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**JOINT STATUTORY COMMITTEE OF
PUBLIC ACCOUNTS AND AUDIT**

Monday, 27 March 2006

Members: Mr Anthony Smith (*Chair*), Ms Grierson (*Deputy Chair*), Senators Hogg, Humphries, Moore, Murray, Nash and Watson and Mrs Bronwyn Bishop, Mr Broadbent, Dr Emerson, Miss Jackie Kelly, Ms King, Mr Laming, Mr Tanner and Mr Ticehurst

Members in attendance: Senators Hogg, Moore and Watson, Mr Broadbent, Ms Grierson, Ms King, Mr Anthony Smith, Mr Tanner

Terms of reference for the inquiry:

To inquire into and report on:

Review of Auditor-General's reports Nos 43-6, 2005-06

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Committee met at 10.05 am

CLARKE, Dr Thomas Edmund, Senior Director, Australian National Audit Office

LACK, Mr Steven, Acting Group Executive Director, Australian National Audit Office

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CALDWELL, Ms Joanne, Group Manager, Intensive Support Group, Department of Employment and Workplace Relations

GOLIGHTLY, Ms Malisa, Deputy Secretary, Employment, Department of Employment and Workplace Relations

MANTHORPE, Mr Michael, Group Manager, Employment Business Services, Department of Employment and Workplace Relations

MOORE, Mr Stephen Philip, Group Manager, Employment Systems, Department of Employment and Workplace Relations

CHAIR (Mr Anthony Smith)—I declare open today's public hearing of the Joint Committee of Public Accounts and Audit, which will examine two reports tabled by the Auditor-General in June and August of last year. Today we will be taking evidence on Audit Report No. 6 2005-06: *Implementation of Job Network Employment Services Contract 3* and Audit Report No.51 2004-05: *DEWR's oversight of Job Network services to job seekers*.

I ask participants to remember that only members of the committee can put questions to witnesses if this hearing is to constitute formal proceedings of the parliament and attract parliamentary privilege. If other participants wish to raise issues for discussion, I would ask them to direct comments to the committee. It will not be possible for participants to respond directly to each other. Given the short time available today, statements and comments by witnesses should be relevant and succinct. I remind witnesses that the hearings today, as always, are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and will attract parliamentary privilege. I invite each of the departments to make a brief opening statement, if that is your wish, before we proceed to some questions.

Ms Golightly—DEWR welcome the ANAO's Audit Report No. 6 2005-06 and Audit Report No. 1 2004-05. Audit Report No. 6 gave DEWR the opportunity to draw upon the audit recommendations to improve and strengthen its delivery of employment services to job seekers. The audit primarily focused upon Job Network service delivery arrangements during the

employment services contract transition period of July to October 2003. Issues that arose during that period were immediately addressed. Since the tabling of this audit report, DEWR has taken further action to resolve the issues raised by the ANAO.

It is important to note that the implementation of the employment services contract No. 3 included the introduction of and transition to the active participation model, which has since progressed to a mature state and continues to support record levels of job outcomes. In the year to December 2005, more than 657,000 job placements were recorded, which is an increase of 57 per cent on the year 2000 figures. In the same time period, more than 188,000 long-term jobs were achieved for disadvantaged job seekers and those unemployed for more than three months—which is a doubling of the numbers recorded in the year 2000.

The focus of the audit report on the oversight of Job Network services to job seekers was the quality of service provided to job seekers. As a response to this audit, a number of measures have been implemented to strengthen the ongoing DEWR activity of ensuring quality service is provided to job seekers, including those services provided by Job Network members, Centrelink and DEWR. These ANAO reports were useful additions to the significant work already undertaken internally in the area of Job Network services, and the department welcomes the opportunity to advise members of this committee of the progress DEWR has made to date in addressing the ANAO's recommendations.

DEWR and Centrelink have also entered into a new business partnership arrangement, which sets out the terms and conditions of the purchaser-provider relationship between the two agencies and ensures that government outcomes are successfully achieved. Since the MOG changes in 2004 an increased emphasis on the workforce participation agenda has become government policy. DEWR and Centrelink have worked closely to practically progress this agenda.

Finally, it is pleasing to note that there has been an increase of 37.5 per cent in Centrelink's voluntary referral rate of income support recipients to the Job Network. This is a result of Centrelink's front-line staff raising with the recipients their prospect of seeking employment in a positive way while checking their entitlements.

Senator WATSON—I have two issues I wish to raise. Firstly, I think the response from DEWR is very unsatisfactory. Haven't you the capacity with major projects to look at what is regarded as the weak points? Your response is typical of how departments are responding. They thank the Audit Office for what they have done, they agree with what they have said and they say, 'We are gradually implementing all the changes.' But why haven't you got the capacity in the first place, as business managers, of trying to identify points of weakness? We as a committee seem to accept these typical responses time and time again. I am getting a little bit tired of people just saying: 'Thank you, Audit Office. It was all very helpful, these sorts of things we weren't aware of.' I am pointing out you should have been aware of these sorts of issues. You obviously have not put enough resources into looking at the aspect of weak spots.

The second is a similar problem. We have an IT system with new technology which causes problems. I have raised this with the Audit Office. It would appear that there was an attempt in the first place to marry an old computer network from Centrelink with a whiz-bang system that DEWR was implementing. It is said that after six months you eventually got it right, but the time

frame that you permitted for yourselves was far too short to do any worthwhile testing. Again, we see a major management problem of not allocating sufficient time to test the new system to see how what might appear to be two incompatible networks are going to react to each other in terms of speaking to each other and delivering on a performance. I see this as a crisis of management within so many departments, as manifested before us today in accepting a new technology and expecting it to deliver all the results without adequate testing. Can you respond to what I call major and significant management failures?

Ms Golightly—I will start and perhaps my colleagues can add the detail. On the first issue, my understanding is that, first of all, the items that the ANAO found that needed improvement were not significant weaknesses. In most cases we did foresee them, at least in part, and that is why we agree with the recommendations in part. We may have already, in a lot of cases, had things in train but we agreed that perhaps there are some places, as always, that can be improved. But I am not aware that the issues involved were significant management weaknesses.

Senator WATSON—It took six months to get the computers to speak to each other.

