



Shaping the future of employment services

July 2026

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About AKG

AKG has been partnering with Government delivering employment, skills and workforce participation services in Australia for 30 years. We have operated through every major reform of the national employment services system, from **Job Network** through **Job Services Australia** and **JobActive** to **Workforce Australia** today. More than **1 million** people have been placed into employment and thousands of businesses supported by our service. We operate from more than **200** locations nationally.

We deliver **Workforce Australia** services across 13 employment regions. Our program portfolio includes **Transition to Work**, **Parent Pathways**, **Inclusive Employment Australia**, **Employability Skills Training** and **Career Transition Assistance**.

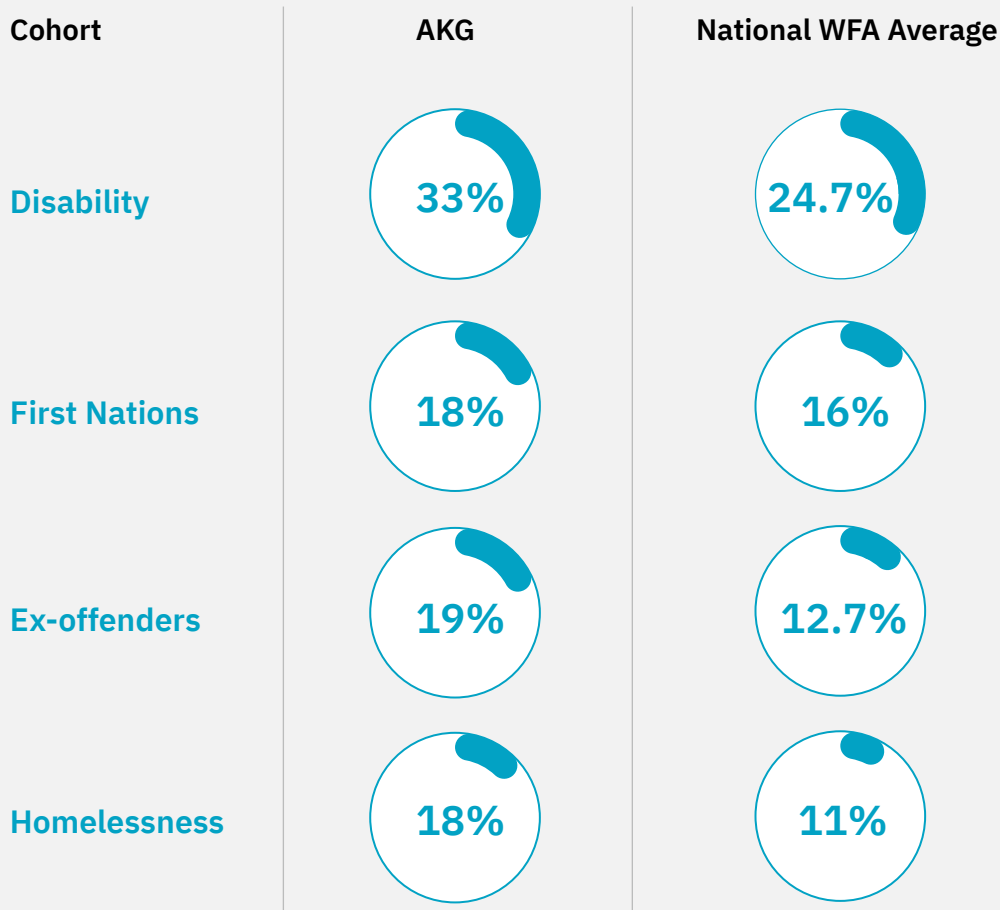
We also deliver Employment Facilitator and Support Services for the **Local Jobs Program** across two regions, the **Adult Migrant English**

Program, Skills for Education and Employment and Remote Australian Employment Services. We deliver **Inclusive Employment Australia** across 22 employment service areas. We support our Real Futures joint venture in delivering Inclusive Employment Australia across 23 ESAs. Two registered training organisations within the AKG group deliver nationally accredited vocational qualifications across individual support, disability, community services, allied health and early childhood education.

Our caseload is more complex than the national Workforce Australia average. **First Nations** participants account for between **4.7%** and **69.1%** of our regional caseload depending on region, and CALD participants between **1.1%** and **45.2%**.



AKG caseload complexity: How we compare



Source: AKG internal data and DEWR administrative data, 30 April 2026

Our workforce represents the customers we work with and the support they need. Staff speak 52 languages, have lived experience, and includes allied health professionals deployed alongside Employment Consultants to address health barriers that would otherwise prevent or delay employment entry.

This submission was developed through an internal strategic working group drawing on Employment Consultants, Regional Managers and Business Managers who work daily with participants across metropolitan, regional and rural Australia. AKG has submitted this response in our own right and contributed to the National Employment Services Association (NESA) industry response.

About this submission

This submission responds directly to the 19 questions in the Department of Employment and Workplace Relations' discussion paper, *Shaping the Future of Employment Services* (May 2026). It is structured thematically to follow a natural progression of argument: from the principles that should underpin reform, through service streams, assessment and triage, Employment Goal Plans, mutual obligations, employer engagement, workforce capability, diverse cohorts, national and local consistency, incentives and performance, commissioning, and continuous improvement.

The following key recommendations summarise AKG's principal positions across all sections. The full evidence and analysis underpinning each recommendation is set out in the corresponding section.

Key recommendations

- 1 Wait for the pilot outcomes before finalising the commissioning architecture.**
The \$52.6 million intensive services pilot must determine whether integrated delivery produces better participant outcomes and whether a viable separate intensive provider market can exist across different employment regions. The national design must follow that evidence.
- 2 Integrate Streams 2 and 3 under a single accountable provider.**
Moving to more intensive support should mean a higher level of service from the same organisation, and where possible the same consultant. One organisation must hold contractual accountability to case manage every participant's Employment Goal Plan and for their progression throughout any stabilisation phase.
- 3 If Streams 2 and 3 remain separated in the final architecture, design the triage tool to measure labour market distance as the primary allocation variable.**
The new assessment process must incorporate digital literacy as a mandatory standalone criterion, and participant assessment information must travel with them across streams and providers.

- 4 Treat assessment as a continuum.**
Formal reassessment must occur no later than six months from the original assessment, triggered earlier where engagement patterns or circumstances change. The initial assessment gateway cannot serve as the ongoing assessment tool.
- 5 Return compliance decision-making to government.**
Non-compliance should trigger a plan review and conversation before any formal compliance action is initiated, consistent with the Deloitte TCF review findings. Employment consultants' focus should be on employment support.
- 6 Make servicing fees the greater share of total provider revenue.**
The current outcome-dominated payment model does not fund the depth of assessment, barrier coordination, job seeker servicing and employer engagement that sustained employment requires. Progress payments must increase as a proportion of total revenue and be simplified to claim.
- 7 Weight outcome payments toward sustained employment and price complexity.**
A provider supporting a participant 382 days from placement requires materially more investment than one supporting a participant 97 days from placement. The payment model must reflect that difference.
- 8 Commission primarily on verified past performance.**
DEWR holds administrative performance data for every incumbent provider. That data must carry greater weight than narrative tender content. Contracts must last at least five years, with staggered renewal.
- 9 Protect employer relationships through commissioning design.**
Sustained employment outcomes depend on employer relationships built over years within specific communities and industries. High-performing providers with established employer pipelines and co-designed employment pathways should not be removed from regions without direct consideration of what is lost.
- 10 Use technology, including AI, to increase the time frontline staff spend with participants and employers.**
Technology should be used for repetitive administrative tasks and redirect that capacity to participant support and employer engagement. Productivity gains must be reinvested in service depth. Government should set national standards for privacy, security and human oversight, with decisions on assessment, stream allocation, job suitability and compliance remaining with front line staff.

What 30 years of employment service delivery tells us about this reform

The participants who will flow into intensive services under the proposed model are the participants AKG serves today. Intersecting barriers across housing, health, criminal history, family violence and long-term labour market detachment are the norm in our caseload. When Gav, a 30-year-old man, was registered with AKG following relocation from Darwin, his barriers included housing instability, prior offending, limited work history and compounding health issues. His Employment Consultant addressed these barriers concurrently because that is how they presented. An intensive stream that is structured around sequential barrier resolution, with one organisation handling stabilisation and a separate organisation picking up employment activity later, will not reflect how disadvantage actually presents. It will only lengthen the job seeker's period of unemployment.

The three-stream structure of the reform is the correct approach. It is however the key design issues arising from it that will determine the system's success or failure.

How does a participant's assessment, history and goals travel with them when their stream or provider changes? Who holds accountability for employment as the long-term objective when a participant is in intensive services focused on stabilisation? What does the funding model need to look like to make it commercially viable for a provider to carry a caseload of participants who may be two or more years from employment readiness? This submission answers these questions directly, drawing on AKG's frontline experience of what works and what does not work.

AKG is ready to engage in further discussions beyond this formal submission, including through the government pilots testing intensive services ahead of the national rollout.

Principles for successful reform

Australia's employment services system has been substantially redesigned four times in the last 30 years. AKG has operated through all four systems: Job Network, Job Services Australia, JobActive and Workforce Australia. Each correctly identified a genuine problem with the system it replaced and each reproduced the conditions that generated the next problem. The reason each reform eventually failed to live up to its goals and expectations is that three structural failures have been present in every design and this reform will repeat them unless it addresses them directly.

Failure one: Assessment tools that do not accurately triage

The Job Seeker Classification Instrument (JSCI) has been in continuous use across every major reform of Australia's employment services system. What changed each time was the service system built around it. Whilst the organisation for Economic Co-operation and Development (OECD) initially viewed the JSCI from the late 1990s as a pioneering global benchmark, that perspective has now moved towards warning against its limitations in an increasingly digital world.¹ The JSCI produces a single numerical score that counts recorded barriers without assessing capability, motivation or local labour market conditions. It relies on early disclosure of sensitive information before any trust has formed reducing the score's accuracy from the point of registration. The result is an instrument that assigns participants to the wrong service intensity, keeps some of the most complex cases in online servicing and is the key reason 1 in 8 jobseekers exhaust their maximum online service period before achieving employment.

The design requirement for this reform is that assessment treats labour market distance as the primary triage variable, incorporates digital literacy as a mandatory standalone criterion and treats assessment as a continuum with formal reassessment no later than six months after the initial assessment no matter the stream.

Failure two: Funding models do not reflect the cost of complexity

Every major employment services reform has named the most disadvantaged participants as a priority. None have designed a funding model that reflects what it actually costs to move them into work. The result is a system that formally commits to serving those furthest from the labour market while structurally incentivising providers to serve those closest to it.

