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Simon Duggan PSM
Secretary
Department of Employment and Workplace Relations
GPO Box 9829 Canberra ACT 2601



Chamber of Commerce
and Industry WA

T: (08) 9365 7555
E: membership@cciwa.com
W: www.cciwa.com

Via email: ESREengagement@dwer.gov.au

Dear Secretary

Employment Services Reform Consultation

The Chamber of Commerce and Industry of Western Australia (**CCIWA**) is the peak body advancing trade and commerce in Western Australia, with members of all sizes and across all industrial sectors. We are fundamentally committed to using our insights to develop and advocate for public policies that help realise our vision to make Western Australia the best place to live and do business.

We thank the Department for the opportunity to provide feedback on the future of employment services. CCIWA has long championed connecting people with meaningful work. This was the foundation for our reports [Tapping the talent pool](#) and [Making paid work pay](#), and continues to influence our policy and advocacy.

From the outset, we are broadly supportive of reforming employment services to deliver the goal of meaningful work. We note that the discussion paper recognises some of employers' frustrations in engaging with employment services, including the high administrative burden, unsuitable applications, ineffective candidate matching, and limited support after placement.

However, the proposed reforms represent the third significant change to the system since 2015. With this in mind, we urge the Department to deliver evidence-based, practical-to-implement reforms, to deliver a system which delivers its intent. In what follows, we provide overarching comments and recommendations, with fulsome feedback outlined in **Appendix 1**.

Overarching Comments

These reforms represent a critical opportunity to embed settings that deliver stronger economic outcomes for participants, employers, the government, and providers. Employers are central to the effectiveness of the system, as they provide access to the jobs that underpin employment outcomes.

Reform must actively support employer engagement and participation, including consideration of impacts to accessibility of wage subsidies for small and medium-sized businesses.

Ultimately, the objective of securing effective and efficient connection of participants to employment should have primacy in the design of Australia's employment services system. To strengthen employer engagement and improve employment outcomes, CCIWA recommends the following:

- **Employers should not be sidelined:** Employers create the job opportunities that underpin the system's success, and their needs and operating realities must shape system design from the outset. We recommend that employers should be embedded as core partners in the design and ongoing operation of the system, rather than consulted after key settings are determined.
- **Simplify the system, to reduce bureaucracy:** Incentive structures should be simplified, with clear and consistent payments tied to commencement and sustained employment, to support employer participation and reduce perceived risk. Complementary incentive programs, such as the Apprentice Connect Australia model with its strong referral pathways, could be adapted to meet the intended outcomes of the new employment services system.
- **Adequate funding to support supervision:** We recommend a wide-reaching on-the-job supervisory support model, where candidates come with qualified Job Support Supervisors that can provide initial supervisory functions and help candidates learn the role, reducing the time and cost impacts of supervision on business.
- **The Role of GTOs as experts:** Consider offering dedicated placements through Group Training Organisations (GTOs), assisting people into entry level roles via an apprenticeship or traineeship pathway, with dedicated wrap around supports that are tailored to individual needs.

CCIWA recognises the efforts to adapt the employment services system to better meet employers' needs. We welcome further engagement with the Department as the design of the reforms progresses.

Should you wish to discuss the content of this letter further, please do not hesitate to contact Dr Daniel Kiely, CCIWA Chief Economist, via email at [REDACTED].

