The Digital Governance of Welfare to Work

Industry report from focus groups with Australian providers on digital delivery of employment services

July 2022

Dr Sarah Ball	University of Melbourne
Prof Mark Considine	University of Melbourne
Prof Jenny M. Lewis	University of Melbourne
Dr Michael McGann	University of Melbourne
Dr Phuc Nguyen	La Trobe University
A/Prof. Siobhan O’Sullivan	UNSW Sydney

THE UNIVERSITY OF MELBOURNE

UNSW AUSTRALIA

LA TROBE UNIVERSITY

Table of Contents

Introduction

The Australian Government rolled-out a new employment service system called Workforce Australia in July 2022. This is the latest in a series of reforms that have attempted to make the system more cost-efficient and address the challenges that emerged when working with the very long-term unemployed in preceding systems. It is hoped that the new system will generate more tailored, professionalized, and locally connected employment services. A key component of Workforce Australia involves two levels of service:

- *Workforce Australia Digital* will require jobseekers who are assessed as capable of self-service to use an online system, managed through a digital dashboard
- *Workforce Australia Services* is for those with more complex needs or low digital capability, who will receive more intensive face-to-face services delivered by contracted providers.

In the lead up to the launch of the new program, the government trialled the provider services component of Workforce Australia in two regions in Australia: Adelaide South and Northern New South Wales. This trial began in July 2019 and ran throughout 2020 and 2021. The trial involved an iterative process of learning. New interventions, processes and systems were tested and only some were successful in being built into the new model. Details on these are limited, as the Department of Employment and Workplace Relations (formerly the Department of Education, Skills and Employment) has not yet released any detailed evaluation.

Aiming to gain an in-depth insight into how providers in the trial regions were engaging with the new Workforce Australia model, but beyond this how providers were themselves engaging with digital technology, we (the *Getting Welfare to Work* research group) interviewed providers from both the trial and non-trial regions. This follows an earlier report by the research group on international experiences of digitalisation of employment services.

In total, 35 staff from provider organisations were involved, ranging from CEOs to employment consultants. Five of the providers were involved with the New Employment Services Trial (NEST). Five were not. Six were not for profit, four were for profit organisations. They predominantly operated in South Australia, Victoria and New South Wales across urban, regional and remote sites. Those not in the trial were aware of the changes that were coming with the new model.

Workforce Australia has now procured the contracts and been officially launched. Sharing the results from the focus groups via this industry report, we hope to provide some valuable insights to those providers successful in securing a contract, but also those providing other tiers of service in the welfare to work environment. Whether Disability Employment Services or skills training, there are lessons in the results of this study that will prove valuable to any provider working with government to deliver a service in this digital environment.

The focus group method was approved by the University of Melbourne’s human ethics committee (2021- 22420-21209-4). The study was supported by funding from an Australian Research Council (ARC) Linkage Grant (LP190100686), in partnership with the National Employment Services Association (NESA) and Westgate Community Initiatives Group (WCIG). It builds on the team’s long-standing program of research on welfare reform and the frontline of employment services delivery, which has been funded by multiple ARC grants. This began in the late 1990s and has included four surveys of the Australian employment services sector workforce (in 1998, 2008, 2012, and 2016) along with matched comparative studies in the UK, Netherlands, and Aotearoa New Zealand.

Acknowledgements

This research would not have been possible without ARC funding and the generous support of our research partners: NESA and WCIG. Most importantly, we would like to express our gratitude to the people who agreed to participate in the study and took the time to share their expertise and experience to support this research.

1. Research method

The sample chosen for the focus groups was drawn from members of NESA, the employment services peak and our industry partner. NESA had (at the time of interviewing) 90 organisations currently working with them. A sample of 30 of these organisations were approached by NESA who invited them to participate in the study. Of the 30 organisations invited, 10 organisations agreed to participate.

The questions we asked were semi-structured, including questions about:

- The types of digital services providers offered/used at the time
- The perceived opportunities and challenges which might arise for the new digital system.

Trial sites were asked about:

- What changes they experienced under the trial?
- What were the benefits/challenges?
- How did the new model change their relationship with jobseekers/employers/government?

Non-trial sites were asked about:

- What changes they anticipated under the new model?
- What might the benefits/challenges be for their organisation?
- How might the new model change their relationship with jobseekers/employers/government?

The focus groups took place in late-2021. During this time, all the organisations we spoke to were preparing for the Workforce Australia tender.

Focus groups were undertaken over Microsoft Teams, taking approximately one hour. The interviews were recorded and transcribed using automated transcription. Transcripts were checked by staff before circulating to the focus group participants for reviewing and approval. Minimal amendments were made, and all amendments were for deidentification or clarification.

The distribution of provider organisations and people in the focus groups is shown in Table 1 below. Overall, more people participated in the focus groups with private service providers than not-for-profit. The sample was also skewed as the respondents from NEST regions were all not-for-profit and the non-NEST sites were all for-profit service providers. This risks some distortion in the results but, where relevant, this distortion is addressed in the analysis.