Job Services Australia (JSA) contract acknowledged this problem through its Stream 4 participation funding, which provided a higher per-participant service fee and additional participation funding specifically to sustain engagement over time with people unlikely to move quickly into employment. That capacity has been progressively eroded. Workforce Australia's caseload is demonstrably more complex than any previous iteration: **24.7%** of participants have a disability, **16%** are First Nations people, **12.7%** are ex-offenders and **11%** experience homelessness. The Department states only **22.7%** of those participants achieved a sustained 26-week employment outcome.²

¹Desire, S., K. Langenbucher and L. Struyven (2019), "Statistical proofing in public employment services: An international comparison", OECD Social, Employment and Migration Working Papers, No. 224, OECD Publishing, Paris. <https://dx.doi.org/10.1787/b5e5f16e-en>

²DEWR administrative data, 30 April 2026, cited in DEWR, *Shaping the Future of Employment Services Discussion Paper*, May 2026

What the complexity gap looks like in practice is visible in data drawn from participants referred to AKG from online servicing in Wide Bay and Sunshine Coast. Participants who had been unemployed for 12+ months required an average of 3.2 interventions and a median of 382 days to placement. Shorter-term unemployed participants required 2.3 interventions and a median of 97 days.³ The funding model prices neither this time nor cost difference. A provider investing the work that our Jane case study demonstrated as required (page 21), over 12 months of concurrent stabilisation and employment preparation before a single outcome was triggered, cannot recover those costs under the current payment structure. The rational commercial response is faster placements from a less complex caseload.

Every person deserves the opportunity to work. A funding model that prices all complex participants the same removes the commercial capacity to deliver that opportunity. The design requirement for this reform is a service fee that carries the greater share of total provider revenue, progress payments weighted toward intermediate steps, outcome payments weighted toward sustained employment, and complexity loadings that reflect the real cost differential between a participant who is 97 days from placement and one who is 382 days from placement.

Failure three: Employer relationships are continually impacted by high turnover of incumbent providers

The Workforce Australia procurement turned over incumbent providers in **80%** of the 51 employment regions. Annual frontline staff turnover in the sector exceeds **40%**, more than 2.5 times the national average, and **45%** of the

sector workforce had been in the sector for under two years as recently as 2022. Each procurement round has been designed to drive competition and accountability. It has also destroyed the well developed employer relationships, workforce knowledge and community trust that the incoming providers must then spend the first years of their contract rebuilding.

Sustained employment outcomes depend on employer relationships built over years within specific communities and industries. Our Liverpool case study example (page 15) depended on years of presence in one community, knowledge of Arabic-speaking employers in that community and a relationship built before any employment conversation took place. That capability is unlikely to be able to be procured from scratch, and commissioning that removes a high-performing provider from a region imposes a direct cost on every participant in that region.

The design requirement is a commissioning model that treats demonstrated past performance, verified from DEWR's own administrative data, as the key procurement criterion, uses contracts of at least five years with potential staggered renewal and recognises the cost of resetting the market.

These three areas of failure are connected. Inaccurate initial assessment places participants in services that do not match their needs. Weak accountability for employment in intensive phases means that participants drift further from the labour market. Commissioning that resets the market every three to five years ensures the workforce carrying the knowledge of how to serve those participants is turned over and in many cases lost to the industry before the next reform. The reform will succeed only if it addresses all three simultaneously.

³AKG internal connect data

Three service streams to respond to different needs

Question 1

What are the key factors that should place a person in online and brief intervention services versus targeted provider services versus intensive services?

Question 2

What types of support should be offered under each of the service streams?

The three-stream model can improve Australia's employment services by tailoring support to individual needs, but it must function as an integrated system with aligned assessment, delivery, and funding, with employment or progress to employment, as the core objective across all streams.

Stream allocation must be based on individual assessed need. Being First Nations or CALD, experiencing homelessness, or having a disability does not automatically place someone in intensive services. All of these circumstances exist across all three streams. What matters is how those circumstances interact to affect a person's current capacity to pursue employment.

Stream 1: Online and brief intervention services

AKG supports APS delivery of online and brief intervention services for participants who are genuinely closest to the labour market, with a clear and early trigger for transition to provider-led services when that description no longer holds.

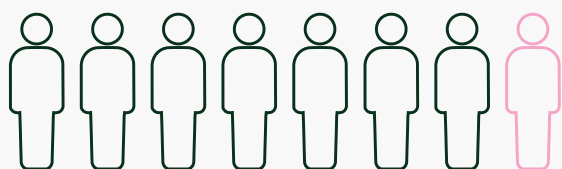
The government's own evidence is clear on the value of online servicing. The Nous Group Legislated Review of Workforce Australia delivered to the employment minister in June 2024, confirmed that employment outcomes improved under Workforce Australia Online.⁴

However, participants who were misallocated to it had lower employment outcomes than those who commenced in provider services from the outset, with the gap widening the longer a participant had spent self-managing online before transfer to more appropriate servicing. The University of Melbourne's 2025 research identified a hidden cohort whose support needs went unrecognised at initial digital assessment, leaving them in online servicing despite needing greater assistance and increasing the risk of prolonged unemployment.⁵

⁴Nous Group, Legislated Review of Workforce Australia (June 2024), available at: <https://nousgroup.com/assets/docs/Legislated-Review-of-Workforce-Australia-report.pdf>

⁵Carter, C., McGann, M., Ball, S., Nguyen, P., Considine, M. and Lewis, J.M. (2025), University of Melbourne. Available at: <https://doi.org/10.6084/m9.figshare.29347661.v1>

The cost of getting Stream 1 wrong



Around **1 in 8**

people reach the maximum time allowed in online services before referral to a provider



14,045 As of 31 March 2026

people had been in Workforce Australia Online for two years or more. **4,285** had been there for five years or more.

Source: DEWR administrative data, 31 March 2026

The reforms offer the opportunity to retain the strengths of digital servicing while enabling earlier identification of changing needs and quicker transitions to provider-led support before long-term unemployment sets in.

Key factors that should place a person in online and brief intervention services

Accurate assessment is the foundation for every decision as it determines whether each participant receives the right level of support at the right time. In a three-stream system, assessment is not an administrative entry point; it is the decision that shapes a person's pathway, provider relationship, Employment Goal Plan and prospects of sustainable work. If assessment is too narrow, too static or too reliant on early self-disclosure, participants will be misallocated, support will arrive too late and the system will reproduce the same failures seen in previous employment services models. Further detail on this is provided in Getting Assessment and Triage right in response to questions 3 and 4.

Allocation to online services must be confirmed through the initial assessment and triage framework. Eligibility indicators include recent stable employment history without significant gaps, digital literacy, a current resume with references and a demonstrated ability to job search independently. Supporting factors include stable housing, no significant health barriers, reliable digital access and industry experience that remains locally relevant.

Digital literacy must be assessed as a standalone criterion. Government evaluation of the Online JSCI Trial found digital literacy the key determinant for completing the Job Seeker Snapshot online, with older people, First Nations Australians, people with disability and those with low English proficiency less likely to complete. A participant with strong employment history but poor digital literacy is unsuited to online servicing.

An Active Service

Online servicing must function as an active employment service. Engagement, job search activity and employment progress require continuous monitoring, with data and behavioural indicators used to identify participants whose circumstances are changing or whose progress has stalled.

The current performance data illustrates what passivity produces. The benchmark for participants in work or study after exit was 80%; the result for July 2023 to June 2024 was 77.6%. The return-to-service benchmark was 15%; the actual rate was 16.4%.⁶

Reassessment and transition

The six-month point is a critical threshold. AGK's own delivery data shows that participants referred into provider-led servicing within six months achieve faster and more sustainable

employment outcomes than those who remained in online services beyond six months. The current system's reliance on a fixed twelve-month timeframe allows any difficulties or new emerging barriers to go unaddressed and classifies participants as long-term unemployed before any targeted intervention occurs.

Formal reassessment should occur no later than six months after commencement. Earlier reassessment should be triggered where engagement patterns, employment progress, or changing personal circumstances indicate that provider-led support would improve outcomes.

Any participant who has not secured employment at this time should move to provider-led or intensive servicing. Participants must also be able to trigger a reassessment or request human support at any point. Movement between streams must be driven by genuine change in circumstances.

Recommendations Stream 1: Online and brief intervention services

- 1 Retain APS-led online servicing for participants confirmed as closest to the labour market.
- 2 Conduct formal reassessment no later than six months after online servicing has commenced, or earlier where progress stalls or personal circumstances change, with immediate movement to targeted provider services where employment has not been secured.

⁶Department of Employment and Workplace Relations, Workforce Australia Online Performance Measures (2024), available at: <https://www.dewr.gov.au/workforce-australia/workforce-australia-information-individuals/workforce-australia-online-performance-measures>

Stream 2: Targeted provider services

Evidence supports keeping targeted provider services as the core of a reformed system. As of 31 March 2026, **85.8%** of assessed Workforce Australia Services licences reached or surpassed the Moderate performance level. Provider-delivered services recorded a participant satisfaction rate of **78.0%**, exceeding the government target of **66%**, while Transition to Work achieved **83.7%** against a **75%** target. Workforce Australia Online scored **63.2%**, compared to a benchmark lowered from **65%** to **60%** in July 2024. These government-published performance figures show that provider-delivered services deliver strong participant satisfaction and performance results across comparable measures.⁷

The same performance data also shows where provider delivery is lacking. Only **22.7%** of participants supported by Workforce Australia Services attained a sustained employment outcome lasting 26 weeks. The funding model behind these results is addressed in AKG's response to Questions 16 and 17. The argument here is that targeted provider services are the right structural instrument for the participants the reformed system will serve and that the design task is to fix the payment model so that depth of service required becomes commercially viable.

Research conducted by System 2 and the Behavioural Insights Team through fieldwork at 12 provider sites across New South Wales, Victoria and Queensland, found that the most job-ready participants now self-serve online and that those working with a provider have increasingly complex needs.⁸ AKG's own caseload reflects this: our participant profile sits considerably above the national Workforce Australia averages across disability, First Nations, ex-offender and homelessness cohorts. This is the cohort targeted services will serve and it is the cohort for which one-to-one case management, localised employer relationships, flexible Employment Fund access and coordinated wrap-around support are the appropriate delivery mechanisms.

⁷Department of Employment and Workplace Relations, Post-Program Monitoring Surveys: Quality and Progress Survey, available at: <https://www.dewr.gov.au/employment-research/participant-surveys/post-program-monitoring-surveys-quality-and-progress-survey>

⁸System 2 and Behavioural Insights Team, Reimagining the Employment Services System: Solution Prototypes and Implementation Plans (January 2025), available at: <https://system2.org.au/wp-content/uploads/2025/01/System-2-Reimagining-the-Employment-Services-System-Solution-prototypes-and-implementation-plans-min.pdf>

Who targeted provider services should be designed to support

Targeted provider services must assist participants needing personalised employment support who have a feasible route to lasting employment within two years. This applies to those facing long-term unemployment, disability, health issues, caring duties, unstable housing, financial difficulties, language and literacy challenges, or involvement with the justice system. Allocation to streams should depend on each person's assessed needs. Referrals to intensive services should occur only when a significant barrier cannot be resolved through targeted provider services, with the aim that the participant returns to this more employment focused servicing once the barrier is addressed.