Ms Golightly—I will talk about the IT one specifically. I was addressing your first point. On the second point, the IT problems: again, others may be able to add more detail, but my understanding is that the core system that needed to be delivered on day one was delivered on day one. Yes, I agree that in any major IT developments there are always things that then get enhanced afterwards or there may be some problems. My understanding was that most of those were addressed within the first two months, but I stand corrected on that. Perhaps someone else might want to add a bit more detail.

Mr Moore—There was a six-week, shakedown period for that implementation where we were managing issues and so on, but it was certainly not six months.

Senator WATSON—Your department told us that there was insufficient time to do adequate testing.

Mr Moore—There is always more testing that could be done. Very extensive testing was done on the system, but you can always do more. It is often the case in these projects that the amount of work grows to fit whatever time frame you have, and adding extra time does not necessarily make a huge difference to the outcome.

Senator WATSON—But surely with your technical IT skills you should be able to identify points of weakness in a major service. That is why we pay big money to IT people—to ensure that these sorts of things are compatible from day one, not in six weeks or six months or whatever the period might be.

Ms Golightly—That is why our focus, and I presume Centrelink's, was on getting the core functionality delivered on day one, which, to my knowledge, no-one is disputing. Then other things were ironed out within the first six weeks. That prioritisation is always made in any big IT project.

Senator WATSON—When you look around the public sector—we have just come through a shemozzle where goods were held up with Customs because of the system they had implemented—you have to admit that we are being fed the same excuses all the time.

CHAIR—Just for clarity—you have raised some points and there have been some answers—on behalf of the committee, I would not mind getting the Audit Office's response on that and hearing whether they have a different emphasis from that.

Mr Lack—When we looked at the implementation on 1 July 2003, we said that DEWR delivered what we agreed was baseline functional requirements. Following the implementation, the department provided major upgrades to their system. We found at the time that, on 1 July 2003, there were major implementation problems encountered with the interface between DEWR and Centrelink and that that, in particular, affected the operation of the web services.

We did our own independent work, plus we used the work of DEWR's internal audit, which put that down to a lack of time to do any significant load testing before 1 July 2003. Following that, we looked at how DEWR was performing against its own transitional objectives. We looked at the information that DEWR provided, and we think it was probably about six months before the service was operating as intended.

Mrs Hogg—From Centrelink's point of view, as the policy for government continues to be refined and we continue to make changes in our IT systems, they become more and more complex. When you are getting two major systems to interface with each other, you are obviously adding another layer of complexity. As Malisa said, what we primarily focus on for the implementation is the legislative date. There are legislative requirements that we have to have by law in place and obviously we are trying to predict if we are going to inconvenience, in particular, our customers and others as a result of what we are able to test comprehensively within the time frames. On many occasions, as you were pointing out, Senator Watson, we are continuing to see these things. We have to get the priorities in place and we have to continue to schedule after the legislative dates things that we can put into subsequent releases to finish off the whole process. We certainly have a priority in what we must have done on a particular date. That is probably why you are seeing increases in this sort of report from the Audit Office.

Dr Rowlands—Mr Chairman, perhaps I can help the committee. There was no legislative date for implementation here. There was a determination, a government decision, to implement at that time, but it was not a piece of legislation such as Centrelink normally has to implement.

Ms Golightly—I think the principle still stands. If the government tells us to do it by a certain date, we do it by a certain date.

Mrs Hogg—My comments were solely in relation to Centrelink's preparation for a major release where we would have had many legislative requirements from 1 July that year. It is how we work together on this other issue.

Ms GRIERSON—I have a question for DEWR. There was concern that clients were not able to make an informed choice. When they go to Centrelink and choose their Job Network provider, it is going to provide them with services. How do you make progress and how do you assure that

they are making informed choices? I do not know if Centrelink would like to comment on that as well.

Ms Golightly—I will start and the people with the detailed knowledge can add to my comments. We did not entirely agree at the time that jobseekers could not make an informed choice. There was information available to them in a number of formats, in a number of media and from a number of sources. Centrelink cooperated with us in making that information available. We have also improved that over time, as we normally do. My colleague Mr Manthorpe can take you through the details of that.

Mr Manthorpe—A particular area that the Audit Office focused on was that of jobseeker choice of Job Network members. This was, in part, informed by their assessment of the performance of Centrelink officers and the provision of information by Centrelink officers, including issues around what was called the information seminar, and the sequence of the information seminar and the claim interview conducted for the jobseeker. Since the audit, through the implementation of the government's Rapid Connect initiative, we and Centrelink have replaced the information seminar as an intervention, because from our point of view—

Ms GRIERSON—That is good, because I have had grave complaints about that information seminar through my office.

Mr Manthorpe—Good.

Ms GRIERSON—Well, not really.

Mr Manthorpe—I hope you do not get any more. If you do get any more, then we have another issue to follow up, because from our point of view the information seminar has been replaced through a rapid connect process, which is partly about getting the jobseeker to employment services quickly in the interest of connecting them with services as quickly as we can. It is also partly about ensuring that they get the right information up-front and information about, for example, the star ratings of the Job Network members that they can choose from in an up-front, early way to inform the choice they make.

Ms GRIERSON—Can I ask Centrelink: what sort of criteria would jobseekers really require? Do they look at location? Are they really interested in outcomes? What are they looking at and what is probably more important for them?

Mrs Hogg—Historically, they look at access. They look at where Centrelink is, they look at where the Job Network member is and they do try, by and large, to look at how they are going to get to these different places. That is usually a primary concern, but they also look at specialist services that the Job Network might offer. Our information—

Ms GRIERSON—So, if it were working very well, the transfer rates would have diminished and they would be staying with their Job Network provider. Hopefully there would be job outcomes as well. Do you have data for us in terms of how transfer rates from one Job Network provider to another varied at all?

Ms Golightly—Perhaps I could say a few words first. Ms Caldwell might have the detail, but there are a number of reasons why people transfer, in that they might move house.

Ms GRIERSON—So can you identify that in your information? Can you track that? Can you look not only at transfer rates but also at why people are transferring?

Ms Caldwell—We look at transfer rates. I would have to check whether we have the breakdown. I know the overwhelming majority of transfers are generated by a jobseeker relocating to another site, in which case they normally, in the first instance, go to the same Job Network organisation if that same business is represented in another location.

