



**WORLD BANK GROUP**  
Social Protection & Jobs

# **PES REVIEW**

# **Australia**

Country case studies



# Australia



Jobactive



Managed by the Australian Department of Education, Skills and Employment.



Jobactive is the main employment services program within the country. It is not an agency itself but a range of government-funded contracts to a variety of external providers.



Centrelink (public agency) manages the intake and assesses the needs of the benefit claimants. These are then referred to a Jobactive provider.



40 providers offer full services at over 1.700 locations.



Funded by public sources.



# Jobactive



## Governance

- ▶ The Department of Employment has control over all providers and is involved in the selection process and the provision of expertise. Providers are responsible for delivering the services as well as for checking conditionalities and informing any failure to comply by jobseekers.
- ▶ For people with disabilities, there is a parallel program, the Disability Employment Service (DES).



## Management

- ▶ Providers do have some flexibility in providing services. However, there are established guidelines, which reduce variation in program design and delivery.
- ▶ Once a jobseeker is referred to a provider, a certain credit in the Employment Fund is given to them. This is a pool of funds that can pay for employment-related services like training and specialized support.
- ▶ A performance framework that outlines the assessment, ratings, quality standards, and compliance indicator is applied to all providers. Each provider has a delivery plan.



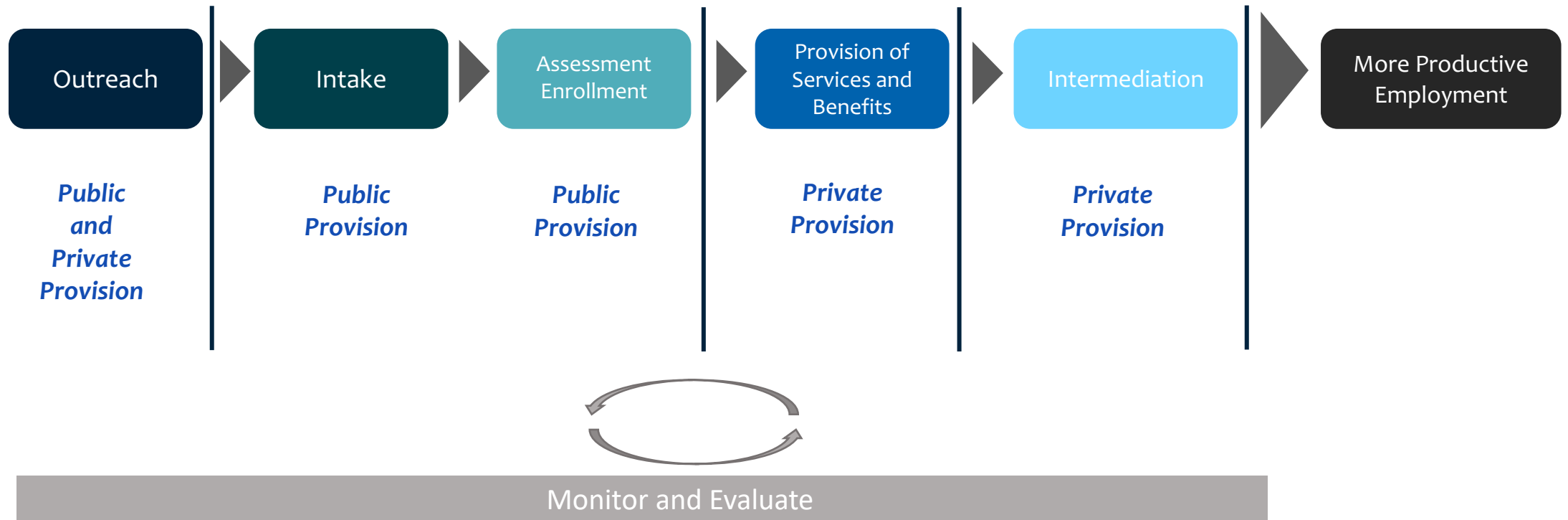
## Latest reforms

- ▶ In 2015, Job Services Australia -the previous PES program- was replaced by Jobactive.
- ▶ In March 2019, Australia's government announced coming reforms to the employment services, which will be made effective in 2022.