This approach also suggests a commissioning model where Stream 2 and Stream 3 capabilities are integrated, ensuring the participant's Employment Consultant and employer connections stay consistent as situations change, and that moving to more intensive, barrier-focused support reflects a change in support level.

What support targeted provider services should offer

Targeted provider services must deliver a model linking assessment, Employment Goal Plans and vocational planning to employment outcomes.

Each participant needs a dedicated Employment Consultant responsible for their progress from assessment to post-placement, with the flexibility to manage vocational preparation and non-vocational and personal support simultaneously. As shown in the Gav case study on page 16, five concurrent barriers required one consultant managing both aspects from the start. Vocational profiling must align with local labour market analysis from the beginning so capability development meets real employer demand.

Training investment should connect to identified vocational pathways and local employer needs. This should be funded through the Employment Fund or equivalent, with flexibility to address genuine participant and labour market requirements. Details on Employment Fund access and employer co-design are provided in responses to Questions 9 to 12. Employment Fund access must remain part of provider-led servicing. It needs greater flexibility to facilitate quick responses for licences, work clothing, safety equipment, transport and tools of trade.

Post-placement support ensures placements become sustainable employment outcomes. Future incentive structures should reward sustained employment, with payment models that allow providers to maintain contact with participants and employers well beyond placement commencement, consistent with payment reforms outlined in responses to Questions 16 and 17.

Providers already deliver complex, coordinated support

AKG's Employment Consultants work closely with housing services, mental health and allied health providers, family violence agencies, community corrections, and culturally specific community groups as part of day-to-day delivery. They approach this through an employment lens, with in-depth knowledge of local labour markets, employer hiring practices and participant skills. Their support goes beyond CV preparation to include analysing labour market demand, identifying transferable skills, career planning, employer engagement, negotiating workplace adjustments, and providing support after placement. This employment expertise becomes increasingly important as participant needs become more complex.

AKG's Liverpool in NSW site, illustrates what the right workforce produces: an Arabic-speaking Employment Consultant with strong connections in the local Iraqi community was matched with 58-year-old Iraqi refugee Ina, with a musculoskeletal disorder and cultural reservations about working at her age.

Through their shared cultural and language background, the Consultant built trust, walked Ina through the local business district to introduce her to Arabic-speaking employers, arranged work trials and negotiated a part-time position at a local Iraqi restaurant supported by a wage subsidy. Ina completed 26 weeks of part-time employment, contributing to the support of her three young grandchildren. The workforce capability argument this illustrates is developed fully in our response to Question 13.

The sustained employment gap



22.7%

Only 22.7% of participants in Workforce Australia Services achieved a 26-week sustained employment outcome



11%

ACOSS found that from July 2022 to March 2024, only 11% of people in provider services moved into sustained employment of six months or more

Sources: DEWR administrative data, 30 April 2026; ACOSS

The funding model must change before provider behaviour will. The full performance and payment argument is made in our responses to Questions 16 and 17.

Case study: Gav

Gav, a 30-year-old man, was registered with AKG following relocation from Darwin. At registration, his Employment Consultant recorded five concurrent barriers: a clinical history of severe anxiety, depression and panic attacks; homelessness; financial debt; low formal qualifications and no established local support network. Assessed distance from the labour market indicated employment was a realistic near-term goal alongside stabilisation, placing Gav appropriately in targeted provider services.

The Employment Consultant and Gav worked on a single concurrent plan from the first appointment, addressing vocational preparation and personal stabilisation in parallel. On the vocational side, she tailored Gav's resume to pick-packing roles, identified a forklift licence as the primary qualification gap and sourced funding through the Employment Fund to cover the licence, safety workwear and car registration. On the stabilisation side, she coordinated referrals to homelessness services, local shelters and share-house networks within the first two weeks of engagement.

Gav secured full-time employment as a pick-packer. Post-placement, the Employment Consultant maintained weekly contact, providing coping strategies as Gav adjusted to workplace routines while continuing to monitor housing stability. At the 26-week outcome milestone, Gav remained in employment and had used his wages to move into motel accommodation while pursuing longer-term housing.

Recommendations Stream 2: Targeted provider services

- 1 Combine targeted provider and intensive streams to maintain a consistent pathway for participants as they move further towards their employment goals.
- 2 Maintain employment expertise, employer engagement, wrap-around support, flexible Employment Fund access as core delivery mechanisms, and employment as the organising principle.
- 3 Base stream allocation on individual assessed distance from the labour market, with referral to intensive services only where a specific substantial barrier cannot be addressed within targeted provider servicing.



Stream 3: Intensive services

AKG supports the creation of intensive services for those who currently cannot engage with the labour market because of severe and persistent non-vocational barriers. Every person deserves the same long-term destination: a pathway to work. What changes is the pace, the balance and intensity of vocational and non-vocational supports. What should not have to change is the continuity of relationships and servicing.

Who intensive services should support

Intensive services are reserved for participants for whom employment is currently unrealistic and who require intensive, coordinated support before employment activity can begin. This includes participants facing severe mental ill-health, homelessness, family and domestic violence, substance dependence, complex trauma, justice involvement, significant social isolation, or multiple intersecting barriers where a participant may be more than two years from employment readiness. Where barriers are present but do not preclude employment engagement, a participant may still be appropriately placed in targeted services with referral to complementary supports.

Participants should remain in intensive services only while this level of support is necessary. Formal reassessment should occur no later than six months following commencement, with earlier reassessment where circumstances change significantly. A participant who has been

in intensive services for six months without measurable barrier improvement should trigger a review of whether the current provider mix is working.

Building on from what providers already do

The complexity this reform is trying to address in intensive services is familiar to AKG. Our caseload already sits considerably above the national average across disability, First Nations, ex-offender and homelessness cohorts. The cohort entering intensive services under the reformed model is, in large part, the cohort AKG's Employment Consultants are working with today.

AKG's Employment Consultants coordinate with housing, mental health and allied health services, family violence services, Community Corrections and culturally specific community organisations as part of day-to-day delivery. AKG also employs psychologists and exercise physiologists alongside Employment Consultants to address health barriers that would otherwise prevent or delay employment entry. The case for a dedicated intensive stream is that the current system does not adequately fund or support providers to work with complex cohorts. This is what the reform must address rather than separation of servicing.

Design Risk: Employment expertise is not imbedded

The discussion paper notes that intensive services will likely be delivered by community organisations with strong local ties. Community organisations have an important role. The structural risk arises if the intensive stream is commissioned as a community-services-led system standing separate from targeted provider services without employment expertise from the start. This approach stabilises individuals but fails to connect them to work or the labour market. A participant who receives support for housing, mental health or family violence, but without an Employment Goal Plan or employer engagement, becomes more stable but not more employable. This is known in the sector as the parking risk and represents the main operational risk in the current reform design.

Employment Consultants should remain involved throughout, in a case management role, even at times when employment activity is minimal. They need to identify emerging readiness, introduce work-related activities progressively, engage employers early and broker suitable opportunities when appropriate. Early exposure through volunteering, work trials and workplace visits supports gradual readiness.

The structural problem: Participants must not fall between the gaps

The discussion paper indicates commissioning will vary between streams, with intensive services focused on community-based organisations and targeted services delivered by different providers. Participants moving

between streams face repeated disruptions: they must change providers, rebuild trust with new consultants, recount their histories, and re-establish employer contacts developed over months. Evidence shows handovers between services result in lost or delayed referrals, loss of important details in summaries, and participants with complex needs falling through gaps.

A single entity must take ownership of the case management of a participant's journey. There should be clear contractual accountability for the Employment Goal Plan and for transitioning back to targeted services. Providers should receive payment based on measurable progress in the barriers they address, with milestone payments triggered when participants are ready to return to targeted services. Further detail appears in our responses to Questions 16 and 17.

Regional and remote viability

The structural separation model faces an acute challenge outside major cities. Our experience delivering Inclusive Employment Australia and Workforce Australia contracts across regional locations is that intensive stream caseloads in many of these regions will be too small to sustain a separate, viable specialist provider for each barrier type. In these cases, the choice is between integrated delivery and a service gap. Before national procurement, the government should publish employment-region-level market viability analysis identifying where separate intensive provision is commercially sustainable and where it is not.

AKG's position: Two options for government to consider

AKG puts two options to government directly. **Option B** is our preferred position. **Option A** is the minimum acceptable safeguard if the government proceeds with structural separation.

Option A: If structural separation proceeds, a lead coordinator model is essential. Every participant entering intensive services must be assigned a single lead coordinating organisation accountable for their progression. This organisation holds contractual accountability for the Employment Goal Plan, coordinates referrals to specialist services, monitors progress and manages the planned transition back to targeted provider services. Employment specialists remain involved throughout to maintain the vocational focus. Providers are paid on demonstrable barrier improvement, with payment milestones tied to progression. Commissioning of lead organisations should be based on demonstrated competence in coordinating complex participants and integrating specialist services through case management. Procurement should assess demonstrated capability, not organisational classification.

Option B: Integrated delivery of Streams 2 and 3 (AKG's preferred position). AKG's preferred position is integrated delivery, with a single provider, related entity, or formally governed consortium accountable for a participant's journey across both targeted and intensive streams. NESA's June 2026 policy insights paper confirmed that a participant's continuity of relationship and service is what most protects progress, and separating streams across different organisations puts that continuity at risk. No evidence has been published that structural separation would improve participant outcomes compared with integration.⁹

Inclusive Employment Australia has the same integrated model: participants shift between intensive and flexible tiers without switching providers. When a participant's needs evolve, the service adjusts its focus and intensity rather than transferring the participant to a different provider or consultant. Integrated delivery involves risks however these can be controlled through independent reassessment triggers, rights for participants to request reviews, and performance frameworks that assess correct stream placement alongside placement outcomes.

What the intensive services pilot should test

The pilot starting in late 2026 must test if a single organisation leading coordination achieves better progress than multiple organisations sharing this role. It should evaluate how transferring participants between providers affects their engagement. The pilot must confirm if milestone-based progress measures can function effectively as payment triggers and assess the commercial viability of a separate intensive service stream across different employment regions.

The Parent Pathways program uses the Work Star, part of the Outcomes Star suite, as a validated tool for tracking progress: mentors and participants jointly monitor areas such as motivation, job-search skills, basic skills and external barriers like housing and transport stability. Scores guide the support provided at each stage. The pilot should determine if a similar tool can serve as both the progress-tracking and claim-trigger mechanism for intensive services. The commissioning structure must remain flexible until the pilot's findings are available.

⁹National Employment Services Association, Policy Insights Paper: Employment Services Reform: Should Streams 2 and 3 be delivered together? (June 2026)

Case study: Jane

Jane, a single mother who had recently left a domestic violence situation, came to AKG's Parent Pathways program on the Central Coast NSW. Safety was the immediate priority.

Her Parent Pathways Mentor coordinated connections with The Benevolent Society, Legal Aid Victim Support, Kids Helpline, Central Coast Family Support Services and trauma counselling.

