

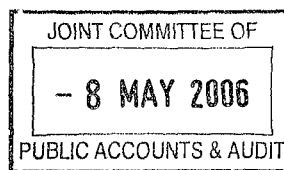


Australian Government
Department of Employment and
Workplace Relations

National Office

GPO Box 9879 CANBERRA ACT 2601

Mr Tony Smith MP
Chairperson
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600



Dear Mr Smith

I refer to Ms Katie Ellis' letter to Dr Boxall dated 5 April 2006 requesting a response to a list of questions from the 27 March 2006 JCPAA hearing which reviewed ANAO audit reports No 6 (2005/06): *Implementation of Job Network Employment Services Contract 3 (ESC3)*, and No 51 (2004/05): *DEWR'S oversight of Job Network Service to Job Seekers*. A lack of time at the hearing required DEWR to take the questions on notice.

I would like to take the opportunity to thank the JCPAA for granting an extension of time for DEWR to submit its response. DEWR's response is enclosed and a hard copy will be mailed to the JCPAA.

Yours sincerely

A handwritten signature in cursive script that reads "Christine Leary".

Christine Leary
Chief Internal Audit

5 May 2006



Australian Government

Department of Employment and
Workplace Relations

Joint Committee of Public Accounts & Audit

Review of ANAO Audit Reports No.6 (2005/06) : Implementation of Job
Network Employment Services Contract 3 and No.51 (2004/05) : DEWR's
Oversight of Job Network Services to job seekers

27 March 2006

Questions on Notice



Australian Government

Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Noting DEWR's response to Recommendation No.1 (p.49) in the report, what additional developments have occurred in line with this recommendation, to ensure that unemployed people are able to make an informed choice of Job Network provider?

Answer:

Further to DEWR's response to Recommendation No. 1 (p49) in the Audit Report No. 6 : *Implementation of Job Network Employment Services Contract 3*, the policy guide for the Provision of Information to Job Seekers, at Schedule D2 of the Business Partnership Agreement (BPA) 2005-06 has been updated.

The policy guide now includes a provision that Centrelink will advise the job seeker of Star Rating information when asking the job seeker to select a Job Network Member. This ensures that the job seeker makes an informed choice.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

The report states that 'DEWR updated its Complaint Management guidelines to provide criteria to help DEWR customer service officers to approve or refuse requests to transfer a job seeker to another provider.' What changes occurred as a result of this update?

Answer:

The Complaint Management guidelines were updated to include a clarification of the circumstances where a transfer may be approved or refused. This clarification included a number of criteria for Customer Service Officers to use in reviewing how the Job Network Member may have attempted to improve their relationship with the job seeker.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Can DEWR provide the committee with information on the reasons given for changing Job Network provider, and the proportion of cases where this is due to relocation or for other reasons?

Answer:

In the 2005/06 financial year, 66.74% of all job seeker transfers occurred as a result of the job seeker notifying Centrelink of a change of address. Further, 33.26% of all job seeker transfers were arranged by agreement between the relevant Job Network Members and the jobseeker. These percentages include transfers from one provider to another and transfers between different sites within a provider organisation.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

In line with the DEWR response to Recommendation No.2 (p.69), is the final version of the agreed protocol with Finance (the Forward Estimates Model) now available and in use? What other developments have occurred in this area since the report?

Answer:

The protocol is in operation, DEWR and Finance continue to work together very closely with regard to the Job Network Forward Estimates Model (FEM) and have, over the last twelve months, discussed issues, amendments, and enhancements to the FEM.

Since Audit Report No. 6 : *Implementation of Job Network Employment Services Contract 3*, the FEM has been reviewed and revised by DEWR in consultation with Finance to ensure it reflects the new categories of job seekers who will join Job Network post 1 July 2006.

The original builders of the FEM successfully tendered to undertake an independent quality assurance of the revised FEM, which was completed in February 2006.



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Department of Employment and
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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

DEWR disagreed with the recommendation to provide a breakdown of estimates and actual expenditure on Job Network outcome payments and service fees in its budget documentation and annual reports (p.69), but undertook to consider additional explanatory information, where appropriate, as part of the normal process of reviewing the presentation of its Annual Report and other information publications. Can you outline any changes made to the presentation of this information as a result of this consideration?

Answer:

There has not been an annual report produced since the tabling of Audit Report No. 6 : *Implementation of Job Network Employment Services Contract 3*, but this will be considered in the context of the 2005-06 annual report.

