

1 April 2019

## ASX ANNOUNCEMENT

### Konekt announces *jobactive* Contract Extension to 30 June 2022

Konekt Limited (ASX: KKT) advises that it has accepted an offer by the Commonwealth of Australia, as represented by the Department of Jobs and Small Business, to extend its current *jobactive* contract by 2 years from June 2020 to 30 June 2022.

The contract extension includes both Konekt's Employment Provider Services and its NEIS Services, which in 1HFY19 made up 97% of Konekt Employment's divisional revenue, and 55% of group revenue.

Under the conditions of the extension, there will be no change to existing payment structure during the extension period. The Department has advised that it may require other changes to the operation of the contract in the extension period.

The two-year extension follows the Australian Government's announcement by the Minister for Jobs and Industrial Relations<sup>(1)</sup> on 20 March 2019 to transform the employment services system and deliver better outcomes for job seekers, businesses and Australia. The extension will enable the Government to fine tune its proposed program and ensure service providers are well prepared to implement proposed digital enhancements and other changes in July 2022.

An additional component of the proposed transformation will be to move from a contract tendering process for service providers to a licence-based system in July 2022. This proposed change will enable service providers to invest in service quality and people to deliver the best outcomes to the Commonwealth of Australia and the unemployed with a longer-term outlook.

Konekt Employment is one of the leading *jobactive* service providers and is looking forward to working with the Department in executing its objectives to help Australians find work.

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(1) <https://ministers.jobs.gov.au/odwyer/jobactive-ceo-forum-melbourne-20-march-2019>

#### About Konekt Group

With over 750 staff and 115 branches across Australia, Konekt is one of the largest integrated employment placement, workplace injury management and workplace health solutions providers in Australia. Konekt's focus is on helping organisations, individuals and government to maximize workforce participation and productivity, and minimize the impact of workplace injury. We help organisations minimise workplace costs, resulting in increased participation, reduced workers' compensation premiums and safer workplaces. Through Konekt Employment, a leading *jobactive* provider, we also assist individuals seeking employment and injured workers commencing with and returning to the workforce.