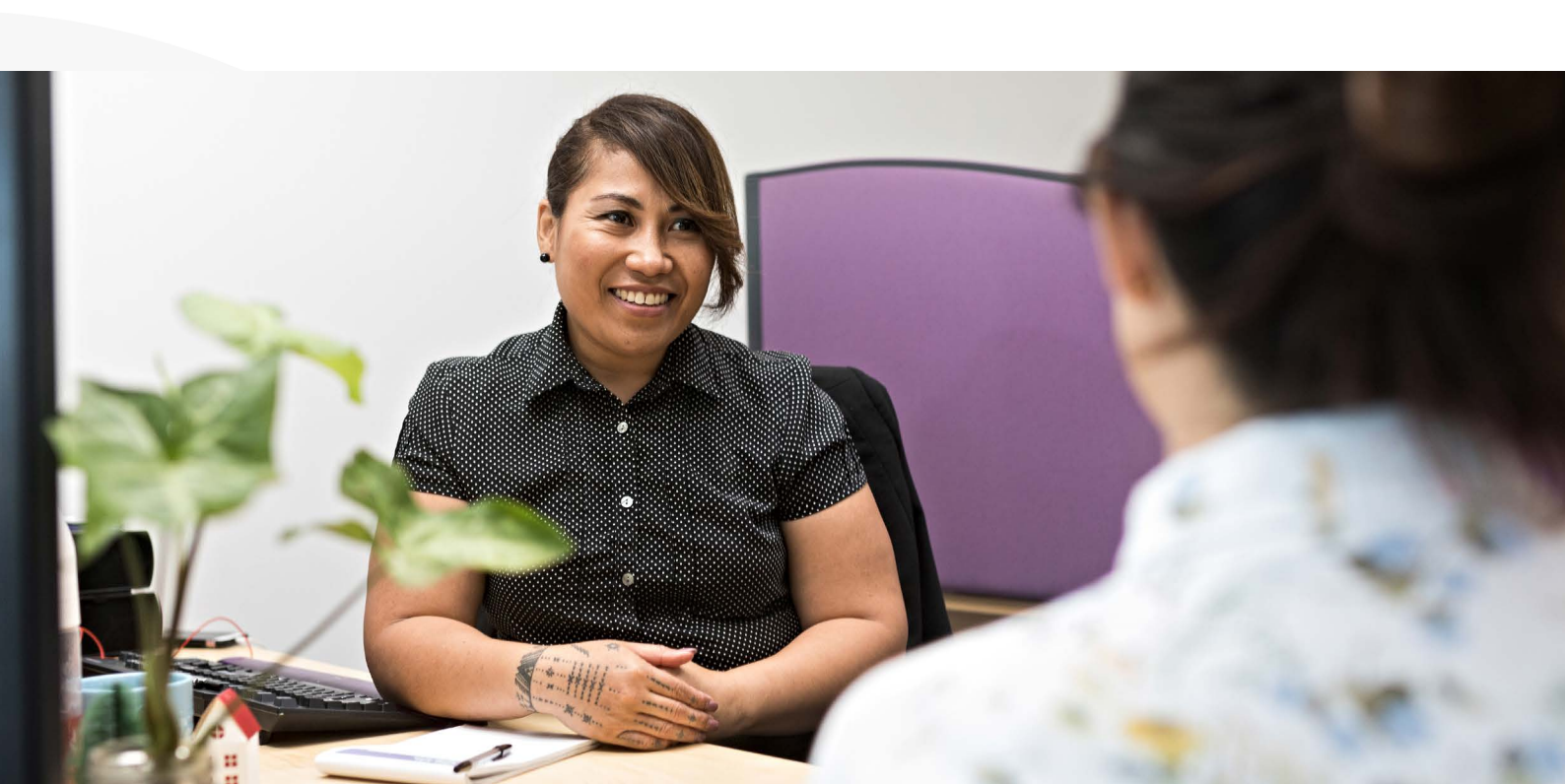
Once Jane and her children were safe and supported, the Mentor helped Jane enrol in a Certificate III in Community Services, provided a laptop to enable study from home, developed her resume, delivered interview coaching, supported outreach to potential employers, and managed all pre-employment checks including police, Working with Children and NDIS Worker Screening.

While this process took over 12 months, Jane commenced employment as a Disability Support Worker the following year.

“The entire pathway from crisis through stabilisation to employment was coordinated by one worker who held the plan and the relationship throughout. Jane's outcome depended on that continuity.”

Recommendations Stream 3: Intensive services

- 1 Adopt integrated delivery of targeted and intensive streams as the default commissioning model, with a single provider accountable for a participant's journey across both streams.
- 2 If intensive streams remain separate, assign every participant a lead organisation with contractual and case management accountability
- 3 Retain employment as the long-term objective from day one. Stabilisation is the immediate priority and employment expertise embedded throughout, including progressive vocational activities and employer engagement as readiness develops.
- 4 Conduct formal reassessment no later than six months after initial assessment, with no measurable barrier improvement at that point triggering a review of the current provider mix.
- 5 Do not finalise the national commissioning architecture until the pilot commencing in late 2026 has reported.



Quality initial assessment and triaging

Question 3

What factors should be considered to support the development of a new, high-quality assessment and triaging process?

Question 4

What information should be collected during the assessment process to support better identification of barriers to employment and triaging to the right service?

The government's three-stream model depends on accurately assessing and matching participants to the support they need. The central question for any triage framework must be: what support does this participant need now to progress towards sustainable employment?

A caseload that demands a better framework

The current Workforce Australia caseload includes a disproportionate representation of disadvantaged groups: 24.7% have a disability, 16% are First Nations people, 12.7% are ex-offenders, and 11% experience homelessness.¹⁰ AKG's own caseload is more complex still.

Participants with similar recorded barriers present with vastly different employment potential and intersecting disadvantage across multiple domains is common. The current Job Seeker Classification Instrument (JSCI) produces a single numerical score predicting income support exit likelihood. It counts barriers without assessing capability, motivation, or local labour market conditions, and relies on early disclosure of sensitive information before trust is established. Parliamentary inquiry and Australian Law Reform Commission evidence show that jobseekers often withhold personal information initially due to fear of payment impact, and that telephone or public interviews inhibit disclosure.¹¹ The new framework must capture capability and aspiration alongside barriers.

¹⁰DEWR administrative data, 30 April 2026, cited in DEWR, Shaping the Future of Employment Services Discussion Paper, May 2026

¹¹House of Representatives Select Committee on Workforce Australia Employment Services, Rebuilding Employment Services, Chapter 9; Australian Law Reform Commission, Family Violence and Commonwealth Laws, ALRC Report 117, Chapter 8

APS-led initial triage

AKG supports a nationally consistent APS-led initial triage that measures labour market distance and guides participants to their starting stream. The triage tool must distinguish those who can self-manage online from those needing active provider support immediately, assess vocational capability, employment history, skills, aspirations, motivation, health, personal circumstances, and local labour market factors collectively. It must flag personalised contact needs early without requiring excessive disclosure before trust is formed.

The OECD supports profiling tools that improve service efficiency by targeting intensive support to those at risk of long-term unemployment but cautions that profiling accuracy is reduced when participants withhold information or have complex needs, requiring qualitative assessment, local labour market knowledge and caseworker judgement.¹² AKG supports the Government's commitment to develop a new holistic assessment and triage process on the condition that it incorporates these factors.

Digital literacy as a triage variable

Digital literacy must be integrated within initial triage. Assigning participants to online services without confirming digital capacity results in failure. Government evaluation of the Online JSCI Trial found digital literacy the key determinant for completing the Job Seeker Snapshot online, with older people, Indigenous Australians, people with disability, and those with low English proficiency less likely to complete it.¹³ AKG's service delivery confirms this: a mature-aged participant with poor vision and no digital literacy required one-on-one digital support to engage with online reporting and job search tools after languishing in online servicing for over 12 months.

Assessment as a continuum

Initial triage starts the employment journey; ongoing provider engagement deepens understanding and personalises Employment Goal Plans. Sensitive barriers including mental health, trauma, and housing instability often surface only after trust develops. Providers should further assess participants over an initial period of up to four weeks to develop trust and reveal the full picture before finalising Employment Goal Plans.

¹²OECD (2026), Strengthening Individualised Support for Jobseekers Furthest from the Labour Market in Greece, Connecting People with Jobs, OECD Publishing, Paris, <https://doi.org/10.1787/e732645e-en>

¹³Department of Employment and Workplace Relations (2024), Online Employment Services Evaluation 2020–2022, Australian Government, Canberra, <https://www.dewr.gov.au/employment-services-evaluations/online-employment-services-evaluation>

Evidence from the Transition to Work supplementary evaluation shows that participants with higher assessed disadvantage remained in the program for longer when maximum duration was extended, with 52% of those with high disadvantage remaining for 12 months or more. Outcome data demonstrating that time in service affected employment and education attainment.¹⁴

AKG's own Connect assessment, used post referral, provides a structured, participant-centred approach to ongoing assessment. It produces a job readiness rating at three levels: Ready, Active, and Engage, each linked to goals and actions co-designed with the participant. Since its introduction, participants have reported the assessment meaningful and practitioner feedback identifying improved consistency in translating assessments into service plans.

Recommendations: Quality initial assessments and triaging

- 1 Design the triage tool to determine labour market distance as the primary basis for stream allocation. Assess digital literacy as a mandatory standalone criterion alongside vocational capability, aspirations, motivation, health, and local labour market factors, administered by assessors trained in culturally safe and trauma-informed practice.
- 2 Treat assessment as a continuum, with formal reassessment no later than six months, triggered earlier where engagement patterns or changing circumstances indicate a different level of support would improve outcomes.
- 3 Make assessment information government-held and portable, travelling with the participant across providers and streams.

¹⁴Department of Employment and Workplace Relations (2024), Transition to Work Supplementary Evaluation Report 2016–2021, Australian Government, Canberra, <https://www.dewr.gov.au/employment-services-evaluations/resources/transition-work-supplementary-evaluation-report-20162021>

Quality servicing - moving between service streams

Question 5

What factors or circumstances should result in a participant moving between service streams?

As set out in our responses to Questions 1 and 2, the three-stream model works only if participants move between streams as their circumstances change. Stream placement at triage is a starting point. When needs shift, the service must respond, and the mechanisms that trigger movement must be built into the design from the outset.

Movement to intensive services is triggered by significant barriers, such as a housing crisis, escalating family violence or acute mental health deterioration, that reduce a participant's capacity to engage with employment activity. Movement out of intensive services occurs when those barriers are managed and employment becomes a realistic near-term goal. Movement from

online services to targeted provider services is triggered when progress stalls or when emerging barriers signal that self-managed digital tools are insufficient.

Time limits as a backstop

We caution against relying solely on timeframes to determine when stream changes are needed. Time limits may act as a trigger for review but should not replace ongoing assessment based on participant needs and circumstances. The three-stream model must recognise this: stream movement should be driven by ongoing professional assessment, with time limits operating only as a backstop. A system that places participants in a stream and assumes their circumstances remain unchanged will simply fail.