Also refer to Ms Golightly's answer to the JCPAA at the 27 March 2006 hearing on page 8 of the Proof Committee Hansard.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

The ANAO stated that the estimates and actual expenditure on Job Network outcome payments and service fees is an important element of the performance of the programme and has been the subject of Parliamentary interest. (p.69) The ANAO also claims that the guidelines for the preparation of portfolio budget statements and annual reports set out minimum requirements and do not constrain the presentation of information to Parliament where it materially assists the understanding of programme performance. What is DEWR's response to this?

Answer:

DEWR's position remains that the Job Network is a single programme and as is the case for all other government programmes, expenditure is formally reported on that basis.

Also refer to Ms Golightly's answer to the JCPAA at the 27 March 2006 hearing on page 8 of the Proof Committee Hansard.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Have any changes been made within DEWR to ensure that budget details and expectations of functionality for IT projects are clearly outlined prior to any such projects commencing, such as with the implementation of the Welfare to Work package from 1 July 2006?

Answer:

The Department has sound project management processes in place but we continue to look at the best methods for tracking the budget. The Department is tracking the budget for the Welfare to Work programme (including IT changes) as a separate item within Outcomes 1 and 3. The Budget for all employment IT changes continues to be managed as a whole within Outcome 1.

Broad descriptions of functionality have been provided as part of the costing process of the Welfare to Work budget measure and form the basis of the detailed plans for the IT development projects.



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**Department of Employment and
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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

Since the ANAO report was produced, has DEWR undertaken a formal post-implementation review of the transition to ESC3? Is one planned?

Answer:

In formulating the objectives for the ESC 3 transition period, DEWR has reviewed and given due consideration to the issues that arose during the transition to ESC3.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What has DEWR done to ensure that, in line with Recommendation No.4 (p.119), all operational objectives are stated clearly and unambiguously in advance when implementing major changes, such as the introduction of the APM, and that these objectives are monitored with progress reported to stakeholders? How has this been demonstrated in the implementation of the Welfare to Work package due for 1 July 2006?

Answer:

DEWR has developed and set out clear transition objectives in moving to the ESC3 transition period and these were notified to employment service providers on 22 February 2006.

The purpose of the objectives for the ESC 3 transition period is to allow DEWR to focus on key aspects of performance during the transition period and as such, the objectives focus on the continuation of high quality services to job seekers. As part of this process, new transition reports have been developed and progressive monitoring and reporting arrangements, including ongoing stakeholder consultation, are in place.

The implementation to Welfare to Work is subject to oversight through Departmental and inter-departmental governance arrangements. Arrangements for the implementation of Welfare to Work is the subject of ongoing liaison with stakeholders such as provider peak bodies.



Joint Committee of Public Accounts & Audit Question on Notice

Question:

The Committee understands that the majority of Job Network contracts under the ESC3 have been 'extended until 30 June 2009 using existing contractual provisions'.

- (a) Were any changes made to the contract in response to the audit report?
- (b) Centrelink was to discuss this report and its recommendations with DEWR in the context of the next Business Partnership Arrangement. How are these discussions proceeding? Has a new Business Partnership Arrangement been agreed with Centrelink since this audit was performed? If not, why not? If so, what changes were made in response to the audit report?
- (c) Does the BPA now include an obligation for Centrelink to advise the unemployed that each job seeker is to be assisted by a single Job Network provider and that Centrelink will obtain the job seekers informed preference for a JNM?
- (d) The ANAO report concluded that the next Contract would provide the opportunity for DEWR to improve its assurance about the quality of services being provided by JNMs. Could you outline any key variations that have been made to the Contract to reflect experiences over the past three years; and any changes made in response to ANAO recommendations?

Answer:

- (a) The Employment Services Contract Number 3 (ESC3) represented the Commonwealth's requirements as at 1 July 2003. The contract has been varied eight times since 1 July 2003 to reflect changes in the needs of the Commonwealth, providers and job seekers. While none of the variations were specifically in response to the audit report, the opportunity was taken to clarify issues that were raised by the ANAO.
- (b) A new Business Partnership Agreement (BPA) was put into place for the period 2005-2006 to implement the 2004 Machinery of Government changes and enable the subsequent three-year agreement to align with the implementation of Welfare to Work initiatives. DEWR and Centrelink have discussed the recommendations of the Audit report in the context of the current one year BPA. The Business Assurance protocol was agreed taking into account the report's recommendations. This has improved the measures of quality that DEWR and Centrelink have. The new BPA for 2006-09 will also include a Business Assurance protocol, which is currently being negotiated.