Ms GRIERSON—Can you provide that information and see if it is broken down for us?

Ms Golightly—We can take that on notice.

Ms GRIERSON—Thank you. What about complaints in that area? Has that diminished in terms of Job Network placement with a provider?

Mr Manthorpe—Again, we would have to take that on notice.

Ms GRIERSON—I would like to know. If you have some data on that, it would be good. The report also found that you had hired a consultant to do your forward estimates models, and that was not a very satisfactory process, as a lot of work on costings had to be redone. Those costings were not always accurate. You are making changes to your costing model at the moment. Can you tell me where that is up to?

Ms Golightly—There are a couple of things there. I am not aware of any problems that we had with the model that was developed. It is changed from time to time to reflect government policy. Also it is updated for recent outcomes. It is a model which seeks to predict not only future outlays on what has happened in the past but also the effects of changes in government policy, changes in the labour market and changes in job seeker profiles.

Ms GRIERSON—Hasn't it cost more than you predicted? Didn't you have to go to government for more money?

Ms Golightly—We did on an occasion last year because the number of jobs outcomes being achieved was higher than anyone predicted.

Ms GRIERSON—The report predicted that was not reliable information. When you first went seeking money, that was not true. Service fees were higher. I know that has reversed now. But when you claim that outcome generated fees were higher, that was not the case.

Ms Golightly—This is an area where we do not agree with the ANAO's analysis. We did not go to government in that year for more money for higher fees in terms of service fees.

Ms GRIERSON—I cannot say here who is right or wrong, but I would love to know.

CHAIR—We will allow Ms Golightly to finish what she is saying and then the Audit Office have asked to say something.

Ms Golightly—With any model it is always the case that the service fees are going to be a higher component in the first six to 12 months than the outcome fees because the outcome fees are paid as a result of someone being placed in a job and remaining there for 13 or 26 weeks. So, obviously, you need that time to elapse before you can claim an outcome fee. Of course, in the early stages of any cycle the service fees are going to be the only payments going out of the door because there are no outcomes being achieved. It is what is expected. That was built into the model and it is what happened. The time we went to government for additional money was further down the track when we realised that there were, in fact, more outcomes than expected, more people were being placed in jobs than expected. It is a demand driven model and, for that reason, the government wanted to meet that demand and did.

CHAIR—If there is nothing more DEWR wants to say on that, we will now hear from the ANAO.

Mr Lack—I want to clarify what we have said in our report. Our understanding is that there are two pieces of information about service fees and outcome fees for 2003-04. Table 3.2 in report No. 6 identifies what was available internally in DEWR as an output from its employment services summary reports. That information shows that, at that time, predominantly payments were service fees. That is on page 64. At the same time, separately to that, DEWR is operating what is commonly called the Econtech model. That model, we are told, showed something different to what is in table 3.2. It is also DEWR data and DEWR was unable to provide us with the actual figures that supported the Econtech model. So there are two pieces of data. One is what is internally available in DEWR. That is presented at table 3.2. There is some other data that went into the model. DEWR was not able to provide us with the data that went into the Econtech model.

Ms GRIERSON—Why is that?

Ms Golightly—I am not aware that that was the case but Mr Lack is correct that there are two sets of data. These are not incompatible but the one that really matters is the one that has passed through parliament which is the forward estimates. That is the one supported by the Econtech data. The Econtech model and the data in it were made available to the Audit Office.

Ms GRIERSON—So what data is not made available to parliament?

Ms Golightly—None that I am aware of. I am just saying that the main one—that we are held accountable for, quite rightly—is the forward estimates.

CHAIR—The forward four years presented however many months ago.

Ms Golightly—Yes, as agreed by the government and then reflected in the budget that is presented to parliament. That is what we report against and have been reporting against, and it is only against that that government decide whether they are going to give us more money or less money.

Ms GRIERSON—So, Audit Office, why would you not have access to that anyway in your study?

Mr Lack—I might stand corrected, but it was not really a question of access; it was a question of DEWR being able to find the data.

Ms GRIERSON—At the right time, when you were there?

Senator MOORE—I am sorry, Chair, but we are getting two different stories on this issue.

CHAIR—Yes.

Senator MOORE—It is quite important.

Ms Caldwell—To add to the response to your question, Ms Grierson: at the commencement in the preparation for planning for the active participation model, the department undertook with Econtech some assurance of the figures that had been planned around the implementation of the model. Since that time, we have developed a further forward estimates model, also with the assistance of Econtech, and that distinction may not have come out in the comments so far. The further model that we now use today, which was in preparation at the time the Audit Office was doing its fieldwork, now has a full range of all assumptions fully and comprehensively documented, with change controls over all of that, so we can attribute over time what is driving particular differences, as Ms Golightly mentioned earlier, whether it is a change in policy settings by government or an increase in outcome rates as was experienced at the start of the active participation model.

Ms GRIERSON—So, in your portfolio budget statements, which must be prepared for now, will all that information be disaggregated and will I be able to clearly see what your fee for service was for service fees and for outcomes?

Ms Golightly—This was another recommendation where we did not agree entirely, because it is a matter for government. Government has chosen, as it is allowed to, to publish data on Job Network as a one-line appropriation, and that is what we do. We said we would consider for the next annual report whether the government wishes to publish any further information, in which case we will do so in the annual report. But the appropriation for Job Network is a single-line appropriation, and that is what we are held to—

Ms GRIERSON—So, as a member of parliament representing my constituents, I can know the outcomes in terms of how many job outcomes there are, but I cannot know the cost burdens and the cost-sharing for that?

Ms Golightly—You can see in our PBS, our portfolio budget statement, the total cost of Job Network, and you can see through our annual report the number of outcomes, the jobs.

Ms GRIERSON—It is really hard to measure the benefits, isn't it? It is in your interest, I would have thought. I know it might be government policy, but it would be in your interest as a department.

Ms Golightly—My understanding is that this came in at a time when the government introduced its outputs-outcomes way of budgeting, and this very much ties the outcomes achieved—that is, people in jobs—to the money it puts into Job Network. The fact that we and Job Network deliver increased outcomes every year I think gives a very good measure of increased value for money.