Continuity across stream transitions

The structural risk in stream movement, addressed directly in our responses to Questions 1 and 2, is that transitions become points of disengagement. When a participant changes provider, they must rebuild trust with a new worker, re-explain their history and re-establish any employer connections that had been developing. For participants with trauma histories, that disruption is frequently the point at which engagement ends. The Productivity Commission's 2020 Mental Health Inquiry identified the "missing middle" as a central failure of tiered service systems, recommending single care plans spanning provider boundaries specifically because evidence showed people deteriorated at system junctions.¹⁵

A change of stream should mean a change in what the service prioritises and how intensively it operates.

Where structural separation of streams proceeds with these reforms, particularly between streams 2 and 3, continuity must be protected through contractual design. Assessment information must travel with the participant across providers and streams, consistent with the tell-it-once principle. Receiving providers must build on existing Employment Goal Plans. Co-servicing periods, where outgoing and incoming providers operate together for a defined handover, protect against referral loss and information degradation. Commissioning design must actively counteract the competitive incentives that can erode effective handovers in a payment-by-results market.

Recommendations: Participant movement between streams

- 1 Enable participants to move between service streams as their circumstances and employment readiness change, including where early provider engagement identifies initial misclassification, and ensure participants can request reassessment or human support at any point.
- 2 Set six months as the formal reassessment trigger across all streams. No participant should remain in Stream 1 beyond 12 months.
- 3 Base stream movement primarily on ongoing assessment and professional judgement, with time limits operating only as a backstop trigger for review.
- 4 Support collaborative transition planning between organisations where separate providers are involved, with commissioning design actively counteracting the competitive incentives that can erode effective handovers.

¹⁵Productivity Commission 2020, Mental Health, Inquiry Report No. 95, Canberra, released 16 November 2020, Vol. 2, Chapter 15, Actions 15.3 and 15.4. Available at: <https://www.pc.gov.au/inquiries-and-research/mental-health/report/>

Introducing Employment Goal Plans

Question 6

What elements will be important to capture in the Employment Goal Plan?

The Employment Goal Plan is where assessment becomes action. Because service intensity, provider expertise and mutual obligations differ across the three streams, the plan cannot be a generic document. What it contains and how it is structured must reflect a participant's distance from the labour market and servicing stream. The government's proposal to replace the current Job Plan with an Employment Goal Plan, featuring an individualised pathway agreed by participant and provider and regularly updated, moves in the right direction. AKG supports this reform.

A plan that reflects distance from the labour market

The plan must be visual, editable by participants in real time, and available in a format suited to the stream context. For online servicing, a simplified digital plan linked to job search and career mapping tools is appropriate. For targeted services, it must support participants with complex needs, include live labour market data, direct links to training providers and community services and allow sequencing of barrier resolution alongside vocational goals. For intensive services, the format should be simple enough for participants in challenging situations to engage with, while detailed enough to coordinate multiple service providers and track milestones over time. The system should prompt necessary actions based on assessments and prevent plan completion if program requirements are unmet.

Co-design and shared responsibilities

The plan must be co-created by the participant and their Employment Consultant, with providers able to tailor activities to individual needs. It should clearly state what the participant agrees to do, what the provider will deliver, and what referrals or actions partner organisations must take. Because mutual obligations are defined and adjusted through the plan, the fairness and proportionality of participant obligations depend on the plan itself. Frontline staff should have discretion to address non-compliance through discussion and plan changes before formal compliance procedures are used. The plan must be designed so that it is a genuinely tailored document. It should not be dominated by system codes that become key default requirements.

It must include timeframes, milestones and progress records

Each goal and activity must include a timeframe and a review point. AKG's Connect assessment demonstrates this in action: the Ready, Active and Engage ratings correspond with sequenced goals and actions, with Employment Consultants having discretion to adjust goals as they better understand a participant's situation. After a goal is met, the record must be kept so a participant's progress history moves with them when changing streams or providers, supporting the government's tell-it-once principle. The plan should be held by the government and portable, enabling new providers to build on the existing plan rather than starting over.

Question 7

How can the system encourage effective use of the Employment Goal Plan by participants and providers to ensure it is meaningful, timely and relevant?

The Parent Pathways program demonstrates what participant-centred, snapshot-driven planning looks like in practice. Mentors begin with the Parent Snapshot that captures a participant's current circumstances, caring responsibilities, practical barriers and employment aspirations. Everything in the goal plan that follows carries direct meaning for that person's life. The plan remains a living document, updated as circumstances change and as the participant's confidence develops. Parent Pathways demonstrates that when a plan is built from an honest, participant-led assessment, engagement follows. The reformed Employment Goal Plan should carry the same design logic: a plan that begins with a genuine picture of a participant's life is one a participant will engage with.

Reviews and structured check-ins

The Workforce Australia system should display an alert when an Employment Goal Plan is due for review, positioned on the main screen near the participant's identifier so Employment Consultants do not have to search for it.

Reviews should also be triggered by changes in employment, education, housing, health or support needs. AKG's frontline teams identify 30-day milestones as the right interval for tracking progress across barrier resolution and employer engagement, with a structured three-to-six-month check-in assessing overall direction. For intensive services, review points should align with staged milestones, with formal reassessment occurring no later than six months after commencement, consistent with the position in our intensive services response.

Incentives for participants and providers

For targeted services, providers should be financially rewarded on completion of plan activities, with any progress payments linked directly to milestone completion. For participants with longer pathways, incentives should recognise meaningful engagement and barrier reduction as defined in the plan.

Provider discretion is critical. Where a participant has been engaging but missed a single requirement, the plan review should precede any compliance response. Participants who move into sustainable employment should receive incentives that recognise post-placement retention, reflecting that the plan's role does not end at commencement.

Recommendations: Introducing an Employment Goal Plan

- 1 Design the plan differently by stream: a job search and vocational activities record for online services; a skills, training and employer engagement plan sequencing barrier resolution alongside vocational goals for targeted services; and a staged plan sequencing stabilisation before employment activity, connected to specialist services, for intensive services.
- 2 Co-design the plan between the participant and Employment Consultant, with commitments from both parties. The plan forms the basis for mutual obligation requirements, with non-compliance triggering a plan review before any compliance action is taken.
- 3 Make the plan government-held and portable, carrying a timeframe and review trigger for every goal, retaining completed goals in the participant's record and building system alerts into the Workforce Australia platform at stream-appropriate intervals.



A new approach to mutual obligations

Question 8

How do we change the way that providers and participants engage with mutual obligations to focus on positive engagement that helps people move towards employment?

We support mutual obligations as a necessary part of a system that invests in participants in return for their active engagement in employment related activities. The House Select Committee on Workforce Australia Employment Services found that the significant majority of people in employment services want to work and are making genuine efforts to improve their prospects, and that compliance functions must be clearly separated from employment support.¹⁶

The Independent Review of the Targeted Compliance Framework by Deloitte (July 2025) found that compliance decisions lacked consistent documentation and verification and discretionary statutory determinations were not properly recorded. The Department consequently paused all payment reductions under the TCF from March 2025.¹⁷

These failures point to a more fundamental structural problem: Employment Consultants are currently required to administer a compliance function that undermines the trust their employment support role depends on. AKG's operational experience confirms that trust, once broken by a compliance action the participant experienced as unfair, is difficult to recover. Employment Consultants who are freed from compliance administration spend that time on vocational coaching, employer engagement and barrier coordination.

Obligations should flow directly from each participant's Employment Goal Plan and change as employability improves. Obligations must be calibrated to what is realistically achievable given each participant's current barriers, with vocational activities introduced progressively as readiness develops. Non-compliance should trigger a plan review and a conversation between the Employment Consultant and participant as the first response, with compliance action reserved for cases where that process has been completed and re-engagement has not occurred. Government holds responsibility for administering compliance decisions, providers report non-engagement and focus on employment support.

¹⁶House of Representatives Select Committee on Workforce Australia Employment Services, Rebuilding Employment Services, Parliament of Australia, November 2023, Chapter 14: Mutual obligation, activation, compliance and enforcement

¹⁷Deloitte Touche Tohmatsu, Targeted Compliance Framework: Independent Review Final Report, prepared for the Department of Employment and Workplace Relations, 26 September 2025

Recommendations: A new approach to mutual obligations

- 1 Return responsibility for administering mutual obligations and compliance decision-making to government, allowing Employment Consultants to focus on employment support and participant engagement, consistent with the Deloitte review and Select Committee findings
- 2 Align obligations directly with each participant's Employment Goal Plan.

New approach to employer engagement

Question 9

How can employment services best partner with industry and large employers?

Question 10

How can employment services best support small to medium enterprises?

Question 11

What is the value of having a government job matching platform? How can we increase this value?

Question 12

What supports do employers need to recruit and retain people?

Employers are essential partners in achieving the objectives of the proposed reforms. Labour market intelligence must inform participant assessment, employment goals, vocational planning, training decisions and job matching from the start of each participant journey.

Partnering with industry and large employers

Government should lead engagement with large national employers and peak industry bodies to develop sector-level jobs and skills pathways. This includes national campaigns, strategic agreements with sectors like construction, aged care, mining and renewable energy, and workforce pathways linked to Australia's transition industries. Government's policy authority and continuity enable delivery at scale, which individual providers cannot achieve.

Providers are responsible for connecting to these national pipelines locally and maintaining regional and local industry relationships that government cannot sustain in depth. Providers understand regional labour markets, adjust to seasonal demand changes, and identify employers in their area who are expanding, restructuring or experiencing skills shortages. This division addresses a longstanding structural issue: both national and local employer engagement have been left to providers, creating fragmented relationships that do not meet the needs of either large or local employers.

Provider labour market intelligence drives local employment outcomes

Providers must apply labour market intelligence to guide participant assessment, vocational planning and training decisions from the beginning of the participant journey. AKG shows this is possible. When AKG co-created a six-week aviation pathway with the Cairns Aviation Skills Centre, all six young participants who finished the program gained employment. The Wheels for Future scheme with Regional Training Pty in Wide Bay and Sunshine Coast used the same approach. Employer needs were identified first, with participant preparation tailored accordingly. AKG's contract with Programmed ensured priority job access across education, health, construction, manufacturing, utilities, transport and mining, supported by annual shared goals and jointly produced employer support resources.

Support for small to medium enterprises

Any future commissioning needs to consider the impact of frequent provider turnover which breaks employer relationships established over

years. High performing providers should be able to maintain their employer partnerships and co-designed repeatable employment pathways.

Small to medium enterprises (SMEs) are key to Australia's employment system but face difficulty engaging with it due to high administrative burdens, unsuitable applications, poor candidate matching and limited post-placement support. These challenges are greater for SMEs, which often lack dedicated HR functions.

Government should advertise provider led services as they did in the past with Job Network. That program is still more known to employers than any subsequent program because of the government advertising program that took place.