Yours sincerely

Will Golsby
Chief Executive Officer

Appendix 1: CCIWA comments on Employment Services Reform

Topic	<i>CCIWA position</i>	<i>Recommendation</i>
Three service streams to respond to different needs	- CCIWA is broadly supportive of introducing three streams into the employment services system and acknowledges the opportunities that it presents to better target support, both for employees and employers. - Distance from the labour market appears to be an effective determinant of the level of support that will be required by each participant. These thresholds must be designed carefully to mitigate the risks of both over-servicing and under-servicing. - Indicators of distance from the labour market may include length of time spent searching for work, number of times returned to employment services, self-reported needs, and assessment by frontline workers. - However, the three streams do seem to miss those furthest from employment and the reforms would benefit from the introduction of a fourth stream to meet the base needs of those with aspirations for employment, no matter how far into the future they may be.	- The government should consider including a fourth stream for those who are furthest from the labour market and have complex needs such that employment-like work is not yet practicable. Mutual obligations for a fourth stream may include regular occupational therapy, access medical services, or working towards stable housing. - This cohort would be distinct from participants who have complex needs that can be met through upskilling or unpaid work experience, for example. - In the absence of a fourth stream, the government should ensure that employment services can connect this cohort to the appropriate supports, whether through government systems or community services. - Stream design should also enable structured pathways into vocational education and training, including apprenticeships and traineeships, where appropriate. This requires clear referral mechanisms into systems, such as the Apprentice Connect Australia Service and GTO models, that can support individuals to transition into employment-linked training pathways.
Quality initial assessments and triaging	- CCIWA supports development of initial assessments and triaging processes to efficiently direct participants to tailored support. Self-assessments should play a role in informing the triage of participants, to accelerate connection to effective support and minimise bureaucratic burden on frontline workers. - In terms of moving between service streams, reassessments should occur regularly and the threshold for reassessment must be flexible. A set frequency would ensure routine reconsideration of a participant's service stream suitability. This may include	- Reassessment thresholds should be clearly defined and dependent on the service stream. For example, those in Stream 3 may require frequent check-ins. - Reassessments should be triggered automatically, at a set frequency. For example, by the amount of time a participant has spent engaging with employment services or the number of times they have engaged with services. - Participants should be empowered to initiate reassessments to connect them to the right support as their circumstances change.

	the amount of time they have spent in a stream or the number of times they have engaged with services. • Participant-initiated reassessment should also be facilitated, to ensure that participants have access to the right support for them as efficiently as possible. • The government must ensure that assessment, triaging and reassessment processes are not excessively burdensome. Frontline workers in employment services already spend a significant amount of time and effort on paperwork. Requiring assessments and reassessments will only add to that workload, taking frontline workers away from the work of connecting people to meaningful and productive employment.	• The government must acknowledge the increased workload that introducing stream assessments to the employment services system creates. To reduce the impacts, the government should address the capacity constraints of the frontline workers providing employment services. • Triaging processes should also identify participants who would benefit from structured training pathways, including apprenticeships and traineeships, and enable referral to relevant services such as Apprentice Connect Providers. This will ensure individuals are directed to the most appropriate system based on their needs.
Introducing an Employment Goal Plan	• CCIWA agrees that the Employment Goal Plan should capture employment goals, agreed activities, and pathways to achieve this. However, we are concerned that this becomes a regulatory burden over time. • To mitigate this, Employment Goal Plan templates should be developed to ensure that all relevant details are captured and to streamline planning. • The templates should vary between streams, reflecting the varied level of individualised support required by different cohorts. For example, a standardised checklist may be sufficient for Stream 1 participants, while a more comprehensive Plan may be more suitable for Stream 3 participants. A new Plan should be developed for a participant when they move between streams, recognising that their needs have changed.	• CCIWA recommends that Employment Goal Plans are designed to minimise impacts on employers and employees. For example, the government should develop Plan templates, address capacity constraints and ensure that Plan development processes are streamlined, to provide effective individualised support. • Employment Goal Plans should be updated at a regular cadence, depending on Stream, including when moving between streams • Employment Goal Plans should explicitly identify whether a participant is suited to direct employment, supported employment, or structured training pathways (such as apprenticeships), ensuring alignment with employer demand and labour market opportunities.
A new approach to mutual obligations	• Mutual obligations should be clearly linked to a jobseeker's Employment Goal Plan. • Changes to the mutual obligations framework may have administrative burden impacts, requiring more of providers and frontline workers, particularly as the new system is rolled out.	• Impacts to administrative burden that may result from changes to mutual obligations should be considered. Resulting impacts to frontline worker capacity should be addressed.