In addition a new suite of KPIs were incorporated in the new BPA informed in part by the commentary in the ANAO Report.

- (c) The BPA 2005-06, at Schedule D2, policy guide for the Provision of Information to Job Seekers, includes a provision that Centrelink will advise the job seeker of Star Rating information when asking the job seeker to select a Job Network Member. This ensures that the job seeker makes an informed choice when choosing a Job Network Member.

All job seekers have access to performance information about Job Network members through the Star Ratings which are available on the Australian Workplace website. The Star Ratings reflect the success of Job Network Members in assisting job seekers into employment. They are available to assist job seekers to make a choice when selecting the services of Job Network Members.

- (d) There has been no new contract developed for the 2006-2009 contracting period. The Job Network contract is being rolled over from 2003-06 to 2006-09 reflecting that the same services were required of providers in each period. Nevertheless, the Department took the opportunity to make a small number of variations to the contract.

While the changes to the parts of the contract pertaining to Job Network (the General Conditions (Part A) and the Specific Conditions for Job Network (Part B)) were relatively minor, the Department took the opportunity to tighten controls and provide clearer advice on various requirements to improve the quality of services to job seekers, for example:

- Sanctions for failure to comply with the contract have been tightened to allow the Department to take immediate action to suspend or terminate a contract for major breaches.
- Guidelines (e.g. for the use of the job seeker account) are included as part of the contract material.

Other changes facilitate the implementation of the Government's Welfare to Work policies.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Have any changes been made to DEWR's annual reporting in response to the ANAO suggestion to provide an explanation, reconciling the final result with the original estimates in the corresponding PBS?

Answer:

Ms Golightly answered this question at the JCPAA hearing on 27 March 2006 on pages 19-20 of the Proof Committee Hansard.



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**Department of Employment and
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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

Have any changes been made to DEWR's performance reporting in response to the ANAO suggestion to make it clear that outcomes for all job seekers who have received Job Network assistance are included, not just those who attracted a specific outcome payment from DEWR?

Answer:

The explanatory text to the Job Network Performance Profile makes clear what is reported. No further changes have been made since the time of the ANAO report.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What is DEWR's response to the ANAO comment that 'the Job Network Performance Profile relates more to activity than performance, with much of that activity attributable to externalities, rather than Job Network effort alone' and the proposal that 'the department be explicit in its performance reporting where externalities bear substantially on the items reported'?

Answer:

See DEWR's statements contained in Audit Report No. 6 : *Implementation of Job Network Employment Services Contract* (paragraph 6.68; and Appendix 4, page 174, paragraph 3).

These explain that the Job Network Performance Profile (JNPP) is a simple monthly time series of Job Network operational achievements. The JNPP does not replace periodic evaluation reports that may include technical analysis of exogenous factors. It would not be practical to measure these factors in a publication such as the JNPP.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What changes has DEWR made to the Job Network Performance Profile in order to exclude results attributable to external factors or those achieved by job seekers without the direct help of DEWR's providers and give due emphasis to income-tested income support recipients?

Answer:

See response to 1.12. The Job Network Performance Profile reports on job seekers assisted by Job Network.

DEWR does not propose to report separately in the monthly JNPP on income-tested income support recipients. All income support recipients are income-tested, with the exception of Blind Disability Support Pension recipients.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

In comments to the ANAO, DEWR stated that "From September 2005 and as appropriate, job seekers will be asked to choose a Job Network member when they first contact Centrelink for NewStart Allowance. It is proposed that this will include access to local Job Network Star Ratings as part of the Centrelink customer referral script" (p.49):

- (a) Is access to local Job Network Star Ratings now provided in these situations?
- (b) What has been done to improve job seeker awareness of the star ratings when choosing a Job Network provider? (p.144-145)
- (c) Please describe any differences this has made to the selection of Job Network provider. Has this been successful?

Answer:

- (a) Refer to answer 1.1.

The policy guide now includes a provision that Centrelink will advise the job seeker of Star Rating information when asking the job seeker to select a Job Network Member. This ensures that the job seeker makes an informed choice.