Table 1. Focus groups

Focus group (Organisation)	Number of people from organisation	NEST site?	FP/NFP
1	2	Y	NFP
2	3	Y	NFP
3	2	Y	NFP
4	2	Y	NFP
5	6	N	FP
6	5	N	FP
7	5	N	FP
8	3	N	NFP
9	2	Y	NFP
10	5	N	FP

The interviews were then coded using Nvivo qualitative data analysis software. This coding was informed by the interview guide. Further areas of interest which emerged during the coding were also coded to see what 'surprising' patterns might emerge. The results of this thematic coding are detailed below. Focus groups are only referred to by an identification number (i.e., FG1). To minimise the risk of re-identification, only details that are essential to understanding the context of the observations are included.

2. Current digital services

The focus groups occurred in the midst of the COVID-19 pandemic and the enforcement of lengthy lockdowns in several states, most notably Victoria and New South Wales. This was a period when many services and businesses had to move online, and employment services were no exception. Consequently, a theme that was explored during the focus groups was the ways in which providers were availing themselves of digital servicing strategies at the time, and prior to the transition towards the new Workforce Australia model.

Notable differences were observed between the providers in the trial regions and other employment services providers in terms of the types of digital service offerings they made available to jobseekers. Those working within the trial regions spoke much less about current digital services, focusing predominantly on the provision of intensive face to face services. Alternatively, those working outside of the trial did speak about the work they currently offered and hoped to offer moving forward.

It is unclear from the exploratory research undertaken for this study whether the different approaches to the use of digital services by providers emerged from their involvement in NEST or because of the differences between for-profit or not-for-profit organisations. This is important to explore further in future.

For the sites we spoke to, the most common use of digital services at the time of data collection was to offer activation and engagement activities online (FG1, FG6, FG7, FG8, FG9, FG10). This could include signing job plans online, providing an overview of services or having online meetings. This shift was primarily, or at least in part, driven by the COVID-19 pandemic (FG7, FG10). During this period, it was noted that almost every client was required by the Government to engage through MyGov, whether independently or with support from the provider, meaning that those jobseekers able and willing to self-service were encouraged to do so.

Benefits of online engagement with jobseekers were recognised by the providers interviewed. They however simultaneously had some concerns over the potential continuity of such services moving forward. For instance, according to Focus Groups 7 and 10, engagement with jobseekers via MyGov could often be much more efficient but it was unclear how much of this would continue after COVID-19 lockdowns and restrictions were lifted. For example, Focus Group 4 reported that there was still 20 per cent of their caseload not using MyGov.

Some service providers even spoke about continuing in the hybrid model (FG1, FG4, FG5, FG7, FG9) if possible, post lockdowns but there was an acknowledgement that for some jobseekers, especially those most disadvantaged, the face-to-face option is preferable.

> Most sites are wanting to get back to face to face delivery for really disadvantaged jobseekers, because that's when you see mental health, alcohol issues, people start building that trust and rapport a lot better (FG9).

Online services currently in use, in both client-facing and back-office operations, tended to vary from provider to provider. For instance, in cases where providers didn't have much of an online presence beyond the necessities of COVID-19, there was little to no individualised support for jobseekers available online (FG7). These providers instead used SMS contact or posting things on the website to communicate with jobseekers universally (FG9). Others used a more complex form of jobseeker portal (FG8, FG9).

Those from the service providers we spoke to in Focus Group 3 did not really transition to Zoom at all, preferring to use phone services during this time. Focus Group 10 reported using Zoom mainly for staff meetings and maintaining collegial relationships through the COVID lockdowns, "Zoom became the norm for us during COVID. We were doing, you know, company meetings through Zoom to keep everyone engaged. We were doing lunches together as a company".

Some other digital services that were reported included;

- The use of digital vouchers for fuel, groceries, and clothing (FG7, FG9)
- Running virtual job fairs (FG10)
- Broadcasting a live listing of vacancies (FG3)

Training was also an area that saw growth in online services covering for instance, foundation skills, pre-employment training (FG6) or employability skills (FG9, FG10). In some cases, such training was already offered digitally before COVID, especially for those delivering services in more remote areas (FG9). One focus group participant reflected that live streamed training could only attract a handful of people, however when recorded and made more widely available, views went up significantly (FG4). Of note was that online training, and other forms of online delivery, were often designed to replicate face to face. While online training works for some (FG6), those from Focus Group 6 worried that online learning was ineffective (FG6). In any case, the transition to online was seen as an important one for providers to make given that many of the big employers were already using digital systems (FG4, FG7, FG9, FG10). It would be to the detriment of jobseekers not to provide some support for jobseekers to engage online with employers.

Case management was found to be less likely to be transitioned to a virtual environment, with some reflecting that the first meeting, at a minimum, should be face to face (FG1, FG4) as well as any compliance meetings or discussions (FG1). The direct translation of service provision – whether training or otherwise – from face to face to virtual models was less likely to be effective than services (re)designed for the online environment. Meetings with jobseekers needed to be structured in a different way, making space for more connection as the physical proximity and much of the incidental interaction was lost in a digital environment (FG5). Viewing engagement differently was also necessary, with different tools required to suit different access needs and learning styles.