The reformed system should position providers as intermediaries between SMEs and system complexity. Providers could handle wage subsidy claims on behalf of employers, removing the direct administrative burden. The 28-day approval window should be extended, allowing backdating to accommodate SMEs' hiring timelines. Providers should offer job design and job carving support as a standard service to help SMEs create roles that better match participant profiles. AKG already provides such support under Inclusive Employment Australia, managing wage subsidy and Job Access funding administration for employers.

Poor candidate matching causes many SMEs to disengage after one placement, with a failed hire having a larger impact on small businesses. The current funding model incentivises rapid placement, contributing to high re-entry rates into the system. Funding should instead reward sustained employment, enabling Employment Consultants to invest time in thorough pre-placement preparation and ongoing post-placement contact.

The value of a job matching platform

The discussion paper notes that employer engagement with the Workforce Australia Online job board is low, with the majority of vacancies sourced through private sector platforms and that the need for a government job-matching platform will be examined as part of reform.

The evidence from the current system makes a weak case for continued investment in a government-run job-matching platform. Government platforms have not changed employer behaviour in a market where private sector alternatives (eg Seek) have significant scale and resource advantages. Where investment is constrained, strengthening direct employer engagement through contracting requirements, as argued above is likely to produce more sustainable employment results.

Supporting employers to recruit and train people

Employers need recruitment and retention supports that reduce their risk of engaging participants from the employment services caseload. The House Select Committee found during site visits that financial incentives such as wage subsidies are necessary to reduce that risk, and that post-placement support is equally essential. Many SMEs are unwilling to bear industrial relations risks during probation where a placement fails.

Recruitment supports

The most valuable recruitment supports the system can provide is a pre-screened, matched candidate assessed against the requirements of the role. An employer who receives a matched candidate from a provider who works with them and develops a relationship and understands the role requirements does not carry the same screening risk as selection from an unmediated referral pool. AKG's regional managers consistently report that employers call for candidates prepared with required checks and tickets, induction and pre-employment paperwork support, and fast access to targeted, shortlisted referrals.

Providers should also deliver role-specific pre-employment preparation as a standard upstream investment, reducing the onboarding burden on employers. This connects directly to the co-design model in which employer need defines the preparation content from the outset.

Wage subsidy access needs to be simplified. The current 28-day approval window is too short for many employers to assess a new hire before committing to a claim. Administrative complexity results in employers declining available subsidies.

Retention supports

Poor retention reduces employer's willingness to engage employment services again. Structured post-placement contact at day one, day seven and months one, three and six should be a contracted minimum requirement. AKG's Support@Work program shows that 78% of participants who engage with post-employment support progress towards employment outcome.

Providers should maintain an early warning system monitoring risks. This includes absenteeism, employer concerns, housing instability, mental health deterioration, transport breakdowns and financial stress, coordinating

supports so participants and employers do not face these challenges in isolation. The provider remains the coordinator of wraparound supports rather than expecting participants or employers to navigate services independently.

AKG's post-placement model already includes an agreed phone call schedule for contact with both participant and employer, place-of-work visits before and after commencement to help participants settle in, onsite mentoring and mediation and specialised health coach support to identify problems that might prevent a participant from staying in work.

Recommendations: New approach to employer engagement

- 1 Government holds the relationships with large national employers and peak industry bodies; providers hold regional and local relationships.
- 2 Simplify processes for SMEs to access supports including navigating wage subsidies
- 3 Assess whether investment in the employer-facing function of the government job-matching platform produces greater benefit than equivalent investment in the direct provider-to-employer relationship.
- 4 Commission employment services by considering the impact of 'removing' high performing providers from regions to preserve long standing employer relationships.

Delivering high quality services

Question 13

What qualifications and experience should be expected of frontline staff within each stream?

The success of proposed employment services reforms relies equally on workforce capability and service design. A participant-centred system requires frontline personnel with the skills, experience, and support to apply professional judgement, recognising and addressing participants' diverse needs and changing situations.

Capability needs differ by stream

Capability requirements must match the service intensity and participant complexity of each participant.

For online and brief intervention services, the capability mix needed covers early disengagement detection, accurate triage across all streams, digital delivery skills and labour market knowledge. APS staff administering

initial triage must have sufficient assessment depth to identify a suitable starting stream and when a participant is misallocated or when their circumstances have changed.

For targeted provider services, the capability mix extends to trauma-informed practice, complex case coordination, active job coaching, vocational planning, employer engagement and the capacity to respond quickly to changes in participant circumstances.

AKG successfully compliments this staff capability with professional health and training staff.

Intensive services require all of this plus clinical and specialist expertise relevant to specific barriers: mental health, drug and alcohol support, family and domestic violence practice, and housing. In intensive services, proven experience coordinating complex participants across multiple specialist services is as important as any formal qualification. A team that combines experienced case coordinators, clinical specialists, employment-focused practitioners and culturally capable workers will address the needs of this cohort more effectively.

Direct experience is invaluable

A relevant Certificate IV qualification offers a solid base for employment service practitioners. However, requiring qualifications as mandatory would exclude many of the most effective practitioners currently in the sector. AKG promotes ongoing practitioner growth through targeted micro-credentials aligned with local caseload demographics. The practical judgement gained from long-term frontline work, community connections, lived experience and language abilities can be more valuable than any formal qualification.

Direct experience with unemployment, housing instability, justice involvement or migration provides practical insights that no qualification can match. Community relationships and language skills matter in local labour markets where participant engagement relies on trust formed through shared backgrounds.

These routes into the employment services workforce must be formally acknowledged, including in any future workforce standards or credential frameworks created as part of this reform.

Cultural capability required across all streams

The discussion paper highlights cultural safety as a key service quality marker for all participants, supported by workforce capability. For example, First Nations or appropriate CALD representation, accessible communication, and dignified service settings. This aligns with AKG's responses to Questions 3 and 4, where we recommended assessors possess culturally safe and trauma-informed practice skills, with First Nations-led or co-designed assessment methods where suitable, and bilingual or bicultural workers in areas with significant CALD populations.

Cultural capability is essential across all streams. AKG's staff speak over 52 languages, allowing direct, culturally appropriate communication with participants from diverse backgrounds. This workforce design is a commissioning framework priority and a capability standard for providers serving high-CALD caseloads. This is a deliberate workforce design, not a recruitment coincidence.

Reducing administrative load to protect frontline capacity

Investment in capability is weakened when frontline staff spend most of their time on administration. The use of technology and AI-assisted tools should be considered to lower administrative demands on frontline personnel. AI, when properly governed, can assist by automating or simplifying repetitive administrative tasks such as drafting case notes, summarising participant histories, recording agreed actions, preparing routine correspondence and retrieving relevant service information. AI is intended to support professional practice rather than replace it. Decisions on assessment, service allocation, participant goals, job suitability, support access or compliance must remain human ones, informed by direct participant engagement. The workforce will need both strong relational and employment-services skills alongside the ability to use approved digital tools critically, safely and effectively.

AI in practice

Our UK business found that frontline staff spent a large amount of time each week writing up client meetings, typing notes during sessions, and editing documents afterwards. Twelve health coaches trialled Beam's Notes tool during participant meetings, using it to automatically create structured case notes and draft provider letters. During this trial, health and learning coaches saved an average of 6 hours per person per week on documentation. 100% of those who used it wanted to continue. As one coach described it: "The bigger benefit for me has been more around the quality of the listening because I'm not typing all the time... It's made a massive difference to the quality of those interventions." Another noted: "Using Notes has transformed the way I work. It has significantly reduced my admin time by helping me capture the essence of conversations quickly and accurately."¹⁸

Recommendations: Workforce capability

- 1 Recognise multiple pathways into the sector, including lived experience, cultural knowledge, community connections and language skills alongside formal qualifications.
- 2 Require cultural safety and trauma-informed practice as foundational competencies across all streams.
- 3 Investment in capability treated as a contracted requirement and ongoing professional development funded through the service fee structure.
- 4 Government and providers to invest in AI-assisted tools to reduce compliance-driven administration and increase the proportion of frontline time available for participant support.

¹⁸<https://beam.org/en-us/case-studies/akg-and-beam-case-study>

Diverse cohorts and linkages to other services

Question 14

How could the future service accommodate the needs of diverse cohorts, including better linkages to other services?

Assessment first, cohort second

As set out in our response to Questions 1 to 5, service allocation should be determined by assessed distance from the labour market, not by cohort membership alone. No participant fits neatly into a single cohort and allocating people to services on that basis risks mismatching support intensity to actual need.

A person who is mature aged, has a disability and has housing instability has intersecting needs that cohort-based routing cannot adequately capture. These characteristics should not automatically place someone into a cohort specific stream. What matters is how their overall circumstances interact to affect their current capacity to pursue employment.

The Brotherhood of St Laurence has stated that “the division of services by cohort is often arbitrary, or at best inconsistent, failing to recognise the intersectional nature of disadvantage and identity”¹⁹ Stream placement should be designed around distance from the labour market and the nature and complexity of

barriers, with cohort performance measured on terms appropriate to that distance.

We do recognise that for certain priority cohorts, employment pathways differ structurally and evidence supports commissioning specialist cohort services within mainstream delivery where participant numbers justify it. The two cohorts with strongest Australian evidence are First Nations peoples and young people.

First Nations peoples

Evidence supports specialist services for First Nations participants in regions with significant First Nations populations. The House of Representatives Select Committee on Workforce Australia found that Aboriginal Community Controlled Organisations (ACCOs) generally achieve better outcomes for First Nations jobseekers. It recommended commissioning ACCOs in these regions, with co-delivery through consortiums or partnerships with mainstream providers to remain financially viable. Placement in First Nations-specialist services should depend on assessed labour market distance: job-ready participants with recent work experience and moderate barriers may be placed with any capable provider. The case for ACCOs is strongest when cultural and community factors significantly influence engagement and employment pathways.

¹⁹Deloitte Touche Tohmatsu, Targeted Compliance Framework: Independent Review Final Report, prepared for the Department of Employment and Workplace Relations, 26 September 2025

Young people

Youth employment in Australia remains unstable and insecure, despite overall labour market strength. In 2025, **44%** of Australians aged 18–24 experienced unemployment within a 12-month period [2025 Youth Barometer]. Young Australians are 1.3 times more likely to be unemployed and 1.5 times more likely to be underemployed than the general adult population. AKG's 2026 First Job to Future Career report confirms this. Among young people surveyed, **78%** had limited knowledge of local job options, **68%** lived in regional, rural or remote areas, and **32%** identified mental health as a major barrier to employment.

The challenge lies in systemic failures rather than lack of motivation. Young people face barriers including transport, confidence, and wellbeing, while employers operate in systems that favour flexibility over career progression. Short-term job outcomes do not guarantee long-term success. Reform requires a coordinated sector-wide response aligning youth readiness, employer demand, and system incentives. Redesigning employment services around sustainable pathways instead of compliance or placement metrics can improve youth potential, workforce participation, and economic and social outcomes.

The discussion paper highlights that young people take varied routes into work, needing tailored approaches such as early and flexible investment, combined education and employment focus, and strong links to training and apprenticeships.