Ms GRIERSON—Can I suggest to you that the repayment of major roting by Job Network providers by reclassifying clients—and I do not know what the total payment is. Can you tell me the total payment that is due to DEWR?

Ms Golightly—As discussed in Senate estimates, that information is currently subject to investigation and I cannot disclose it. But as also—

Ms GRIERSON—I think the first two revealed were something like \$24 million and then two point something million dollars. Is that—

Ms Golightly—I am not aware of any of those figures, Ms Grierson. And it was also made quite clear in Senate estimates that it was a very small number of Job Network providers and would not indicate systemic issues.

Ms GRIERSON—I think that is terribly important. Firstly, for client services, are those clients informed if they are reclassified? How do they know?

Ms Golightly—Under the contract, they are supposed to be informed, yes.

Ms GRIERSON—So will you check that in terms of this big issue?

Ms Golightly—We check it all the time. We check it continuously.

Ms GRIERSON—It does seem that there has been so many people shifted to a more disadvantaged classification that you must wonder if they are fully aware of their situation.

Ms Golightly—This is part of the investigation.

Ms GRIERSON—Have you placed any, firstly, safeguards, and, secondly, safeguards?

Ms Caldwell—We always had safeguards in place, including in the contract, which has allowed us to take the action that we are taking. My understanding is that the sanctions are still under discussion, so I may not be able to discuss that.

Ms GRIERSON—Will someone lose a star rating? Let us hope that someone does.

Ms Golightly—Star ratings have been adjusted, yes, as we gave evidence on at Senate estimates. They have already been adjusted.

Ms GRIERSON—To end on star ratings, I have found it difficult from your report to see that star ratings are matched with identifiable data and performance data. What is your view on that?

Ms Golightly—The star ratings are entirely based on performance data—there is no other way of getting a star rating except by performing. That is defined as getting a person into a job. You get a higher star rating for placing disadvantaged people into sustainable jobs.

Ms GRIERSON—But the problem is you do not show your data. I use the example of my daughter—my poor daughter; she must be on the public record all the time. She has only had one experience with the Job Network. She found herself a job. She will be found as an outcome. That does not sound right to me—that a person gets paid the bonus for her finding herself a job. Are you ever going to be able to disaggregate that information and represent it honestly to the Australian people?

Ms Golightly—We believe we represent it honestly to the Australian people currently.

Ms GRIERSON—How will it show that she found herself a job after being about two weeks with the Job Network and did not need the services?

Ms Golightly—I am not sure someone like that would get an outcome, or if they did, it would be a very small one. The outcome fees are for people who have been, on the whole, unemployed for longer than 12 months or face some other severe form of disadvantage or multiple disadvantages.

Ms GRIERSON—You are telling me that I will be able to see in data whether people have found themselves a job or whether their Job Network provider did, even after 12 months.

Ms Golightly—Our data already, as far as I know, reports those people who are what we call ‘fully Job Network eligible’.

CHAIR—Can I just go back. In the case of the example the deputy chair used—and I understand has been used before—if somebody is only on the books for a week or two weeks, you are saying that there would not be an outcome?

Ms Caldwell—In terms of the star ratings and of Job Network performance and rewards, a very short term unemployed person who moves quickly with assistance into a job would get a job placement fee only if the Job Network member had actively matched them to the vacancy. If a person finds their own work during that period—and many short-term unemployed people do successfully find a job, and we do encourage them to look for work using their own efforts—the Job Network member would not be paid. If they had moved into intensive support services, the Job Network member would only start attracting fees depending on that person’s length of assistance.

CHAIR—But if they had only been in the system for a week or two weeks, they would not be in the intensive stage, would they?

Ms Golightly—No.

CHAIR—Therefore, in the case of the example given, there would have been no payment made?

Ms Caldwell—In the case of the example given, where a person found their own job without any assistance of Job Network, we would not have paid Job Network for that.

CHAIR—That is great. I think you have allayed the deputy chair's concerns.

Ms GRIERSON—Audit Office, is that what you found was happening?

Mr Lack—Our concern was more to do with how that information is rolled up into an efficiency indicator. DEWR provides a cost per employment outcome. If an employment outcome, for instance, is a 13 week interim placement, what DEWR includes in terms of outcomes depends on what it finds in its post program monitoring survey. So when it monitors people who have approached the Job Network but may in certain circumstances actually get a job of their own volition, that is included as an outcome for the Job Network. It is not a payment that is made to the Job Network provider.

Ms Golightly—But what we are talking about there is people who have been in for a longer time—three months or more.

CHAIR—Just so that we are absolutely clear on this, because a lot of claims are made, in the case of a person who registers and then within a week- to two-week period finds, of their own volition, a job that is unrelated in any way to the assistance that has been offered, would an allegation of a payment received for that be false?

Ms Caldwell—That is correct.

Ms GRIERSON—I do not think that helps clarify things, but I am happy to let my colleagues go on with questions for a while.

Ms KING—On that example, what if the Job Network claimed that they did assist—how would you know that they did not?

Ms Caldwell—I will try to keep this as simple as I can; it is quite a sophisticated performance measure.

Ms KING—We are quite smart here.

Ms Caldwell—For short-term job seekers, Job Network can get a job placement fee for putting them into work. In order to qualify for that fee, they need to actively match and refer the job seeker. They typically identify the vacancy and put the person's name forward to the employer, and that is the way in which the job seeker is connected. If those services are delivered, a job placement fee can be claimed. In the example we spoke of, the job seeker concerned looked for their own job, found their own job and made their own contact, so no placement fee would be paid in that circumstance. A longer term job seeker who had entered into intensive support would start to attract outcome fees, and outcome fees are paid only for sustainable work of 13 weeks. After 12 months we also have a final payment—if they have been unemployed for 12 months they get a 13-week payment and a 26-week payment.

Ms KING—I understand the difference. The Audit Office is saying that that is, however, claimed as an outcome according to the performance indicators in the contract. Is that correct? Could Job Network claim that as an outcome?