# All employment services are delivered by external providers.

*The public agency Centrelink manages the intake and assesses the needs for jobactive services. Jobseekers are then referred to a jobactive provider.*





# Jobactive provides general information, information about providers, and harvest work.

Outreach

**Public and  
Private  
Provision**



Call center



Labor market statistics



Connection for Quality

Information about the providers to help clients make informed decisions.



Harvest Labor Services and National Harvest Labour Information Services



JobOutlook

-Career guidance to help individuals match skills and aptitude with jobs  
-Identification of future growth industries and occupations



MySkills

Information about training opportunities



MyFuture

Career-related tools and information for students, jobseekers and workers



# Jobactive provides services for jobseekers and employers. People claiming certain benefits are obliged to register.

Intake

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Provision**

## Clients

- Jobseekers
  - ▲ Mandatory for certain benefits claimants (Unemployment Assistance claimants and certain recipients of the Disability Support Pension)
  - ▲ Voluntary registration for full-time students seeking an apprenticeship, jobseekers who are not receiving benefits, and benefit claimants with no obligations
    - Voluntary services are provided for 6 months.
- Employers
  - ▲ No obligation to register

## Registration for jobseekers

- ▲ Jobseekers register at Centrelink (part of Services Australia) for income support.
- ▲ Their needs are assessed, and they are referred to a Jobactive provider -if eligible-.
- ▲ The Jobactive provider schedules a face-to-face meeting where an Individual Job Plan (incl. conditionalities) is developed.



# A statistical profiling tool is used to assign jobseekers to a service stream.

Assessment  
Enrollment

**Public  
Provision**

Statistical profiling: *Job Seeker Classification Instrument (JSCI)*

- Approach: logistic regression
- Data: interview, questionnaire, and administrative data
- Measurement: long term unemployed (12 months)
- JSCI gives an individual score to applicants, who are then directed to different service streams according to their difficulties in re-entering the job market.
- The use of profiling tool is mandatory for caseworkers



The JSCI is used to identify jobseekers:

- Who may benefit from a referral to a DHS social worker (e.g., with disclosed domestic violence or family grief)
- With lower English language, literacy and numeracy skills
- With unrecognized overseas qualifications



# Service level is based on the stream allocation, which is defined by the profiling results.

Assessment  
Enrollment

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Provision**

Streams and  
benefits



Stream A: for job-ready jobseekers.

Services help jobseekers understand employers' needs and how they can navigate the LM, including support building a CV, job search, and self-service tools.

Stream B: for jobseekers who need more help.

They are referred to a case manager for counseling and support

Stream C: for jobseekers with complex issues.

They are referred to a case manager for special support.

Jobseekers can be automatically transferred to another provider after being with a provider for two years for Stream A and three years for Streams B and C if they remain unemployed.





# There are three phases for service provision:

Assessment  
Enrollment

**Private  
Provision**

1 Self-service and job activity  
Starting point for jobseekers in stream A.

2 Case management

3 Work for the Dole  
Unpaid placement in a host not-for-profit organization or a government agency.

After six months in the Work for the Dole phase, jobseekers alternate between the second and third phase.



# Jobactive is not responsible for the management of unemployment or any other social benefits.

## Provision of Benefits

### Public Provision

**There is no Unemployment Insurance scheme.**

**Unemployment assistance: Jobseeker Payment, Youth Allowance (YA) and Parenting Payment**

YA is paid to unemployed aged 16-21.

Jobseeker Payment is paid to unemployed over 22 y/o and under the age of pension.

Parenting Payment (PP) is available for the principal carer of a child under six y/o (only one parent).

- Non-contributory, means-tested, and taxable.
- Eligibility depends on age, behavioral requirements, the last income for Jobseeker Payment, and whether they are dependent on their parents for YA.
- Means tested against the ordinary income and the assets of the person and their partner.
- The amount of the payment depends on age, partnered status, children, and renting situation.
  - The maximum fortnightly amount for Jobseeker Payment of a single person without children or partner is AUD 565.70. The amount increases for those over 60, and for those with dependents.
- There is no restriction on the duration of payments as long as the requirements are met. Applicants can reapply after periods of ineligibility.