Despite the introduction of greater flexibility during the COVID-19/lockdown period, from mid-2021, we were told that the Department of Education, Skills and Employment introduced a very short time frame for service providers to initiate their first meeting with jobseekers and these meetings had to be face-to-face. Some providers reflected that this signalled that the potential for hybrid services were likely to be limited in the longer term.

> [I]t's really, really clear that the primary focus is a face-to-face personalised service, which, you know, we want people to have the option to engage with us in other ways and in ways that's most convenient to them but also, we don't want to try and replicate what the department are already doing in offering digital services (FG8)

However, there were opportunities to use automation in both client-facing and back-office programs to free up time for consultants.

> [T]he idea is really to make it as easy as possible for the consultant to give them more time, automate the processes on the back end, give them more time to spend with the actual people (FG8).

They hoped they might be able to do this through

> automated referral processes. So, for instance, if somebody flags as [having] mental health [challenges], then it's automatically generating a referral that will go off to the [jobseeker] so eliminating some of those administrative tasks that come onto the staff whilst improving the service and the efficiency (FG8).

In some cases this was more about streamlining and modernising legacy systems as "our current internal systems are in the dark ages…the back end is bogged down by red tape and administration and archaic systems" (FG9).

There was some enthusiasm for the opportunities provided by more advanced digital transformations offered with artificial intelligence and smart algorithms, but this was limited. For instance, those in Focus Group 6 were the most developed in their plans to use "smart algorithms… [and] algorithm informed coaching" (FG6). Those from Focus Group 8 on the other hand hoped, at some point to be able to combine "evidence-based information and data with practices that are proven to be effective from long term consultants. That will essentially conduct a job seeker assessment, which will then help to drive forward some of the best practice approaches" (FG8).

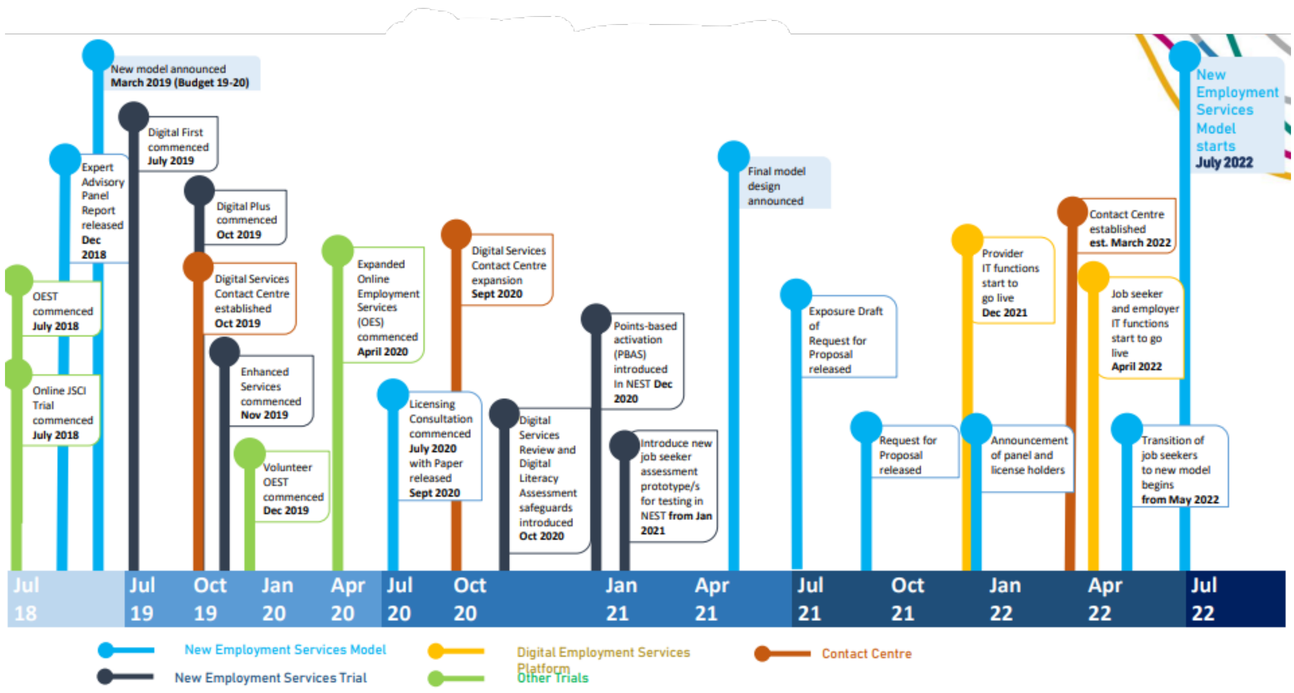
Others on the contrary felt that these types of services were out of reach because they did "not have either the financial or the technical capacity to do the specialized service that the Australian government, somewhere like DESE, are able to do. They're able to much more profile and customize that. And we are not at that stage digitally to be able to do that" (FG9).