The government's final evaluation of Transition to Work (TtW), a pre-employment service for disadvantaged youth aged 15 to 24, showed **73%** of participants improved work readiness.

Satisfaction rates were **90%** among participants and **80%** among employers, both above mainstream employment levels.

TtW should remain a standalone program for young people with higher support needs requiring intensive, specialised services. Placement should be based on assessed distance from the labour market rather than age alone. Young people with recent work history and few barriers may succeed with online or mainstream targeted services, while those disengaged from education, with no work history, complex mental health issues, or unstable housing should access targeted providers offering TtW-style intensive support or specialised intensive services if unable to engage in employment.

The risk of cohort specialisation without employment knowledge

Specialist cohort providers, including First Nations organisations or youth services, offer vital cultural and cohort knowledge. However, any specialised cohort approach requires embedded employment expertise from the start.

In any employment service supporting these cohorts, beginning employer engagement early, and assigning a single coordinator to oversee the participant's progress is essential. Cohort knowledge should be integrated throughout all services as simultaneous wrap-around support.

Cohort speciality beyond these two key groups risks further fragmentation of the system. The reform premise of 'distance from the labour market' must remain the defining factor.

Connections to other services

For some participants, advancing towards employment relies on addressing multiple needs simultaneously, such as education and skills, health, disability, housing, caring duties, language, transport and social support. The Employment Goal Plan serves as the coordination tool across these areas, with

providers actively managing access. Warm referrals, joint case management and shared responsibility across services enable this. The availability of specialist services and cohort size differ by region. Connections must be locally tailored, based on the place-based relationships noted in our response to Question 15.

Recommendations: Diverse cohorts and linkages to other services

- 1 Determine service allocation by assessed distance from the labour market, with cohort characteristics informing how support is designed and delivered.
- 2 Equip assessors with culturally safe and trauma-informed practice skills, with First Nations-led or co-designed assessment approaches where appropriate and bilingual or bicultural workers in geographies with significant CALD populations.
- 3 Retain Transition to Work as a specialist youth employment service within the new stream structure, with intensity varying according to assessed need, and commission specialist cohort providers within the mainstream stream structure where participant numbers support it, with clear accountability for both employment outcomes and cultural service quality.

A nationally consistent service that responds to local circumstances

Question 15

How can a nationally consistent service respond to local circumstances?

AKG supports a nationally consistent employment services framework that sets clear expectations for participant experience, service quality, workforce capability, assessment, stream transitions, performance and outcomes, while preserving provider flexibility to tailor support to individual circumstances and local labour market conditions.

Providers must be part of their local community

AKG argues that for a provider to be successful they must be part of their local community and understand local labour market opportunities and challenges - this is not something a contract should need to mandate it should be a selection criterion.

A nationally consistent framework depends on how effectively national objectives are translated into action in specific communities with specific employers, and that requires mechanisms designed for exactly that purpose. AKG's Regional Community and Stakeholder Plans are

central to coordinating these partnerships at a local level across every region in which we deliver services. Local community and labour market intelligence shapes service delivery from the first contact, informing assessments, employment goals, vocational planning and job matching to align with genuine local opportunities and support services.

The local jobs program as an operating model

The Local Jobs Program is one of the few existing mechanisms that allow local adaptability within a national framework. It should be maintained and enhanced in the reformed system. It serves as the channel through which national goals are translated into locally based delivery and no element in either the current or proposed system duplicates its function.

The Job Coordinator role acts as a practical regional intermediary: it identifies gaps, brings together the right partners, turns local insights into action, minimises duplication, and advances local initiatives from idea to implementation. This role differs from both provider case management and government contract oversight. It is a coordination and facilitation role situated at the intersection of the national framework and local labour markets, effective only because it receives specific funding for this purpose.

In Gippsland, the Taskforce gathered over 60 business, government and community representatives at the Apprenticeship Roundtable to discuss workforce challenges and opportunities. It updated the Local Jobs Plan to reflect community and workforce needs. Following this, the General Manager of Plastic Fabrications and President of the Latrobe City Business Chamber developed a pilot program addressing young people entering work without exposure to workplace expectations or environments. This shows the Job Coordinator turning regional discussion into employer-led action.²⁰

The Local Initiatives Fund converts regional intelligence into action. It supported the 'Here to Care' program, which created pathways into care and support for people from CALD backgrounds by linking training providers, community organisations and employers. The program expanded through the Launch into Work program and later continued without Fund support, showing regional investment can build lasting local infrastructure.

The Job Coordinator role must be retained as a distinct, funded position in each employment region. Incorporating it into a provider's general contractual duties removes the independence and cross-provider coordination ability essential to its success.

Recommendations: A nationally consistent service that responds to local circumstances

- 1 Support a nationally consistent framework that establishes consistent service standards, participant expectations, quality requirements and outcomes across all service streams.
- 2 Retain provider flexibility to exercise professional judgement, tailor services and respond to local labour markets within the national framework.
- 3 Recognise community-embedded providers and local partnerships as essential to delivering nationally consistent services that remain responsive to local needs.
- 4 Retain and strengthen the Local Jobs Program in the reformed model, with funded Job Coordinator roles in each employment region held independently of individual providers, and a flexible Local Initiatives Fund, as the primary mechanism for translating national objectives into locally grounded delivery.

²⁰<https://www.dewr.gov.au/local-jobs>

Redesigned system incentives for service providers

Question 16

How should providers be incentivised to support participants into suitable, sustainable jobs, not just any job, across both provider-led service streams?

Question 17

How should employment outcomes and progress towards employment be measured? How should this differ between targeted provider services and intensive services?

The current funding model is where the system fails

The discussion paper argues that the current system incentivises providers to push participants into unsuitable jobs, keeps the most disadvantaged on caseload, and does not sustain employment. While AKG invests significantly in training and programs to deliver sustainable employment, we agree that the current funding model is problematic

AKG's Employment Consultants understand what it takes to help a participant with multiple overlapping barriers find lasting work. The five barriers Gav faced, the coordination across five agencies before Jane's employment, the employer relationship built by walking a business district speaking Arabic, all show the real work of employment services. The current model does not fund this work properly.

Workforce Australia's funding model mainly focuses on employment outcomes within short timeframes. Only **22.7%** of participants supported by Workforce Australia Services achieved employment lasting 26 weeks.

This is not a failure of providers. They perform well within what they are funded and measured to do. With caseloads of the current complexity and a model that pays mostly for 12 and 26-week placements, a provider investing time in the kind of barrier work Jane's case required cannot recover the costs. To stay financially viable, providers face pressure to make faster placements and avoid the depth of work the reform seeks. The funding model must change for provider behaviour to change.

What sustainable employment demands

AKG's 30 years of delivery experience across Transition to Work, Parent Pathways, Inclusive Employment Australia, Remote Australia Employment Services, and Workforce Australia shows sustainable employment results from:

- thorough initial assessment capturing capability, aspiration and barriers;
- tailored coaching adapting to changes in a participant's situation;
- meaningful employer engagement based on local market insight;
- active coordination with housing, health, mental health and family violence services;
- continuous review throughout the participant's progress; and
- post-placement support maintaining contact with both participant and employer after starting work

Each of these tasks requires time. None are funded under the current model until a placement triggers payment. The Employment Fund allows purchase of specific barrier-management items, but its rules limit what can be bought, when and for how much. AKG's Employment Consultants manage referrals to housing, mental health, family violence, drug and alcohol and community services daily. That coordination remains an unfunded expense.

The reformed payment model must recognise provider servicing beyond placements and outcomes

The share of total provider revenue from servicing fees must increase relative to outcome payments. AKG supports converting part of

the Employment Fund into flexible servicing fees to reduce administrative work and enable providers to invest in the level of service each caseload demands, encouraging more innovative approaches.

Parent Pathways program currently uses a model like this, with an Individual Fund allocated to each participant. Mentors and participants together decide how to use that funding for practical needs tied to the participant's goals, such as fuel vouchers, childcare waitlist fees, study materials and transport costs. Participants control how the money is spent according to their own goals. Evidence from the program shows this boosts engagement and commitment when these are most needed. A reformed Employment Fund offering the same flexibility to participants and Employment Consultants would replicate this effect on a larger scale across Workforce Australia. However, any employment fund, as with progress payments, must be simplified and not tied up in administrative red tap for providers to be able to legitimately access.

The government lists four payment types: upfront commencement payments, progress payments based on clear improvement in employment prospects, employment outcome payments and bonuses or loadings for harder conditions or longer service periods. AKG supports all four, but with the balance adjusted.

Progress payments must remain but take up a larger share of the total payment structure and be easy to claim. Currently, the time needed to claim progress payments can outweigh their value due to administrative complexity. These payments mark progress toward sustained employment and the provider work to achieve them must be recognised accordingly.

Thin regional markets and commercial viability

KPMG's financial viability assessment during the Workforce Australia design stage found that between two and 12 employment regions would likely be unable to support a sole provider under the final policy arrangements. Regional delivery faces a volume-related commercial challenge. The delivery environment differs from urban areas directly affecting funding.

Participant demographics vary significantly by location. First Nations participants make up between 4.7% and 69.1% of AKG's regional caseload depending on the employment region, while CALD participants range from 1.1% to 45.2%. Supporting these groups requires bilingual and bicultural staff, culturally sensitive assessment methods and employer engagement strategies that do not become cheaper as caseloads grow.

Transport presents a structural challenge absent in metropolitan settings. In regional and rural areas, providers must invest directly in vehicle availability, fuel and Employment Consultant travel time to bring participants to appointments, work trials or training. These costs are fixed regardless of caseload and remain unfunded by current payment systems.

Office presence and access models vary accordingly. Regional providers must maintain sites across scattered communities, incurring overheads for multiple locations per participant. AKG's operations span nine regional Workforce Australia employment regions and experience shows that fixed infrastructure and workforce expenses do not decrease proportionally as caseload falls.

Labour market structures differ in ways that affect employer engagement fundamentally. Regional and rural markets concentrate in fewer industries, often agriculture, mining, health, construction and care, with seasonal shifts adding complexity. Providers must actively build employer pipelines through ongoing relationship investment, relying on fewer employers whom they cannot afford to lose.

Partnership and referral infrastructure is weaker in regional areas. The network for housing, mental health, allied health, family violence and community corrections referrals is less dense outside major cities. Employment Consultants bear a coordination burden unrecognised by current funding.

Combined, these five factors mean the per-participant cost of delivering a basic viable service in regional employment regions is structurally greater than in metropolitan areas. The revised payment model must include remoteness loadings, travel and outreach funds, and a guaranteed viability base where relevant. Employment-region-level market viability modelling, as recommended in our answer to Question 18, should be published before national procurement begins to set regional funding based on evidence.

AKG supports measuring both employment outcomes and participant progression. Employment outcomes must remain the primary measure of success across both provider-led streams. The discussion paper correctly notes that some aspects of progress may not translate immediately into a job placement and that the performance framework must recognise intermediate outcomes.