\*All benefits are managed by Services Australia (public agency)



# Jobactive is not responsible for the management of any social benefits.

## Provision of Benefits

### *Public Provision*

#### Links to Social Assistance

- The benefits described in UA (Job Seeker Payment, YA, and Parenting Payment) are flat-rate, means-tested benefits that do not depend on the employment history or contributions.
- They provide comprehensive coverage for low-income working-age Australians and reflect social assistance coverage.
- Centrelink (part of Services Australia) assesses the circumstances and eligibility for Jobactive of all income support recipients. If they are eligible, they are referred to a Jobactive provider and must fulfill their Individual Job Plan's obligations.
- People of working age covered by Unemployment Assistance may also apply for other income support payments, including the Special Benefit and the Housing Benefit.



# Sanctions variate according to the type of failure committed by the jobseeker.

Provision  
of Benefits

**Public  
Provision**

## Conditionalities

Requirements may vary according to the jobseeker's age and personal circumstances. Generally, they must:

- Enter an Individual Job Plan and satisfy the requirements.
- Look for certain number of jobs (variates according to the person) and report their job-search activity every other week.
- Complete the Work for the Dole program or another approved activity for six months each year.
- Other requirements may apply according to the jobseeker's age and other personal circumstances.

## Sanctions

\*In case of non-compliance, providers report the jobseeker to Services Australia to determine sanctions.

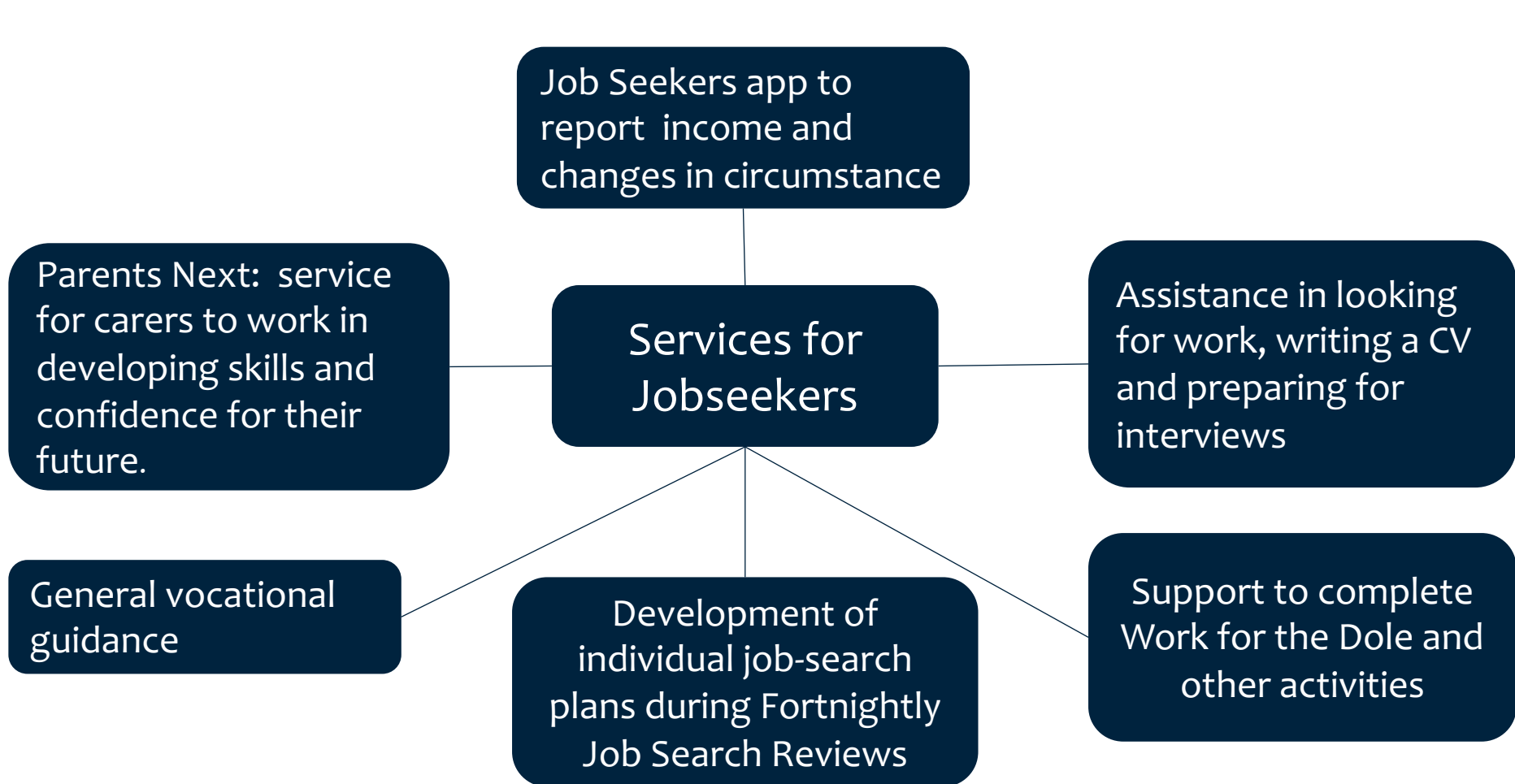
- If a person fails to meet their requirements, they will get demerits. Reasons for demerits include not completing job-search and not participating in mandatory activities. If a person gets five demerits in six months, they will move to financial penalties (after a review with the provider)
- In the penalty zone, the person will lose half of their fortnightly payment for the first penalty, lose all of their fortnightly payment for the second penalty, and their payment will be canceled for a third penalty. If the person meets the requirements for three months, they will return to the green (safe) zone.
- Stricter sanctions are in place for severe breaks. If the jobseeker fails to accept or start a suitable job, their payment will be canceled, and they must wait four weeks to reapply.