Ultimately the extent of the digital transformation of service providers during the period prior to the launch of Workforce Australia was quite limited and driven extensively by the challenges of COVID-19. The appetite for innovation was there, but digital innovations have not yet made a significant impact on their operations.

3. New Employment Services Trial (NEST)

Following the initial question about digital services more broadly, we proceeded to invite focus group participants to reflect on how they thought the new model would change the delivery of employment services.

Five of the providers we spoke to were currently delivering services as part of the trial into this new model - NEST. The NEST operated in Adelaide South in South Australia and the Mid-North Coast in New South Wales and made several components.



Proposed NEST timeline, Department of Education, Skills and Employment (2021)

The first component involved the introduction of the Digital First service from 1 July 2019.

Second was the introduction of a call centre to service a middle tier of jobseekers known at the time as Digital Plus.[1]

From October – December 2019, NEST providers began to assess all Digital First eligible jobseekers for digital capability and access and determine their ability to self-service. They also begin delivering Enhanced Services to higher needs jobseekers from November 2019. There was a transition period for providers, during which they transferred their jobseekers across to the model under NEST. This period ran from October 2019 to June 2020.

The trial ran from November 2019 to mid-2021 when procurement for the new model commenced.

The NEST involved more than just a change in who was receiving services. The new model (now called Workforce Australia) includes:

- New payment structures
- A points-based obligation system (called the Points Based Activation System or PBAS)
- Different provider performance frameworks
- Aspects of a new job seeker assessment framework and,
- A new IT system

Given the timing of the NEST, several significant crises played a role in how the trial has run. First, the major bushfires happened across the East Coast of Australia

[1] Digital Plus was phased out in 2021, leaving only Digital First and Enhanced Services.

during the initial launch of the NEST. Second, COVID-19 broke out and caused significant disruptions throughout 2020 and early 2021. These have likely played a significant part in influencing the reliability of the results of the trial, as they resulted in

- Suspension of mutual obligations for jobseekers in trial regions
- A surge in caseloads
- Fewer job vacancies
- Minimal face to face servicing
- Cancellation of job seeker activities and
- Increased financial support available

Enhanced flexibility and discretion

Providers delivering services as part of the NEST were asked to reflect on the changes they observed between delivering a Jobactive contract and the new Workforce Australia model. The overall impression was that Enhanced Services provided them with an opportunity to exercise more discretion in an environment which had less red tape and administration requirements, and greater flexibility (FG2, FG3, FG4) compared to Jobactive. One group shared that they were able to spend more on allied health and non-vocational support for example (FG3). This was particularly effective in sites where there was a high number of disadvantaged jobseekers on their caseload and where vocational training was less likely to help them overcome the necessary barriers to work.

Another group shared their experience with non-vocational support, reflecting that their staff also found it rewarding, because "having that belief that the job seeker can move forward in whatever it is, [even] non-vocational, to be able to focus on small steps towards employment goals ... we have noticed a big difference (FG2)".

During NEST these providers also maintained a focus on a higher level of engagement with jobseekers. Some held more meetings (face-to-face or otherwise) (FG1, FG5), while others used assessment tools to tailor a personalised employment 'journey' (FG1, FG9). Focus Group 3 noted that this was a direction they were heading in, but, as yet, hadn't introduced a more tailored servicing model:

> at the moment our assessment is focused on, still job options. So what are you willing to do? What are you interested in? OK, but we want to bring into our assessment the ability to assess more the mental health issues with our job seekers.

An interesting flipside to this optimism was that the flexibility could lead to a degree of choice paralysis or uncertainty about best practice. During Focus Group 4, one participant noted that

> it was obviously a great challenge, for myself and the teams, where everyone was quite excited by the freedom because we've heard it for many years, where people say, you know, perhaps I'm not a fan of X, but I have to because it's the contract or, you know, I don't believe this is necessarily going to help this person but, you know, I have to… so this is the freedom to be able to do all of that.. by the same token, great so where the guidelines for it? So there was still that instinct to say I need the parameters.

The introduction of the points-based activity system (PBAS) was largely seen as a positive opportunity for activities to be better tailored to jobseekers' needs. PBAS is a system whereby a greater range of activities, such as training, job interviews, counselling and even attending a job fair, can count towards a jobseekers mutual obligations (as determined during the development of their Job Plan). All the service providers we spoke to in the NEST supported PBAS (FG1, FG2, FG3, FG4, FG9). A key concern was that it was a mandatory requirement (FG3), and that wouldn't always be suitable for those relying on poor internet access or using their phone (FG1, FG3). However, the system proved to be relatively intuitive and 'easy' to use for the providers, although some jobseekers reportedly found the inclusion and exclusion criteria a little complex (FG3). The administration side was quite straight forward, and according to service providers, the jobseekers in the NEST were, overall, happier to have greater control over their activities (FG4).

Given they were rolled out simultaneously, it will be challenging to discern the difference between the introduction of PBAS and the impact of the two-tier system in future research.