Ms Golightly—Mr Lack quite correctly said that we check our outcomes and how sustainable they are and the link to Job Network through what is called a post-program monitoring survey, and a random sample of job seekers is selected out of those who have been placed into 13 weeks and 26 weeks. We check with them that they are still in work and for how long and that they received assistance from their Job Network member. The difference here is that once you are in intensive support stage two things are happening. We require through our contract with the Job Network member the provision of intensive services, intensive support to that person—regular contact et cetera and maybe training. At the same time, that person is required under the Newstart eligibility rules to continue to look for work, and the Job Network member is meant to assist them with that—line them up with job interviews, help them with resumes and all sorts of things—but part of the mutual obligation of the person is that they be looking for work.

Ms KING—In this case we are not talking about someone in intensive assistance; we are talking about two weeks. I am just asking whether they can claim that as an outcome under their performance contract.

Ms Golightly—No. I think we said that.

Ms KING—I will just check with the Audit Office. Is that your understanding?

Mr Lack—Our point is not that DEWR is paying Job Network members for placements that do not happen. Our point is that when you look at their efficiency indicator—I think they have previously said in other forums that their cost per employment outcome is something like \$3,500—the number of employment outcomes is broader or more than the actual placements that are made. That includes an element of people who have been in the Job Network for maybe a little while and get a job off their own bat.

Ms GRIERSON—So the cost per job is much higher than the cost—

Mr Lack—That could be a potential underestimate.

Ms Golightly—That was the point I was going to go on to explain. After a certain amount of time—and we are not talking about one or two weeks here—

Ms KING—That was the example I asked you about.

Ms Golightly—I am sorry; I thought you had moved on to something else.

Ms KING—No; it was clear that I had not.

Ms Golightly—The point that Mr Lack is making is that at some point it is questionable as to whether that person would have got the job without the assistance of the Job Network, specifically when they are supposed to be looking for work themselves. That is why, in the post-

program monitoring, an outcome is an outcome. At the end of the day, that person is off welfare and in a job. That is the distinction.

CHAIR—But, in the one- or two-week example, neither a payment is made nor is it counted as an outcome.

Ms Golightly—I think it may be counted in that broad sense as an outcome.

Ms Caldwell—It is counted as an outcome.

CHAIR—That is what I am trying to clarify.

Ms KING—Which was the question I asked. Thank you.

Ms Caldwell—There is no payment to the Job Network. There is no performance reward—

Ms KING—I understand that. You have said that several times.

CHAIR—We do have sufficient time to allow the witnesses to answer the question.

Ms KING—They have answered it already. I was going to move on to the next component.

CHAIR—I can see you were going to do that, but you will appreciate that other members of the committee might want to hear the answer.

Ms Caldwell—For post-assistance monitoring purposes, it would count as an outcome because the person is off benefits.

Ms KING—Can you tell me what the relationship is between the performance—

Senator WATSON—Before you go on, I have a question on the same topic. How long is a person in a training scheme before you consider them to have enhanced skills that will enable them to get a job? Obviously it is not two weeks, but is it a month? You must have some period after which you decide that, because of the training and the facilities that you have offered, that person has enhanced job skills and work opportunities. It is following the same thing.

Ms Golightly—There is a period. It is not necessarily directly related to enhancement. The way the government has structured its fees for this program is that it pays very little, if any, fees for those people who have been unemployed and with their Job Network member for only a short period of time. However, if they get to the three-month mark, at that point the government pays for a more intensive service to be provided to that job seeker. At that stage, they would receive training and more enhanced skills. It is at that point that we would hope that the intervention of the Job Network member has enhanced their skills and is more job ready. That is the whole purpose of the three-month mark. Some people who have already been unemployed for 12 months when they join the Job Network, as can be the case, or who fit into some other category—they may be Indigenous, for example—go straight to the intensive support part of Job Network. It is about the length of their unemployment and their other levels of disadvantage rather than a measurement of what training they have had.

Ms KING—What is the relationship between the performance indicators as set out in the employment service contract and your star rating system?

Ms Golightly—Again, I will start and Mr Manthorpe might add any detail I miss out. The KPIs in the contract are all around delivering performance in terms of job outcomes and doing that in a way which is honest and ethical. The star ratings give one quantitative measure of the first KPI, the level of outcomes achieved. It is one measure of the KPIs that are in the contract. It is not the only measure that we use, but it is the quantifiable measure that we use.

Ms KING—One of the concerns that a lot of agencies who were working with people who were unemployed had when this system first came into place was the issue of creaming. They were concerned that some agencies would attract people who were easier to place—the two-week job seeker who is potentially going to get a job anyway—and, if they are able to report that as an outcome in their KPIs, they look pretty good. But, if there are agencies that are working with people who are going to be a bit more difficult to place, their KPI on outcomes may not look as good. Would the star rating system be affected by that?

Ms Golightly—It would have been, if we had not counted for it. That is something, along with a whole lot of other things, that we were keen not to have happen, and so the star rating formula is a full regression model. Again, I will hand over to somebody else to talk about the detail, but the purpose of it is to equalise so that you can compare one provider with another. It is also designed to reward—as I think I mentioned earlier, they get a higher weighting in their star rating if they place highly disadvantaged job seekers. So it normalises for your case load. If somebody has a whole lot that are easy to place and not many that are hard to place, that will be normalised for, compared to someone who has perhaps the reverse. Things like local labour market conditions are accounted for in the model as well. There are quite a range of factors—around 14 or 16 factors—so that we can compare like with like so that the reward is for placing the harder to place job seekers and not the easier to place job seekers.

Ms KING—Is each of the three agencies prepared to state on record that you are confident, on the basis of the performance indicator information that is collected, that the quality of services for job seekers has actually improved under your Job Network contracts?

Ms Golightly—To be able to do that statement justice, I would need to have quality information from what existed before Job Network—and I do not.

Ms KING—What about between the three contracts?

Ms Golightly—We might need to take that on notice. But I am confident that we measure quality and monitor quality, because that is an important part of the outcome.

Ms Caldwell—For example, we now have a service guarantee, which was not the case in the earlier Job Network models. We now have an articulated statement. I think the ANAO pointed out some ways for improving that, but we have very clear articulation of the service guarantee to both providers and job seekers.