# Jobactive providers offer different services for jobseekers

Provision of Services

**Private Provision**

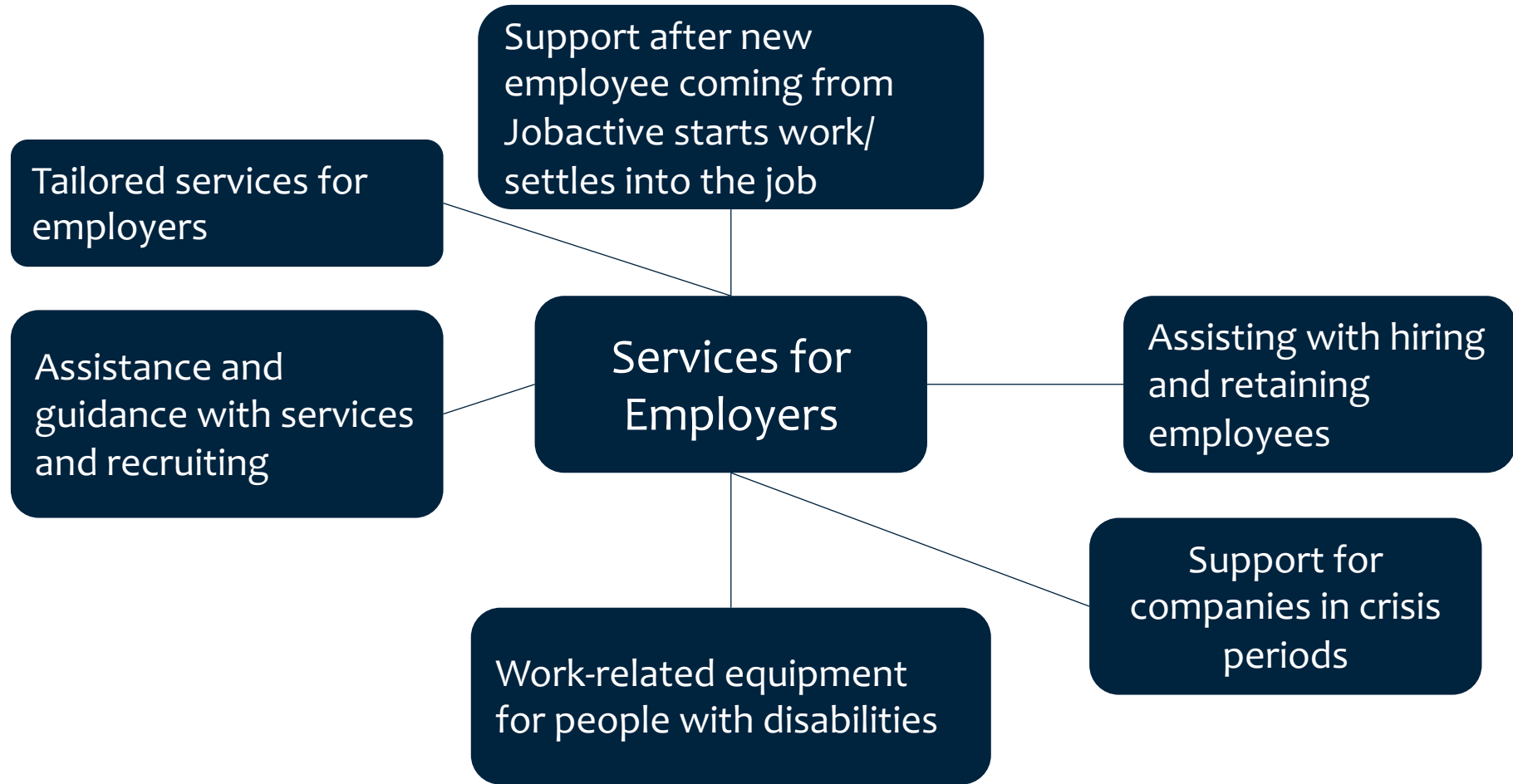




# As well as a wide range of services for employers

Provision of Services

Private Provision





# A large variety of ALMPs is available to clients.

Provision  
of Services

**Private  
Provision**

## ALMPs

Wage subsidies.

Youth Jobs PaTH: helps young people gain skills and work experience needed to get and keep a job.

Training programs.

Creation of measures for workers at risk of redundancies.

Promotion of worker mobility, including relocation assistance to take up a job.

National Work Experience Programme: unpaid work placements to gain work experience.

Career Transition Assistance: to increase job readiness of jobseekers over 45.

Volunteer Online Employment Services Trial: for voluntarily registered jobseekers.

New Enterprise Incentives Scheme (NEIS): supports jobseekers who want to start their own small business.

Work for the Dole: jobseekers get an unpaid placement in a host not-for-profit organization or a government agency, usual activities are retail work or administration support and rehabilitation for parks and roads.



# Intermediation services

Intermediation

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Provision**



Job matching platform JobActive



Job fairs



Harvest Labour Services: connects jobseekers with employers for jobs in picking fruit and other crops in a regional harvest area.



For Jobseekers

Self-service tools and job vacancies at PES offices and online  
Referrals to jobs  
Help to relocate for a job



For Employers

Registration of job vacancies  
Access to applicant databank and direct contact to candidates  
Screening , shortlisting and referral of candidates  
Support after the new employees start work





# Outsourcing



**Result-based contracting.**



**Private and voluntary sector.**



**Contracts to Jobactive providers are given for five years.**



**Providers receive administration and outcome fees from the Australian government.**



**A code of practices and independent evaluations of providers are conducted to assess quality.**



**Providers have access to a pool of funds (Employment Fund) to support every jobseeker. They can purchase goods and services through this fund according to the needs of their clients.**



**Providers are not contracted as specialists for jobseekers. They are meant to provide all services necessary. Each provider may choose to have a connection to different specialists.**



# Digitalization

The PES is currently conducting the New Employment Services Trial to test a new service delivery model before rolling it out nationally in 2022. This new model will work on a digital-first basis, with only digital services for job-ready jobseekers and a combination of digital and face-to-face services for those who need extra support. As a response to COVID-19 containment measures, the Australian Government created the Online Employment Services (OES), allowing users to receive services through the Jobactive website.