Targeted provider services

Employment outcomes must carry the dominant weighting in the performance framework for targeted provider services, with the framework designed to reward sustained, long-term placements rather than speed of commencement. Participant progression against the Employment Goal Plan must receive a greater proportion of funding and community services daily. That coordination remains an unfunded expense.

Intensive services

Progress toward employment must carry meaningful weight in the performance framework for intensive services. The principal risk, as identified throughout this submission, is a set-and-forget approach where participants stabilise but drift further from employment. Performance measurement for intensive services must require evidence of movement toward employment readiness, not just participation in the service.

Progress milestones should include non-vocational achievements: stabilising housing, completing agreed mental health or drug and alcohol programmes, attending medical appointments regularly, completing work trials or community engagement, increased participation in social and community networks, and progressive introduction of vocational activities as readiness develops. AKG's position is that intensive services providers should be assessed primarily on demonstrated improvement in the substantive barrier for which the participant was referred. A participant in intensive services for six months without measurable barrier improvement should trigger a review of the current provider mix.

What performance measurement must not do

AKG's frontline experience, across Workforce Australia, Transition to Work and IEA, confirms that time-to-placement as a primary performance indicator produces the churning pattern. The better foundation captures employment outcomes together with quality indicators: appropriateness of placements, participant progress against the Employment Goal Plan, and participant and employer satisfaction. Provider performance against these indicators should feed directly into licence renewal decisions, creating a sustained incentive to invest in depth of service across the full contract term.

Recommendations: Redesigned system incentives for service providers

- 1 Employment outcomes carry the dominant weighting in the performance framework for targeted provider services, with the framework weighted toward sustained, long-term placements.
- 2 Progress milestones for intensive services include housing stability, completion of health or specialist service programmes, work trials, community engagement and progressive vocational activities, each linked to a verifiable claim trigger.
- 3 Retain and increase progress payments as a proportion of the overall payment structure, with simplified claiming, recognising participant movement toward sustainable employment.
- 4 Fund remoteness loadings, travel and outreach funding and a guaranteed viability base in regional areas where outcome-weighted revenue alone cannot sustain provider viability. Employment region level viability to be published before national procurement opens.
- 5 Time-to-placement is not used as a primary performance indicator in either stream, with explicit safeguards against placements that sacrifice suitability for speed.
- 6 Provider performance against the scorecard directly influences licence renewal decisions, creating a sustained incentive to invest in depth of service across the full contract term.

Improved commissioning and contracting

Question 18

What commissioning approaches will best support increased provider diversity?

Commissioning should establish a stable, high-performing employment services market enabling providers to invest in workforce capability, employer engagement, community partnerships and service innovation, while maintaining strong accountability for participant and employer outcomes.

Commission for outcomes with local flexibility

The future system should define the government's desired outcomes clearly while giving providers flexibility in how they achieve them. Prescriptive service requirements limit professional judgement, discourage innovation and reduce providers' ability to tailor services to participants and local labour markets. Commissioning should set clear expectations for outcomes and allow providers to apply evidence-informed practices responsive to local needs.

Supporting provider diversity

Combining generalist and specialist providers that deliver an employment-focused service suited to the local labour market is a key objective. However, pursuing diversity solely

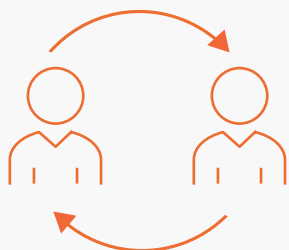
for its own sake may threaten market viability if caseloads become too small, and risk directing participants to services based on group classification instead of the most suitable support for their individual needs.

The commissioning model should actively encourage partnerships that bring employment expertise and specialist capability together within a single accountable structure. A generalist employment provider with strong labour market connections and a community-controlled organisation with deep participant trust and cultural competence produce better outcomes operating as partners. The design task is a contracting model that rewards this combination. Past performance must be the primary assessment criterion, based on DEWR's own administrative outcome data. For smaller and community-based providers, the ability to evidence sustained employment outcomes at a cohort level within a consortium structure should carry equivalent weight to outcomes achieved as a standalone contract holder.

Market stability and long-term investment

A high-performing employment services market requires providers to have sufficient certainty to make long-term investments in workforce capability, employer engagement, technology, community partnerships and service innovation. Repeated market disruption diverts resources from participant support, weakens employer and community relationships, reduces workforce stability and limits capability development.

The cost of market disruption



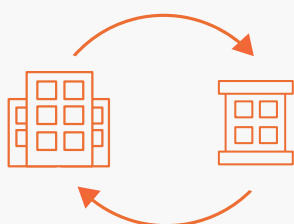
Annual average turnover of frontline staff in the employment services sector is over

40%

more than **2.5** times the national average



of staff in the sector had been in it for **under 2 years** (NESA, 2022)



At the Workforce Australia procurement, NESA estimated existing providers were turned over in

80%

of **all 51 employment regions**



One participant described engaging with **five different consultants** in a single year

Sources: House Select Committee on Workforce Australia Employment Services, Chapter 6; NESA 2022 survey

These departures strip local communities of the people who carry employer relationships, cultural knowledge, participant history and place-based intelligence. Participants must retell their story, often multiple times. Commissioning arrangements that cause provider market disruption impose these costs on some of Australia's most disadvantaged communities each time they occur.

The viability implications of a three-stream model with separate targeted and intensive stream organisations are addressed directly in our intensive services response. A procurement model that over-divides regions manufactures the same risk again.

Commissioning organisational capability

Employment services are delivered through organisational capability. Future commissioning should place greater emphasis on demonstrated capability: employer engagement and labour market expertise, established community and referral partnerships, the ability to coordinate wrap-around supports, experienced and culturally capable workforces, quality assurance and continuous improvement systems, and digital capability that enhances personalised service delivery.

Before national procurement, DEWR should release employment-region-level market viability and participant-flow modelling and allow a phased mobilisation lead-in. Funding frameworks must reflect the real cost of operating at the regional level, particularly in thin labour markets where fixed costs per participant are higher. A provider accepting a regional contract accepts responsibility for every participant in that region. The payment model must make it viable to serve the full caseload, including those who take longer and cost more to support.

Commissioning should extend beyond periodic procurement to ongoing stewardship of the employment services market. An independent evaluation or advisory function would provide transparent, system-level insights into effectiveness over time.

This will complement DEWR's contract management and building confidence across government, providers, employers and the community that the system is delivering as intended.

Technology that increases service offerings and time spent with job seekers

Funding should enable providers to invest in secure technology that increases frontline service capacity and reduces unnecessary administration. As personalised employment services require more time with participants, employers and community partners, service depth will be hard to achieve if frontline capacity is absorbed by duplicated data entry, documentation and compliance.

Productivity gains should not lead to cuts in frontline funding or staffing. Time saved through technology must be reinvested in more frequent contact, stronger employer engagement, better support coordination and improved post-placement services. The value of AI should be measured by the additional service capacity and participant outcomes it delivers.

Government should set clear national standards for privacy, security, transparency, human oversight and auditability, while allowing providers flexibility to choose and develop tools that fit their service models and local contexts.

Recommendations: Improved commissioning and contracting

- 1 Commission for outcomes, giving providers flexibility in how those outcomes are achieved, with DEWR's own verified administrative performance data carrying greater weight in procurement assessment.
- 2 Support consortium and sub-contracting models as a formal design feature so that ACCOs, specialist cohort providers and smaller regionally embedded organisations can participate as contracted partners.
- 3 Commissioning to consider as a priority impact on workforce stability, employer relationships and community partnerships.
- 4 Publish employment-region-level market viability modelling before national procurement opens, with funding settings that reflect the real cost of regional delivery. Establish an independent evaluation function to provide ongoing, transparent, system-level performance assessment.



Driving continuous improvement

Question 19

How can employment services foster continuous improvement? For example, what strategies would improve the sharing of best practice?

Continuous improvement in employment services has consistently been treated as a monitoring and reporting function. The result is that what works in one provider, one region or one program cycle is rarely transferred systematically to others. The reformed system has the opportunity to change this, but only if the conditions for improvement, commercial sustainability, workforce stability and structured evidence sharing, are built into the commissioning and funding design.

The conditions that make improvement possible

A provider that is commercially marginal cannot invest in testing new approaches, building workforce capability or developing employer partnerships that take time to mature. As argued in our responses to Questions 16 and 17, the current payment model generates structural pressure toward faster placements and away from the depth of service that sustainable outcomes require. Providers need sufficient

commercial sustainability and flexibility to invest in evidence-based service development.

Workforce stability is the second prerequisite. Annual frontline staff turnover in the employment services sector exceeds 40%, more than 2.5 times the national average. A sector with this level of churn cannot accumulate and transfer the practice knowledge that improvement depends on. The commissioning reforms argued in our response to Question 18 would directly reduce the turnover that currently makes learning impossible to retain.

System-level improvement

At the system level, government should establish structured mechanisms to capture and share evidence of what is working across providers and regions. Operational insights, participant outcomes, employer feedback and independent evaluation should inform future policy, service design and commissioning decisions. Continuous improvement should also be supported by transparent evaluation and regular engagement between government, providers, employers and participants to ensure the system responds to changing labour market conditions, participant needs and emerging workforce challenges.

AKG's Connect assessment as a system-level example

AKG's investment in Connect demonstrates what provider-led improvement looks like in practice. AKG identified that JSCI-based streaming was causing disengagement and repeated service re-entry, so we invested in developing a participant-centred assessment framework to address this. We piloted it across more than 50 service sites, and used the evidence from that pilot to refine both the tool and the training that supports its use.

The reformed system should create the conditions for this kind of provider-led improvement to occur across the sector without competition being a significant barrier.

Responsible technology, including AI, for innovation and continuous improvement

The future employment services system should include a structured pathway for providers to test, evaluate and share responsible uses of technology, including AI. Technology can reduce repetitive administration, improve information access and support consistent service delivery, but adoption will be guided by evidence rather than technology alone.

Provider-led pilots should test applications such as automated appointment summaries, draft case notes, referral tracking, internal knowledge assistants, employer engagement support and post-placement monitoring. Evaluation will assess time and cost savings alongside whether freed capacity increases participant-facing time, strengthens employer engagement, improves staff wellbeing, enhances service quality and leads to sustainable employment outcomes. Frontline staff and participants should be involved in the design and evaluation of tools to ensure they improve service delivery without adding administrative or procedural burdens.

Recommendations: Driving continuous improvement

- 1 Align funding, commissioning and performance arrangements to provide providers with sufficient commercial sustainability and flexibility to invest in workforce capability, employer engagement and evidence-based service improvement, recognising that these are prerequisites for any meaningful improvement function.
- 2 Draw on participant outcomes, employer feedback, operational data and independent evaluation to inform ongoing policy and program refinement between major reform cycles, with a formal mechanism to channel regional insights into national commissioning decisions.
- 3 Enable providers to invest in and pilot innovative ways of servicing to better achieve sustainable employment outcomes, through responsible use of technology including AI.





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