



Auditor-General for Australia



27 September 2018

Senator Slade Brockman
Chair
Senate Education and Employment Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Brockman

The appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive

The Australian National Audit Office (ANAO) published the following performance audit report that you may find relevant to the Senate Education and Employment Committee's Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive:

- Report No. 4 2017-2018 [*jobactive: Design and Monitoring*](#)

Information about what the audit assessed, concluded and recommended is attached. The audit report is available online at www.anao.gov.au.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing.

To arrange a briefing, please contact our External Relations area

Yours sincerely

Grant Hehir

Report No. 4 of 2017-18, *jobactive: Design and Monitoring*, assessed whether Employment effectively designed and monitors the progress of the jobactive program. To form a conclusion against the audit objective, the Australian National Audit Office (ANAO) adopted the following high-level criteria:

- the jobactive program was designed to support the achievement of the Government's policy objectives; and
- the department effectively monitors the progress of the jobactive program against the Government's policy objectives.

The audit concluded that:

- Employment effectively managed the design of jobactive and its monitoring approach has resulted in a reasonable level of assurance being obtained that the program is being delivered as required.
- There was a sound reason for redesigning the employment services model, the governance arrangements established by the department were comprehensive, stakeholders were adequately consulted and the Minister was briefed on a range of design and implementation topics. Since the implementation of jobactive on 1 July 2015, the department has reviewed and amended elements of the program's design.
- Employment has established a suitable committee structure to oversee the jobactive program and the department has identified and managed risks at the program and provider level. The prioritisation of activities to deliver the program could be improved to ensure that required activities are completed. The principles-based guidelines do not always clearly articulate Employment's expectations of providers.
- Employment has obtained a reasonable level of assurance that the jobactive program is being administered as designed and expected. The Assurance Strategy for the jobactive 2015–2020 contract includes new program assurance elements that have strengthened the department's monitoring of employment service provider's compliance with contractual obligations. While the department is currently reviewing the operation of the Assurance Strategy, the review does not address some of the key elements of the program, including whether the strategy reflects the department's preferred level of compliance.
- The performance frameworks for the five jobactive services measure the performance of providers. The Key Performance Indicators developed by the department, which align with program objectives, have been developed for three of the five services, but performance targets have only been established for one of the services. Employment has an evaluation strategy for jobactive, but it does not address some aspects of the program, including contract management and the Star Ratings.

The ANAO recommended that:

- The Department of Employment should implement a risk-based approach to prioritising the activities required to effectively manage and monitor the delivery of the jobactive program
- The Department of Employment should assess whether the current compliance regime is structured to effectively and efficiently detect and manage non-compliance, and adjust as appropriate.