



# New employment services model

## Information for Providers

Government employment services are being transformed to deliver better services to job seekers and employers and a better system for providers. The new model is currently being trialled in two regions from 1 July 2019 before being rolled out nationally from July 2022.

### Rewarding high quality services

The new model will include a new licensing system, performance management framework and payment structure for employment services providers. This will encourage employment services providers to work together to deliver high quality and tailored services that meet the needs of employers and help job seekers prepare for and find sustainable employment.

### What is the new licensing system?

It will be easier for providers to enter the market with a new licensing system.

A panel of employment services providers will be established from which providers will be licensed to operate in specified employment regions. The number of licences issued in each region will be limited to ensure market stability. Small and local organisations will be encouraged to apply for licences, with market share to be managed in a way that provides more flexibility and choice for job seekers and promotes competition between providers.

Specialist licences will be available for providers to focus on particular cohorts of job seekers or employer industries.

### How will provider performance be managed?

A new performance management framework will ensure providers meet the needs of employers, work collaboratively with local stakeholders and deliver high quality and effective services to job seekers.

The performance management system will continue to focus on the achievement of employment outcomes for job seekers, while incorporating regular user feedback including from job seekers, employers and local stakeholders. High performing providers will be eligible to receive licence renewals. Poor performing providers will not receive renewals.

### How will providers be paid?

A reformed payments structure will incentivise providers to support job seekers to prepare for and gain sustainable employment. This will include higher up-front payments to support greater up-front investment in job seekers as well as outcome payments that reward employment outcomes. Under

the new model, providers will receive incentive payments for improving the job readiness of a job seeker and for achieving employment outcomes for the long-term unemployed.

## Next steps

The department will consult with job seekers, providers and employers on the licensing, performance management and payment approaches prior to the national rollout. The new system is currently being trialled from July 2019 in Adelaide South, South Australia and Mid North Coast, New South Wales.

## More information

Further details will be published on the [department's website](https://www.deps.gov.au/employment) (employment.gov.au) as they become available.