Mr Manthorpe—From our point of view, the question of quality is very difficult to separate from the question of outcomes—and I think that comes through in our section 19 response. So,

to the extent that Job Network continues to improve its outcome performance, that to us is a pretty good indication that quality is improving. In light of some of the suggestions that the Audit Office made in its reports, we have continued to work on how we ensure that the quality of service at the delivery end is satisfactory. Our capacity to keep on top of that continues to grow, as does our capacity to work with Centrelink to ensure the quality of service through that part of the service delivery agreement.

Ms KING—Centrelink and DHS?

Mr Dainer—I do not think that is within DHS's brief.

Ms KING—And Centrelink?

Mrs Hogg—I do not have any data from prior to the existing contract. But certainly within the existing contract the number of complaints that Centrelink is recording for our customers against the Job Network has reduced.

Ms KING—Can the Audit Office remind me whether there has been a recent audit report on Centrelink's complaints system, which indicated pretty clearly that Centrelink users are a little reluctant to complain about services? Would it be fair to say that job seekers would be in a similar category?

Mr Lack—I am not familiar with the exact nature of the finding in that particular audit. For these audit in front of us, we looked at complaints over time. The data we have from DEWR, Centrelink and Job Network members indicates that it has probably settled at two times the number of complaints that there were with the earlier versions of the Job Network. There was a peak around July 2003, when there was a transition period, of about three times the number of complaints.

Mr Manthorpe—I would like to respond to something Mr Lack said. He indicated that complaint levels had increased quite significantly between earlier Job Network contracts and the present one. A very important point that needs to be made about that is that we are dealing on a day-to-day basis with a far larger number of clients than we previously did and that the numbers have come back quite significantly from the peak numbers around the time of transition, as have, as Mrs Hogg pointed out, the number of complaints Centrelink has received about Job Network. Those are some contextual points that should be borne in mind.

CHAIR—That is all right. If you would like to enlarge on that by way of a later submission, feel free.

Mr BROADBENT—Chair, a question to you: is this the 43rd Parliament?

Ms GRIERSON—No.

Mr BROADBENT—What is it?

CHAIR—The 41st.

Mr BROADBENT—I just wonder where that coffee was made, in which parliament!

CHAIR—It might have been the 35th Parliament!

Mr BROADBENT—Mr Lack, you mentioned in your audit report DEWR's monitoring of the contract obligations that they have signed up to. Could you just elaborate on that for a moment?

Mr Lack—Certainly. And there is a caveat in our findings that, in most cases, in what I am about to say, we did not do enough sampling to be able to draw any inference from the sample to the population. But there are some cases that I will just mention. We visited 14 Job Network members out of the—I think then—109. In all of those cases, none of the Job Network members had recorded all of the complaints. It is a requirement under the contract that all complaints are recorded. Another example is when we looked at a sample of job seeker files across, I think, 14 Job Network members across four states—

Dr Clarke—Twenty-three job seekers.

Mr Lack—Twenty-three job seekers' files that were involved in ISCA, intensive support customised assistance. We found that, of the 11 contacts that should have been made, only seven had actually been undertaken. So for us, when we were doing our fieldwork, they were examples where there was not monitoring of the requirements that are actually in the contract.

Mr BROADBENT—My question to DEWR therefore is on monitoring of contracts. Do you need more resources to monitor these contracts? Because my take from that is that the most difficult customer gets hit with a stick very strongly and, at the same time, if the Job Network provider does not perform up to the contract stage, the client does not get the proper benefit from the network provider.

Ms Golightly—I will just make some general comments first. We do quite a lot of monitoring and, as a result of the audit, we have increased the profile of the complaints points that Mr Lack pointed out. However, as Mr Lack also pointed out, it was 14 out of 107 and 23 out of 800,000 job seekers. So I think we do have to be very careful about extrapolating the conclusions made here. But Mr Manthorpe can provide more detail about the monitoring that we currently do and the extent of that.

Mr Manthorpe—Certainly. First of all, in the area of complaints, in response to the audit report and as we indicated we would in our response to it, we have stepped up our monitoring of the complaint registers that the Job Network members are required to have in place. That is one of the priorities that we ask our contract managers to check out when they are visiting Job Network sites. That, though, is only one small part of a quite comprehensive approach, in our view, to contract monitoring at Job Network sites and of Job Network members overall. We conduct monitoring visits to test compliance with a whole range of aspects of contract delivery. Not only that, we have the capacity to do desktop monitoring of performance against a whole lot of data that is available to us. We use incoming complaints that come to our customer service line to inform us whether or not to check up whether or not performance is being delivered adequately. So, whilst in a sense this is always a work in progress—one is always trying to ensure that the monitoring is being conducted as effectively and efficiently as it can be—we

believe that we have come some way since the audit report and are performing that function adequately.

Mr BROADBENT—Mr Manthorpe, is there a relationship between an individual client being breached and the performance of the Job Network that that client is a part of, or do you have to wait for a complaint?

Ms Golightly—Before the client is breached or suspended, Centrelink make that decision and before they make that decision they have to look at all the circumstances involved, including whether the Job Network member had any part to play in that client not performing what they were supposed to be performing. If your concern is whether someone would be breached because the Job Network member did not do something they were supposed to do, that would be picked up at the Centrelink stage as well the contract management stage that Mr Manthorpe just spoke about. Centrelink make a number of inquiries before taking such action for the client.

Senator MOORE—I have one clarification and one question. Ms Golightly, in a response to Senator Watson, did you say that the department's position is that there were no significant implementation issues in this process?

Ms Golightly—Yes, I said that—

Senator MOORE—They were your words?

Ms Golightly—No. My understanding was that the Audit Office had not found any serious, I think, management crises and that the implementation did not have major issues.

Senator MOORE—You do not normally use words like that in audits. In terms of a statement, would you have considered any of the recommendations that you made or the issues that you found significant or serious?

Dr Rowlands—I think there were significant difficulties with the implementation, and it went on until late in 2003. Although the implementation date for the new contract was 1 July, the first IT system release was in April and difficulties were occurring from that period forward to almost September. If I can refer to page 80 of the report, it is useful to show what DEWR said about the process. They did a stocktake of how well the implementation of the system had gone in November-December and said that EA3000 was 'mostly working now' and that they had seen it settle during that stocktake. It was the end of the year before things settled down, and there were difficulties right the way through.

