Research, evaluation and adaption

The Submission Guide for the Inquiry outlines that there may be opportunities for the government to play a stronger role in research and evaluation. Navitas strongly agrees with this seeing evaluation practices in the sector as being relatively immature. As the paper outlines there is an opportunity to take a 'more a pro-active approach to managing change, giving legitimacy to pilots and quasi-experiments'.

Establishment of a strong and consistent evaluation framework across employment services would be a significant step to moving towards a more robust and mature approach to evaluation.

Appropriate evaluation and performance monitoring is important for a number of reasons:

- **It enables effective performance monitoring of employment service providers and complementary program**, assessing which providers are delivering strong outcomes for clients
- **It allows for closer monitoring of 'creaming' and 'parking'**, through better understanding referral pathways, the flows of individuals through the employment services system and the characteristics of those individuals
- **Provides a stronger understanding of which programs are effective in securing employment**, and in particular which programs support stable and secure employment for job seekers, including for different cohorts
- **It facilitates continuous improvement by providers**, allowing them to understand what is and is not working and make changes to practice based on this insight
- **Mutual obligation requirements can be amended**, to ensure the programs that are being promoted to job seekers have an evidence base of securing employment.

Navitas would be strongly supportive of any efforts to introduce a more mature approach to evaluation in the sector.