Inter-agency collaboration

The focus on non-vocational support and a greater breadth of activities of the NEST had also encouraged the building of new relationships with other wrap-around services and the community more broadly. Some providers, such as the one from which Focus

Group 4, asked jobseekers what types of services they wanted to use more.

> [Jobseekers] told us who they need. So we bring in those partners. We invite these community service organisations every fortnight so that we can talk collaboratively about the challenges we're having and they can explain the diverse range of services that they can offer, a referral process and otherwise to ensure that personal and professional development and supports are all there (FG4).

Others did the opposite and sent a staff member out to visit the community organisations and support services and bring that expertise back to share with the team (FG1, FG2).

Another benefit of the Workforce Australia model, according to Focus Group 2, was the fact that jobseekers were either in digital or enhanced services, rather than being profiled as Stream A, B or C. This led to a significant and positive change in jobseeker behaviour.

> [F]eedback from… the site managers is that quite often the job seekers would come to us and I would say I'm a stream A or I'm a stream B or I'm a stream C, so they came with an idea of how they should fit that mould of what they were assessed as… [P]eople would say, well, I'm a Stream C, Centrelink say that I'm really hard to place [so] you can't expect me to find a job. Stream As who would need extra help and we'd want to help them; they'd say no I don't need your help because I'm stream A. I can do it. Whereas we might have identified some barriers or some skills development that they didn't want to engage in. So I think the biggest thing that I've noticed is the taking down those barriers of preconceptions from the job seeker side and the employment consultant side… to make sure that we're tailoring services, that we are looking at a suite of support that we can give job seekers. It's really, I guess it's really leveraged our ability to do that.

This reflects some of the research from our recent expert interviews which revealed that the use of streams risked changing the behaviour of service providers and the consultants working with jobseekers (Ball, Considine, Lewis, O'Sullivan, McGann, & Nguyen, 2022).

Working with employers

However, working exclusively with the more disadvantaged cohort also potentially meant a more challenging task in building and maintaining relationships with employers. Some felt this was not particularly new, noting a disconnect between the employment service system and employers in previous reform models as well.

> [T]here has been a complete disconnect right through Jobactive, Job Services Australia and every predecessor… [the] government [has] a mixed agenda. One of the agendas is to drive employment and move the labour market to the digital environment and the emerging industries and the change around aged care and health care and disability services and all the things they need to do at the macro level, and they take the macro view, but we only ever at any point in time, and even less for enhanced services, we only ever deal with about two per cent of the labour market, if not less. (FG9)

The main concern on behalf of those in the NEST was that the types of jobseekers they would be engaging would now be almost exclusively the most challenging. This would strain relationships with *existing* employers, as they couldn't quickly place jobseekers into roles without significant additional supports and training (FG1) and would limit the development of relationships with *new* employers as well (FG5, 8).

> You could, in the past, place three or four stream A's and forge that relationship and then go in with, you know, pulling the favour once you had that established relationship, whereas that's kind of, I guess in some respects, taken away from us. (FG8)

This also excludes bulk recruitment, as they won't have that many clients ready to go into work at short notice (FG1, FG3, FG5).

Despite these challenges, overall, most of those from the NEST reported an optimism for the coming transition to Workforce Australia for service providers. The NEST appears to have afforded providers increased flexibility to work with jobseekers in more diverse ways than the previous Jobactive system. This primarily translated into a shift in focus away from short-term training and focusing on job placements towards increasing engagement with non-vocational support and greater collaboration with local health and social services. Conversely, there was little evidence that providers were able to work more effectively with employers and indeed the change in the composition of their caseload was seen as a major barrier to employer engagement.

Future service provision

Another key component of the focus group discussion was centred around the service providers' hopes and concerns about the next steps for employment services in Australia under the Workforce Australia model. These were often divided between the opportunities and risks that would emerge for clients as opposed to those for the service providers themselves. We explore these different perspectives in more detail below.

Lighter touch services for those close to employment

When asked about the digital system many felt that there were jobseekers who were more suited to a light-touch approach. The pandemic made this particularly clear, with many new jobseekers who were confident and competent at looking for work and well trained and/or educated, but suddenly found themselves out of work.

> if I had been a pandemic refugee, I would have preferred digital myself. Right. I would have liked to be using it. I would have preferred digital services … and we did have people like us hit the case load, we had management consultants and pilots and the like. (FG6)

This attitude reflects the original intent of the digital system, which recognises that providing a light touch digital service for those who are capable and competent, would allow providers to focus their energy and time on those with more barriers to employment (FG7, FG8, FG9).

More time and resources to target those with complex needs

The opportunity to spend more time working closely with those who most needed support was viewed highly by service providers (FG5, FG7 FG8).

This was reflected in the experiences of those within the NEST, with Focus Group 2 reporting that

> I think it's been really beneficial for those that… needed the extra support, but… because we didn't have [the] longer appointments, because it was Work-for-the-Dole focused or more of that 'tick-and-flick' sort of style. Not that we encouraged that, but it just became that because of the amount of appointments [we] had to see throughout the day to get by, and the other duties that [we] need to do as well… [E]nhanced service has been, I guess, better for anyone wanting to move forward, even if it was just focusing purely on employment goals, then the whole appointment [was spent] looking at all options… not just one or two, spending the whole appointment going, well, what about this? What about this? And just brainstorming.