		• Mutual obligations may include pursuit of vocational education and training qualifications if deemed suitable.
New approach to employer engagement	• To generate and maintain buy-in, engagement with employers must be robust. Understanding exactly what employers of all sizes are looking for in candidates and in support will keep them in the employment services system, providing a growing job-pool for a growing number of participants. • This should include consideration of post-recruitment support for employers to ensure positive experiences for both parties, encouraging participants and employers to continue engaging in the system. • Incentives for employer engagement may be impacted by the proposed reforms. For example, part of the work providers do is helping small and medium-sized business to access wage subsidies for taking on participants. Accessing wage subsidies requires the completion of significant amounts of paperwork. Removing the administrative support of providers from Stream 1, without addressing the volume of work required to access wage subsidies, will disincentivise employer participation, particularly that of small and medium-sized businesses.	• The system should be designed to ensure that processes are as streamlined as possible for employers. The reduction of barriers to engagement and the promotion of benefits to employers must be central to design, to secure a growing job-pool. • Post-recruitment support for employers should be improved, to ensure they remain engaged in the employment services system. This should be developed in consultation with employers of all sizes. • To retain small and medium-sized businesses in the reformed employment services system, the process of accessing wage subsidies should not act as a disincentive to employer participation.
Delivery of high-quality services	• Australians should be able to expect a high-quality employment services system. This includes expectations for the capability and capacity of the frontline workers providing these services. • A large proportion of a frontline employment services worker's role is paperwork, reducing the time they can spend connecting participants to meaningful work. • In addition, narrowing the eligibility of Stream 3 providers raises the risk of narrowing access to the system. Less eligible providers will spread services out and may make it harder for those who most need support to access it.	• The government should work with providers to address the capacity constraints of frontline staff. This should be a priority, as the introduction of a service stream model may stretch existing resources. This should include ensuring the workforce has access to workplace-based support practitioners, who can deliver on-the-job support to participants with higher needs. • Review of capacity constraints should encompass the administrative burden placed on frontline workers. Streamlined processes should enable frontline workers

	This may be a particular issue in some of the more remote parts of Australia, which are home to some of the people who may most need Stream 3 supports.	to spend more of their time connecting participants to meaningful work. Reform design should ensure that participants do not fall through the cracks by creating service 'deserts' between eligible Stream 3 providers.
Redesigned system incentives for service providers	- Incentives that may be generated should be a key consideration in the design of the reformed employment services system. - For example, the system should be designed so as not to introduce incentives for providers to retain participants who may be better serviced by a lighter-touch stream. Over-servicing is inefficient for participants, employers, the government and, ultimately, providers as well.	- Effective system design should include consideration of all probable incentives generated by the reformed system and strategies to address or strengthen them. This includes consideration of employer behaviour, ensuring incentives support sustained employment outcomes rather than short-term placements. - This should include robust consultation with participants, providers and frontline workers who are faced with the incentives every day.
Improved commissioning and contracting	- CCIWA appreciates the opportunity presented to community-based and social enterprises by prioritising their deep local connections when commissioning for Stream 3, but we are concerned with practicality. For example, focusing the contracting for Stream 3 on social enterprises risks many already established and well-resourced providers being locked out of assisting a cohort who need access to a higher level of support. - Employment services contracts also come with a substantial compliance burden, which may be a challenge for smaller social enterprises, whose administrative capacity may already be stretched. Only system design can ensure that onerous paperwork is not prohibitive on social enterprise contract delivery.	- The system should be designed to support provider diversity. This includes ensuring that existing providers are not locked out of parts of the system and that relevant community-based organisations have the capability and capacity to provide employment services. - Commissioning should also consider the role of intermediary employment models, such as GTOs, which can reduce risk for employers and provide structured support to participants in employment-linked training pathways.
Driving continuous improvement	Where there are well-tested productivity-enhancing tools already in use in employment services internationally, there is an opportunity to consider how they can be best implemented in Australia's employment services system.	The government should develop a framework to guide how best to incorporate robustly tested emerging productivity-enhancing tools into the employment services system.