Senator MOORE—It struck me that at that time there were discussions and I believe that there were concerns raised, Mrs Hogg, in your department about workload and stress on workers in trying to get through that original implementation. My understanding is that as time went by and changes were taken on board that things did settle, but at the time of the original implementation process there was considerable discussion about the ongoing issues of the new system and how it worked—in particular, the IT system. Is that right? I just want it on record, because there were certainly significant issues for us at the time.

Ms Golightly—Perhaps we are coming from a different basis here. From 1 July 2003, the APM was delivered both through the IT system and through its contracts with Job Network. Job seekers were being serviced as they should be. They were being referred from Centrelink. Everything that was supposed to be happening happened. There may have been some issues that were still being resolved some months later. I think I remember reading somewhere that the benchmark for an IT system is six weeks, and we had the major issues sorted out in six weeks. As I said before, the core functionality was delivered on day one.

My understanding from the ANAO's work, both in this audit and in other audits, is to tell us what we can possibly learn from it and what we can improve on next time. When we have thought that has been valid, we have taken it on board and completed it. We are about to come up to another major IT system. We have taken some of that on board. To say that the whole system of APM and ESC3 was not working on day one, I think is not a correct reflection of either the audit or, indeed, our view.

Senator MOORE—Did anyone say that?

Ms Golightly—Perhaps my inference from comments like 'serious management' and 'critical failures' is paranoid, but I feel that I need to have on record that that was where I was coming from when I made my comments.

Mrs Hogg—Obviously there is no doubt that some of the key functionality in the system was not robust at the time of the release. Centrelink adopted agreed contingency practices during that period. That involved more manual work than we would normally do had the system been working and that required additional time for staff, for which we were ultimately compensated by DEWR.

Senator MOORE—I want to get onto the record that it was certainly my understanding that there was a monumental effort by the staff to ensure that the statements Ms Golightly made about trying to make the core issues work did happen and that the job seekers were being looked after. But that was despite the system, not because of it.

Mr Moore has come to the table again, I am sure he is going to defend the IT system yet again. Certainly it would seem to me that we should ensure that we learn from it so that the next round of system changes is better. There is no such thing as a perfect systems change—I totally acknowledge that. Unfortunately, this committee tends to get caught up in the ones that have been particularly troublesome. We must learn from it. That is the negative part of audit. We know that. Rather than saying everything was fine, it would be useful if we could learn from what went wrong—and it did—to ensure that in this next round the pain is going to be minimised and the staff will not be put to the same kind of stress that they were put through in that one.

Ms King asked before for guarantees. I do not think you can make absolute statements, but in terms of planning for the next round of systems changes in an area where there has been a significant history of pain going right back to the CES days, what kind of lead-in is there for the next one? It will not be two months, I trust?

Mr Moore—The changes we are looking to make for July this year for welfare to work are slightly different in nature. First of all, for the beginning of the APM, we were doing three things at once: we were moving to a new application framework, we were changing the infrastructure and we were making the enhancements based on the policy change the government had made. The first two of those are not an issue, because they are stable—we are not making those changes this time around. So we have narrowed the focus of what we have to do to the policy changes and enhancements to the system to make those operational. Of course, it is still a large amount of change. A number of the issues in that first six-week period were around the stability of the platform and the infrastructure and so on as we bedded down those changes. We do not have those issues this time round. Indeed, we have made some other upgrades to the application framework. Already we have rolled it out ahead of time to get those things out of the way and not have them interfere with enhancements.

I should also point out two things. One is that it is significant that ANAO did not make any recommendations on the IT front. I think that reflected the amount of improvement or movement we had already taken by the time the audit work was in train. Also we have already, using this application framework, implemented a number of other releases, including a new system for disability open employment providers in July last year, without any significant issues at all.

Ms Golightly—It is also fair to say that in learning lessons from last time, we are working more jointly right from the start with Centrelink on this. We have joint development teams and joint testing teams. They are actually physically collocated. So that whole issue of the communications between DEWR and Centrelink has also been removed as an issue.

Senator MOORE—That takes care of my next question.

CHAIR—We have about five minutes left.

Ms GRIERSON—It will probably will take a little bit more than five minutes. There are still lots of areas that have not been covered. Firstly, do you have a return rate on client satisfaction surveys that are returned to DEWR?

Mr Manthorpe—I am sorry, I would have to take that on notice.

Ms GRIERSON—Okay.

Ms Golightly—We would have one.

Ms GRIERSON—So some analysis, and I would really like to know the system you used to analyse those from clients. So if you could take that on notice, that would be great.

Mr Manthorpe—Certainly.

Ms GRIERSON—Will your accounts this year reconcile actual with estimates?

Ms Golightly—They do every year.

Ms GRIERSON—And the variants will be shown?

Ms Golightly—Yes. That is a requirement of the PBS and annual reporting guidelines, which we meet.

Ms GRIERSON—Will they identify payment for processes other than outcomes separately?

Ms Golightly—As I said, in the portfolio budget statements we are only required to have the one line. Under consideration is whether we will do anything more for the annual report.

Ms GRIERSON—At the time that the new contract was introduced, there was concern expressed that the cash flows of the Job Network providers would be interfered with or interrupted, basically—that there may be a delay in them getting payments. I think the projection was that they would need to be operating fairly close to capacity in their first few months to be able to achieve to keep their cash flow going, and that advance payments may be needed. Were advance payments paid?

Ms Golightly—Was this in the move to ESC3?

Ms GRIERSON—Yes.

Ms Caldwell—This is an area that has been canvassed through an estimates committee in some detail. There were some early adjustments made to the timing, but not to the nature of the payments. That is, we continue to pay Job Network members for the calling of job seekers for that initial sign-up when we first move the stock of job seekers through.

Ms GRIERSON—So were additional payments having to be made?

Ms Golightly—There were no additional payments.

Ms GRIERSON—But advance payments were made.

Ms Golightly—We moved the timing of one payment because—as I understand; I was not around then, so I will ask people to correct me if I get it wrong—there were 800,000 job seekers that needed to be called in. We had a high non-attendance rate—people just not turning up as they should have been. So we had lots of Job Network members doing a lot of work trying to get them in, with no money—the payment was down the track. So we moved the timing of that payment, but we did not pay additional money and we did not pay for additional services.