Focus Group 1 similarly felt that "in Jobactive… it is very fast paced and it's moving very quickly, there's a lot of admin... You forget the customer-centric servicing. So that's what we've diverted it back to. We haven't reinvented the wheel, we've just gone back to how servicing originally used to be probably a couple of contracts ago."

Under the new system, providers felt they could deliver more extensive post-placement support, and this would be a potential key point of difference for service providers (FG1, FG3, FG8, FG9) especially given the new focus on non-vocational support. Focus Group 3 shared that their post-placement support had expanded to include contact calls from allied health professionals, "[so] it's not just the recruitment consultant that's ringing up the job seeker and employer and saying how many hours of work are you doing? Is there anything we can help with? … We identify who might need the extra help, [and] our allied health person who's got the social work background, the counselling background, can call them and provide the extra support to them as well".

Effectively targeting support to those in need

Most agreed that it made sense to allow those who self-service to do so and that it would allow for more time to be spent with those who needed more time and resources. However, it was less clear how the decisions would be made about who fit where. Participants reflected on their concerns about the ability of the assessment tools to effectively determine a client's needs (FG4, FG6, FG7, FG8, FG9). Under Jobactive there were, according to service providers, many jobseekers incorrectly assessed – an issue that has also been identified in previous research undertaken by the team (O'Sullivan et al., 2019) .

> There's a lot of stream A's that shouldn't be stream A's… The duration of unemployment is [one] question. So if someone gets out of jail yesterday and signed up for Centrelink today, the duration of unemployment is one day and they're a new claimant and they've been working in jail and they've had stable accommodation. They haven't moved at

> all in the last 12 months. So there you go, they're a stream A, but they've just been in jail for 30 years (FG6).

> [A] lot of our… stream A's that we have…are not Stream A's. That's because a lot of the assessment… [they] haven't disclosed to the person that's on the other side what their real barriers are and that's where we think that maybe it may fall down (FG7).

> So we find that our stream A's have just come out of jail and some of them have got ankle monitors on and we don't even know how we're going to ever get a job anyway. So that streaming really potentially worries me because how is that working? Because at the moment there's a lot of flaws in how people are streamed (FG8).

Focus Group 9 revealed their concerns about jobseekers undertaking the assessment, in whatever form, independently. This could be online, or over the phone. When done this way the jobseeker is guessing at what his or her answers mean, and what the results might be. Essentially,

> They associate the JSCI with their payment and they're going, 'I don't want to add anything that's going to be a negative influence'. Whereas when they talk to [a provider], even though we talk mutual obligations, they don't necessarily associate us with their payment or impacting their payment (FG9).

Focus Group 9 shared a particularly illuminating example of how this can work differently in a face-to-face encounter.

> [T]hey ask me, 'Do I have a drinking problem or an alcoholic?' I'm going to say 'no', [if] it's the government! [But if it is] you and I talking, then you're going to have a totally different response about, 'Gee, I've got a bit of a hangover. Last week I really had too many'. If they're feeling comfortable … you're talking about something that might get people relaxed, like football. They're more likely to say, 'Yeah, I went to last week's game and I had a few too many drinks. The missus threw me out. You know, I went, I got drunk and went back in and now she's got an AVO [restraining order] out against me' and they're more likely to go and talk about all of that. And she's got custody of the kids and you're starting to unpack the variety of issues that are impacting that job seeker. They're not going to do that on an online JSCI assessment...

Digital capability – assessment vs reality

Common concerns of service providers included the accessibility, capability, and capacity of clients to take advantage of the digital system even if they were assessed as being digitally capable (FG1, FG3, FG4, FG5, FG7, FG8, FG10). This echoes much of the research on digitalisation of welfare and vulnerable populations (Larsson, 2021; O'Sullivan & Walker, 2018; Schou & Pors, 2019). Several service providers reported experiences of jobseekers who did not have ongoing access to computers (FG3, FG4, FG5, FG7, FG8, FG10), who lost or broke their phones regularly (FG3, FG8, FG10) or simply ran out of credit (FG10). Others in regional areas had very patchy access and reception (FG1, FG7, FG8). Service providers were not sure if these jobseekers were assessed as digitally capable, if they could then call the contact centre and use the employment fund for a new phone or phone credit if they needed it.

The motivation and willingness of jobseekers to learn new digital skills could also be a barrier (FG1, FG5, FG7, FG8, FG10). Focus Group 6 reflected on their experience that it was sometimes those jobseekers from the more digitally-savvy cohorts, such as youth or young professionals, that could need the most support,

> [R]egardless if they know how to use an Xbox or a smartphone well, quite a large majority of them don't know how to just navigate through [the other types of] basic IT skills. Also they can be very socially isolated and [are stuck] in a digital world where there's no social interaction.