- (b) Refer to answer 1.10 (c). Also refer to Mr Manthorpe's advice to the JCPAA on 27 March 2006 on page 5 of the Proof Committee Hansard.
- (c) DEWR collects information on job seeker choice of Job Network Member in the Omnibus Survey. The updated policy guide regarding the provision of information by Centrelink to job seekers relating to their choice of Job Network Member has not been in place for long enough to collect a sufficient data and therefore DEWR has not, as yet, been able to analyse whether this new process is successful.



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 Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

The Job Seeker Account is a nominal pool of funds that each JNM can use to purchase additional assistance for job seekers, such as clothing, fares and petrol, employer incentives and training:

- (a) What feedback has the Department received about the long term advantages of providing this additional assistance to job seekers?
- (b) What mechanisms does DEWR use to monitor and ensure appropriate use of these funds by Job Network Members?
- (c) What has been the result of DEWR scrutiny of distinctive patterns of Job Seeker Account expenditure (Audit Report, p.137-138)?

Answer:

- (a) DEWR looks at the usage and effectiveness of the Job Seeker Account through general monitoring and evaluations and qualitative studies. As part of the Active Participation Model, DEWR is examining whether the Job Seeker Account has been used by providers in the way intended and the extent to which it has contributed to job seekers finding employment. The findings of this evaluation have not yet been finalised.
- (b) The use of the Job Seeker Account is subject to normal contract management framework arrangements. These include a Risk Management Plan, expenditure management and Job Seeker Account monitoring, such as:
 - Contract Manager monitoring visits and desktop monitoring;
 - Programme Assurance activities;
 - Targeted investigations and the Job Network Customer Service Line; and
 - Quality Audits.
- (c) To ensure that JNMs are aware of the kinds of expenditure that are appropriate through the JSKA, DEWR provides regular updates and advice through Contract Managers, bulletins and advice on the JN secure site. If cases of inappropriate use or patterns of expenditure are identified, these are managed in accordance with the National Contract Management Framework including, where warranted, action pursuant to the Employment Services Contract. The type of action taken would depend on the specific circumstances of each individual case.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

The ANAO found that JNMs were considered to have passed the Quality KPI unless specific reasons for them to fail had been articulated. Have all JNMs passed the latest assessment of their performance against the Quality KPI?

Answer:

All JNMs passed the latest assessment when assessed against the Quality KPI, although issues raised at that time may still be subject to investigation or may have resulted in sanctions being imposed on the provider for breaching other elements of the contract.



Australian Government
**Department of Employment and
Workplace Relations**

Joint Committee of Public Accounts & Audit Question on Notice

Question:

On 13 February, *the Australian* reported that the Salvation Army's Employment Plus had repaid \$9 million, following an investigation into allegations of financial mismanagement and claims that agencies were inflating the number of clients with special needs who required extra government assistance. Other organisations are also reportedly repaying funds received over false claims. One aspect of the Quality KPI is the delivery of ethical employment services:

- (a) What sanctions can DEWR apply to Job Network Members found to have acted inappropriately?
- (b) What can DEWR say about the action taken in this instance?

Answer:

- (a) The Employment Services Contract 2003-06 provides that DEWR may temporarily suspend referrals of eligible job seekers at any or all sites, or reduce the provider's share of available places for all or part of the remaining contract period at any or all sites. Additionally, DEWR may terminate the contract.
- (b) As per the Department's advice given at the 16 February 2006 hearing of the Senate Employment, Workplace Relations and Education Legislation Committee, the Department is unable to discuss specific cases.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

DEWR is able to point to data to demonstrate outcomes that have been achieved by JNMs. However, how does the Department measure the quality of the services that are being provided by these Members? Is any comparison made between JNMs to rate their services?

Answer:

DEWR considers the best quality of service for a job seeker results in a job.

Providers tailor their services to meet the requirements of the job seeker. Outcomes for providers are regularly measured and assessed as part of their star ratings. Star ratings are a relative measure.

In addition, service delivery by JNMs is assessed as part of ongoing monitoring activities. Where complaints are received these are investigated.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

The Committee understands that since the date of the audit, changes have been made to allow JNMs to classify job seekers, rather than this being done by Centrelink. Does DEWR see a potential conflict of interest, given the level of funding received by JNMs varies according to a job seeker's classification?

Answer:

No change of this nature has been made subsequent to the Audit. Job seeker classification is part of the initial Centrelink referral process and either Centrelink or JNMs may update records appropriately if job seeker circumstances change or additional information is disclosed in the course of ongoing servicing.