## Services for Jobseekers

- ✓ Jobseekers can register, agree to their Job Plan, do the tasks assigned, find information, submit job search evidence, and stay on track with the online compliance monitor
- ✓ Vacancy database and matching platform
- ✓ Blog with tips for job search
- ✓ Provider database with ratings
- ✓ Job Seekers App
- ✓ Harvest Trail website to find vacancies in the harvesting sector

## Services for Employers

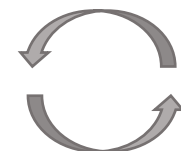
- ✓ Personalized dashboard with vacancies information
- ✓ Advertise vacancies, CV database and matching platform
- ✓ Tips on different topics e.g. how to go digital
- ✓ Providers database with ratings
- ✓ Wage subsidy application and management
- ✓ Harvest Trail website to find workers in the harvesting sector

# Monitoring jobseekers



- Regular monitoring of jobseekers through job-search interviews and requirements.
- Non-compliance leads to suspension of payments.
- Job search progress is often evaluated (frequency depends on the Individual Job Plan).
- Regular reports on jobseekers are conducted, these contain their engagement in the attendance of appointments, their compliance and non-compliance level.

Monitor and Evaluate

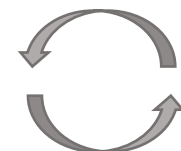


# Monitoring providers



- Star Rating system: assesses the provider's efficiency and effectiveness in placing the jobseekers in jobs compared to other providers.
- Quality Assurance Framework: measures the compliance and quality assurance by comparing the performance against each provider's delivery plan.
- Contract managers regularly conduct site visits.
- Every six months, feedback is given to providers.
- Complaints are taken on an independent telephone line; this hotline is published on the providers' websites. Jobseekers and employers can contact it directly to file any complaints.
- The low-performing providers may be reallocated after 18 and 36 months of being in the system.

Monitor and Evaluate

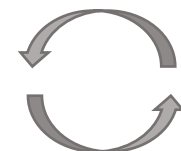


# Monitoring the jobactive program



- Surveys about the program are collected by the Evaluation, Research and Evidence Branch (EREB), including surveys of employers' and jobseekers' satisfaction
- EREB conducts evaluations and reports about Jobactive. Three reports are planned to evaluate the model:
  - Interim Evaluation Report in 2016: designed to provide early information on the model's performance and to create a preliminary assessment of outcomes.
  - Meeting Employer Needs Report in 2018: focused on the employer perceptions of Jobactive.
  - Final Evaluation Report in 2019: Provided an assessment of overall performance, looking at appropriateness, effectiveness and efficiency.

Monitor and Evaluate



# Covid-19 responses



- The mutual obligation requirements were lifted until April 4<sup>th</sup> 2020, and since then, a gradual return of the requirements has been introduced.
- Major Personal Crisis exemption for 14 days for those directly affected by the virus (sick or quarantine) was granted. Not necessary to do any activities in the Job Plan.
- Services were made available over the phone, online, or through videoconference.
- Providers were required to deliver or refer jobseekers to online training or non-classroom-based courses.
- Suspension of Work for the Dole and other group activities, jobseekers were referred to other activities if possible.
- The Jobs Hub website was created to provide a list of organizations currently hiring and information regarding on-demand jobs in each region.
- Access to Job Seeker Payment and Youth Allowance (jobseekers) was expanded.
- Coronavirus Supplement: a fortnightly increase of AUD 550 in income support payment was made available from April 27<sup>th</sup> for six months. This was granted for people claiming certain benefits (including Job Seeker Payment, Youth Allowance for jobseeker, and Parenting Payment).



# General observations



Wide range of employment services and ALMPs



Unique model of service provision  
→ Full privatization



Regular monitoring of beneficiaries, providers and the overall program



New focus on digital services



Innovative placement strategies, including the Harvest Labour Services and the relocation assistance



Independent benefit management system and no Unemployment Insurance scheme offered within the country.