Service providers shared experiences that highlighted their concerns that a digital first model could lead to jobseekers not getting the extra help they needed, when they needed it. For example, Focus Group 10 raised the issue that some jobseekers might, in a face-to-face encounter, "engage quite easily with the mental health stuff [but] it's very easy just to switch off a phone and go MIA [missing-in-action] for a while".

One demographic of particular concern was the digitally capable but less job-search competent youth cohort.

> young clients, they don't want to answer the phone to us. They prefer the SMS sort of thing. And they don't want to call employers. They do all of their job searching online, which is why we try and put them with [our employment specialist] and the job searching sessions because we coach them on how to call or introduce themselves to employers

because we're seeing massive anxiety with even just answering their phones to someone they don't know… So if it's all online for 12 months, no one's kind of breaking down those barriers either. So that concerns me” (FG2).

This gap could lead to significant issues because “by the time they are detected they have spent 12 months in digital services, they are so far removed from the labour market, the journey back into getting them connected to the labour market is going to be more difficult” (FG9).

Impact on client engagement

They did worry that the two-tier system however could also lead to jobseekers trying to find ways to ‘hide’ in the digital system – something they couldn’t easily do in Enhanced Services. For example, Focus Group 9 reflected that the digital system wouldn’t have the same level of accountability. If a client’s jobsearch behaviour was ineffective it would go unnoticed, but at a provider where “we're discussing their job searching. We're saying, well, your job searching is inappropriate” (FG9). Others felt it was “about [holding] people to account for the things that you're asking them to do” (FG8). This was difficult to do in the online system.

There were also concerns that when jobseekers went for a long time without face-to-face support in the new system, they wouldn’t understand how to access the necessary supports or even that the support needed to get them into employment might not be available (FG2, FG3, FG5). During Focus Group 2 one participant shared that “some people were saying... I needed clothes. I needed petrol vouchers. No one got back to me” (FG2). Focus Group 3 echoed this sentiment, stating that jobseekers

> don't know how to get access to funding or they don't know how to come across to Enhanced Services. So there might be possibly more people in digital that want to be connected with us but don't know what they need to go through to get to us (FG3).

Employer engagement

Service providers also had significant concerns about how service providers would fare in the new Enhanced Services model. Some of the concerns were also reflected in the discussions with those in the NEST, issues such as the challenge in building and maintaining relationships with employers as previously discussed due to reduced capacity of delivering bulk recruitment or the use of labour hire with higher need jobseekers (FG1, FG3, FG5), and the loss of jobseekers with fewer barriers, who could be used to build relationships with employers (FG7, FG8).

Some illustrative examples include a discussion during Focus Group 8 where they reflected on the challenges of building the Workforce Australia brand,

> that's going to be one of our challenges, to ensure that we set the tone right from the start and make sure that the expectations are really clear. [Also] now we don't have, we're not a brand that's known absolutely everywhere [so] with even less job seekers on our caseload and in the program, again, the brand of the new employment services is impacted by that because us getting across to employers what we can do to assist them will actually be lessened because we actually have less jobseekers that answer their needs.

They also worried that, after working for so long “to get rid of the stigma of, you know, somebody who's on Centrelink payments” that this would undermine those efforts. Focus Group 3 was with a provider delivering Enhanced Services as part of the NEST, and service providers reflected this concern, stating that “we just have less choice to show the employers, so we are yeah, we have some employers that are really not very happy with the quality of the candidates, we're providing them”.

Managing this changing relationship was seen as a barrier to success and will be a key area of interest for future evaluations of the Workforce Australia model. Even though some felt that ‘they never should have had the easy to place jobseekers’ (FG5), it was the *balance* that was of concern. During Focus Group 7, one participant mentioned that they had tried running peer-support clubs initially dividing them by stream (A, B, and C) but they had much better outcomes when the groups were mixed. For some stream C’s, this was a motivator.

Will providers still be able to build relationships with employers, given that caseloads will be weighted towards jobseekers with more barriers to employment? What tools will providers need to use to build trusting and supportive relationships with employers under Workforce Australia.

Staffing challenges

From a management perspective, the introduction of the online opt-out service could make it hard to predict the number of jobseekers and ultimately make it difficult to manage staffing levels. People may opt-out of digital and increase the workload unexpectedly (FG5). Focus Group 7 shared that it impacts "the way we model. It impacts the staffing numbers that we're potentially going to need/not need" (FG7). Some sites managed this by changing their opening hours while running the NEST (FG1), "but what's going to happen, the financial model, if you've got a lot of very long-term unemployed people on your case load and there's no progression long term, I don't think providers will be successful financially".

The loss of balance between easier and more challenging to place jobseekers, and the ongoing uncertainty, could also lead to greater challenges for staff. One of the NEST sites shared that they had seen more difficult encounters during the trial (although largely due to the return to compliance measures). While it was not a large part of their caseload "when you're dealing with that, when our staff are dealing with that, that's what they remember. And that's probably what makes a little bit harder for them" (FG3).