The keeping of accurate job seeker records is part of JNM contractual obligations and is subject to contract monitoring and programme assurance.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What steps has DEWR taken to improve its risk assessment and management?

Answer:

Risk assessments and risk management strategies are subject to ongoing review and quality assurance in order to maintain an environment of continual improvement.

Since the ANAO *Audit Report 51 : DEWR's Oversight of Job Network Services to Job Seekers* was tabled on 15 June 2005, a number of ongoing reviews and subsequent improvements have and continue to be made, these include:

- A new risk assessment and management systems tool, compliant with the Australian Standards, is now used by contract managers to systematically manage risks;
- A review of all risks, indicators, benchmarks and monitoring processes for programmes is conducted annually;
- Monthly analysis and quality assurance of risk assessments continues; and
- The review of training on the risk management process for employment services.



Australian Government
Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What steps has DEWR taken to implement the ANAO's recommendations to improve assurance of the quality of service being provided by Centrelink (Recommendation No. 5)?

Answer:

DEWR has developed a Quality Assurance project plan for 2005-06 to focus on the quality of services delivered by Centrelink.

DEWR and Centrelink have established a planned process for the joint development of business assurance. This process includes putting in place interim measures, which are jointly refined at the Business Partnership Review Group (BPRG), under the 2005-06 Business Partnership Agreement.

The Business Assurance Sub-committee, convened under the BPRG, is the governance committee for this process. It examines the business assurance strategies to ensure a consistently high standard of quality service. This process enables the effective monitoring of the quality of Centrelink's service delivery.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Since the audit was performed in May 2004, what has been the trend in the number of complaints received from job seekers? Please provide the data to support this.

Answer:

Complaint information is included in the DEWR Annual Report each financial year. Please refer to page 73 of the 2003-04 Annual Report and page 70 of the 2004-05 Annual Report.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Is DEWR able to identify trends in the nature of these complaints, such as, for example, dissatisfaction with a particular aspect of Job Network services? Please provide the data to support this.

Answer:

DEWR is unable to provide trend data on this issue. Overall data on complaints is reported in the Annual Report each financial year. DEWR can advise that the five main complaint categories for 2005-06 (as at 31 March 2006), and their percentage of the total complaint issues, are as follows:

Commitment to Clients 26%

Provider Choice 15%

Job Seeker Account 8%

Policy 7%

System issues 2%

It is also important to note that only a very small proportion (in the order of 1 – 2%) of overall jobseekers lodge a complaint.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Why does DEWR not receive any systematic data from Centrelink about complaints?

Answer:

DEWR now receives regular reports from Centrelink about complaints it receives concerning the provision of employment services.

DEWR does not receive data on the complaints received by Centrelink concerning Centrelink as the data is not easily divided into complaints by each Department that Centrelink delivers services for. Given this impediment to the reporting of complaints by Centrelink, DEWR and Centrelink have put in place other business assurance measures to monitor the quality of service delivered by Centrelink.



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Department of Employment and
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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What information-sharing processes exist between DEWR and Centrelink?

Answer:

DEWR and Centrelink have established a policy guide, "*Exchange of Information Between Centrelink, DEWR and Service Providers*". The policy guide outlines how the transfer of information about job seekers will take place between Centrelink, DEWR, and contracted employment service providers.

An IT Service Protocol also exists which outlines how appropriate and relevant information is shared between Centrelink and DEWR IT systems. The protocol also outlines the security of information to ensure only appropriate staff have access to relevant data.

A Management Information Protocol is also in place which outlines how management information will be exchanged between the two agencies.

Monthly reporting of the key performance indicators which monitor Centrelink's performance against the established targets are also reported to DEWR.



Australian Government
**Department of Employment and
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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

Could you outline any action taken by DEWR to address the concerns raised by the Audit Office regarding the recording of complaints?

Answer:

Teleconferences held monthly with complaints management staff have stressed the importance of accurate recording of complaints.

Further, the classification and reporting structure of DEWR's complaints management system is currently being enhanced, the anticipated release date is July 2006. Staff training will accompany the release of the enhanced complaints management system.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

In its case study at Chapter 7 of the Audit Report, the ANAO identifies a number of concerns with information being provided to job seekers. Given the provision of information to job seekers is one of the services identified in the Business Partnership Arrangement with Centrelink, to what extent does DEWR monitor this service?