Initially one of the reasons given in favour of mixed caseloads was to reduce the risk of burn out. What is the impact on staff when most of the clients have more barriers to employment?

Another NEST site shared that

> every provider has those customers we spend the most of our time with, the most disengaged customers that won't progress. Say you've got ten really challenging customers that will consume the bulk of your time, but you're technically wasting your time because they don't want to do anything. So you're working through the compliance and trying to explain something to them. And I know our staff are tense and stressed when they're coming in. And yes, we can transfer them to the site manager's caseload [but] ultimately, they shouldn't be with us… [and] the more compliance there is and the more engagement we're looking for, and the more participation, and the smaller the caseload, there's nowhere for them to hide so they are going to feel like they're backed into a corner and you know what sort of behaviour that will initiate! (FG1)

Some reflected on how the changing caseload would impact their hiring and staff strategies. Some contracted allied health staff (FG1, FG3, FG6, FG7). Others offered training to support jobseekers with more complex needs (FG2, FG6).

Will staff with greater social work/community development training be best placed to provide support to clients under the new system, given ongoing mutual obligations and penalties?

Focus Group 1 spoke about hiring staff with case management experience or training in psychology but that also had experience in sales and marketing as this allows them to support jobseekers more effectively, and market them to employers. However, there were perceived challenges in hiring staff from this cohort given that,

> we're dealing with some customers that are not on their best behaviour by any means when they attend an office, they can be quite abusive [and] we've had a couple of graduates that left, and we had one that had to transfer to our postplacement support team because the contact with customers isn't face to face. We've also had another one resign due to the targeted compliance framework. It was against their values suspending someone's payment.

Conclusion

Workforce Australia, the much-anticipated new model has been officially launched, transforming multiple aspects of the system; from the way jobseekers are classified and serviced, how services are procured, and the way service providers are to be evaluated and rewarded for their efforts. Given the features of the new system, the ten service providers we spoke to via focus groups in late 2021, both in and outside the NEST regions, were optimistic about the new system. Like the reforms in the past, they also hoped that they would continue to be able to 'make it work' from July 2022:

> that's always been a provider's role, you make a contract work and you operate within that framework. If you really don't think it will or you don't agree, then you don't tender. And when you're tendering, you expect to win, so you expect to deliver… I think we should be optimistic around our ability to work really well with those people…I think we'll be very optimistic around our ability in that space. But it's a fundamental shift in the way we work today, and the industry has been going for a long time so you can't expect just to switch over from 30 June to 1 July and have things just work. So there will be months of teething problems but again, some of that's not going to be within our control and our responsibility (FG10).

The results from our data analysis to some extent echo service provider interviewees' optimism, pointing to the potential that the Workforce Australia reform would lead to an improved service model. The rationale underpinning the two modes of delivery - digital and enhanced services – is built on extensive stakeholder engagement. The enhanced flexibility and discretion for both jobseekers and service providers, facilitated via a well-designed points-based system (PBAS), offers strong potential.

The focus groups however also revealed important challenges to be overcome if the new system is to work as planned. Examples include how to ensure correct assessments of jobseekers' needs and have their services tailored accordingly. Service providers also reportedly face significant challenges in building and maintaining relationships with employers and responding to the impacts of the system's fluid caseloads on their operations.

The service providers interviewed were found to have already engaged in some form of online service. While relatively limited and basic at the time of data collection, they would arguably facilitate the transition to the new system to some extent. As the reforms settle, and a greater understanding of the jobseeker cohort and their needs emerge, there may be a greater engagement on the part of service providers with digital innovation.

The positive opportunities identified by providers in relation to the new enhanced employment services model are the possibilities for reduced caseloads, more time spent working directly with jobseekers rather than on performing administration, and greater inter-agency cooperation to provide enhanced non-vocational services. However, providers also expressed concern that the new model could undermine employer engagement and aggravate issues associated with the assessment and (mis)classification of jobseekers. These potential benefits and challenges will be further explored in a survey of frontline staff, to be conducted by our team later in 2022.

References

Ball, S., Considine, M., Lewis, J. M., McGann, M., Nguyen, P., & O'Sullivan, S. (2022). The Digital Governance of Welfare to Work: Industry report on interviews with international experts.

Larsson, Karl Kristian. 2021. "Digitization or Equality: When Government Automation Covers Some, but Not All Citizens." *Government Information Quarterly* 38(1): 101547.

O'Sullivan, Siobhan, Michael McGann, and Mark Considine. 2019. "The Category Game and Its Impact on Street-Level Bureaucrats and Jobseekers: An Australian Case Study." *Social Policy and Society*.18(4): 631-645

O'Sullivan, Siobhan, and Christopher Walker. 2018. "From the Interpersonal to the Internet: Social Service Digitisation and the Implications for Vulnerable Individuals and Communities." *Australian Journal of Political Science* 53(4), 490-507

Schou, Jannick, and Anja Svejgaard Pors. 2019. "Digital by Default? A Qualitative Study of Exclusion in Digitalised Welfare." *Social Policy and Administration* 53(3): 464–77.