Answer:

DEWR and Centrelink have been examining the best method to disseminate information to job seekers. This includes specifying expectations to Centrelink on the dissemination of information to job seekers, and an ongoing business assurance process to ensure that a high quality of information is provided to job seekers by Centrelink.

DEWR monitors the quality of information provided to job seekers through the Omnibus Survey, which is run quarterly. This survey asks job seekers what information they received in relation to their participation requirements.

DEWR will continue to refine job seeker information materials in light of ongoing experience and feedback.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Given DEWR pays up front for the provision of services through the Intensive Support customised assistance program, how is DEWR ensuring that the JNMs are fulfilling their contractual obligations?

Answer:

Intensive Services customised assistance services are part of a continuum of JN assistance. A fixed fee structure applies to JN services, which creates a mix of incentives to encourage increased job placements and sustained employment outcomes, increased job seeker activity and improved service and assistance. A JNM is paid JN service fees for each registered eligible job seeker attached to it, based on specified contacts and service types delivered at different times along the continuum.

To ensure compliance, DEWR has a comprehensive range of monitoring tools, practices and guidelines in place to assist contract and account managers and compliance staff to ensure providers comply with their contract. These include:

- the Risk Management Framework which enables the assessment of the provider's service delivery against nationally established risk criteria;
- the development of risk management plans to manage risks of concern (Extreme or High Risks);
- site visits to all full time sites at least once a year and more often if deemed necessary;
- desk top monitoring including Health Check Reports, survey results and provider outcomes; and

Regular programme assurance activities, such as surveys of jobseekers and checks on provider documentation.



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Department of Employment and
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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

What penalty or other options are available to DEWR should Job Network Members only partially fulfil their contractual obligations?

Answer:

The Employment Services Contract 2003-06 provides that DEWR may temporarily suspend referrals of eligible job seekers at any or all sites, or reduce the provider's share of available places for all or part of the remaining contract period at any or all sites. Additionally, DEWR may terminate the contract.



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**Joint Committee of Public Accounts & Audit
Question on Notice**

Question:

Has DEWR imposed any penalties during the Third Employment Contract?

Answer:

Yes, DEWR has imposed penalties during the Third Employment Contract.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

Approval of job search plans (JSPs) was delegated to JNMs in May 2005, giving them greater responsibility as delegates of the Secretary for the quality and content of JSPs:

- (a) Has the delegation of responsibility for approving JSPs from Centrelink to JNMs led to improvements in the quality of this documentation?
- (b) What mechanisms is DEWR using to ensure that appropriate standards are being met?

Answer:

- (a) DEWR broadened its Preparing for Work Agreement (PFWA) approval delegations to allow JNMs, as well as Centrelink, to approve PFWAs. JSPs are a component of a job seeker's PFWA. A key reason behind this broadening was to streamline the process so that the person negotiating the agreement was the same person approving the agreement. There were no major quality concerns at that time as JSPs were generally of a very high quality (rejection rate of approximately 3%). Under the Rapid Connect engagement model, Centrelink has full visibility of a jobseekers JSP when they negotiate a PFWA with newly enrolled jobseekers.

There have been no significant issues relating to JSP quality that have been raised with National Office since the delegation responsibility was devolved to JNMs.

JSPs have continued to be developed by JNMs using the same guidelines and training material post May 2005 as they were using prior to that date, and the contents of the JSPs reflect this.

- (b) To ensure that appropriate standards for JSPs are maintained and met, DEWR uses:
 - The Provider Guidelines outlining the JNM's requirements in relation to JSP creation and approval;
 - Contract Management Quality Assurance processes which include guidelines instructing Contract Managers to quality test at least 10% of JSPs included in their caseload and perform additional checks during monitoring visits and
 - Triggers that have been developed to alert Contract Managers when:
 - A JSP has a JO2 code (job search efforts) with a frequency that equals 0;
 - The total number of active activities for a JSP is greater than 10;
 - An S04 code (free text) activities exist; and
 - A J02 code (job search efforts) has been updated by the JNM.



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Joint Committee of Public Accounts & Audit Question on Notice

Question:

What is your response to a statement in the *Australian* on 13 February that a report by the Brotherhood of St Laurence found “only 10 percent of the nation’s most disadvantaged job seekers are receiving the help they need”?

Answer:

The Brotherhood of St Lawrence released an interim report *Personal Support Programme Evaluation* in October 2005. DEWR is interested in any independent research but has not undertaken any formal consideration of the report.