Ms Caldwell—For that service we did not pay additional. There was an actual breakdown in the 2003-04 year regarding the payments and the timing of those payments, including the advance payments.

Ms GRIERSON—I think 450,000 profile interviews needed to be held, and that was recognised as quite a burden. It was suggested in your forward planning that, by having all those interviews, there would be some savings. Your projection was \$21.7 million, because it would also pick up people who were not eligible. Did that occur?

Ms Golightly—I am not familiar with those particular numbers but certainly the whole principle behind the government making the decision that all 800,000 job seekers needed to be

called in was that they needed to test their eligibility. By making contact with them there would have been a certain number—

Ms GRIERSON—Can you give us figures on how many were picked up, through that interview process, as being ineligible and what the savings were?

Ms Caldwell—The audit report itself reports the available figures from the time of implementation. There is a range of figuring that was done at that time. We are currently looking, in our forward evaluation agenda, to revisit the long-range effects of that. So the information already published in the audit report does provide the details of what was on at that point in time.

Ms GRIERSON—Can Audit Office help me in that?

Dr Rowlands—Yes. The figure you are quoting is in the report, and that is—

Ms GRIERSON—And what was saved?

Dr Rowlands—We do not know. We have not seen any work done on that.

Ms GRIERSON—That was what I was asking.

Ms Golightly—In that sense, I think what Ms Caldwell was saying was that it will be picked up in our formal evaluation program, because what you would need to be testing for is whether they would have since become eligible and that sort of thing. I am not sure that we have done formal evaluation work to test that figure. But I can take that on notice.

Ms GRIERSON—Yes, please. That is an amazing process that occurred. Really, all the data from that would be, I would have thought, crucial to your operations.

Ms Golightly—The fact that we had such a no-show rate was testament to the fact that there were many people—

Ms GRIERSON—So what happened about the no-show rate? Has that been responded to in any way?

Ms Golightly—Yes. In fact, I think Mr Manthorpe mentioned before something called Rapid Connect.

Ms GRIERSON—He did.

Ms Golightly—That is probably the most significant thing, whereby if somebody rings Centrelink or goes into a Centrelink office and requests unemployment benefits they have to fill in the forms, but they must attend a Job Network interview within two days, and, if they do not attend, Centrelink does not process their application for Newstart. So it is an up-front control now rather than a—

Ms GRIERSON—So you have figures on the new attendance rates?

Ms Golightly—Yes. That was introduced in November or just before Christmas, so we would be able to give you very early figures.

Ms GRIERSON—So it has only been operating for a few months at this stage.

Ms Golightly—That particular form has, yes.

Ms GRIERSON—When the new model was introduced, it was about service delivery over a continuum with quite strict time lines. When it was introduced, because it was new, there were delays. In that first delivery of the new model, did you vary the time scales so that job seekers were not disadvantaged by the failure of the system to get up to speed quickly?

Ms Golightly—I am not aware of any delays. The point in the continuum at which a job seeker enters is dependent on the length of their unemployment and other disadvantage, not the time they have been with their Job Network member necessarily. But I might be missing the point of your question.

Ms Caldwell—Ms Grierson, your question was about whether any job seekers were disadvantaged. The answer to that is that no job seekers were called in. They needed to report at the time they were called in. Whether it took a shorter or longer time for them to be called in, they were not in any way disadvantaged. And, as Ms Golightly mentioned earlier, in having regard to any reports about nonattendance, Centrelink is the decision maker and Centrelink has regard to the full circumstances of the job seeker's role in attending or not attending at the time.

Ms GRIERSON—Is that what the Audit Office found too—a very smooth process at its introduction, so that job seekers were not disadvantaged?

Dr Rowlands—I think the delay that you are referring to is the delay in getting people engaged in the first place, which is reflected in that graph on page 110, in report No. 6. I do not know of any bad consequence or delay for job seekers; it is more that it took a long time for them to get engaged. Once they were engaged, I think the processes would have flowed as expected.

Ms GRIERSON—Yes. So the delay may have been in actually getting them there because the process was new for them. Okay. Thank you. DEWR had four transition objectives that you were hoping to achieve. Do you have measurements against those yet?

Ms Golightly—They were specific to that particular transition.

Ms GRIERSON—Yes, that is right.

Ms Golightly—We are about to go into another transition and we have set objectives for that transition. It is a very different—

Ms GRIERSON—Stop now, please! That is the point of the question. Yes, you are going to go into Job Network contract No. 4—

Ms Golightly—It is an extension of the current contract.

Ms GRIERSON—Yes, and you decided to extend this one—by three years, is it?

Ms Golightly—Yes, that is correct.

Ms GRIERSON—I would hate to think you have formulated new objectives without having thoroughly reviewed the four objectives you set for ESC3.

Ms Golightly—Ms Grierson, we did, but it was not—

Ms GRIERSON—Can we have some evidence of that?

Ms Golightly—Sorry, I heard your question as being about whether we had set measures for those objectives. Because this transition is different, we have reviewed the objectives and selected those which are relevant to this transition, and we will be measuring those.

Ms GRIERSON—So, if they were the four objectives and they were not all achieved as well as you might hope, has someone written an analysis of that and, therefore, is this new contract shaped by that analysis?

Ms Golightly—I do not know that we did not achieve them; I think we did. The point of the audit report, as I read it, was that we make sure we have measures which are closely linked to the objectives set for the transition, and we have done that this time.

Ms GRIERSON—Am I missing something, Audit Office, in the process of continuous improvement? That we always get it right, therefore we—

Ms Golightly—I am not saying that, Ms Grierson. I am saying that for different transitions you will have different objectives.

Ms GRIERSON—But this is an extension of an existing contract—

Ms Golightly—Perhaps I can give a practical example. I am actually trying to help you. The transition last time was a major transition in that it was a completely new policy.

Ms GRIERSON—Certainly.

Ms Golightly—This time the policy is not changing completely. There are some new Welfare to Work issues, but we are not changing to APM fundamentally. That is the major difference between now and last time. The other major difference is that last time we had 800,000 job seekers to transition; this time we have something like 16,000, and it is only if their current provider does not get a contract extension. It is very different. That is what I mean when I say that it is a very different nature of transition. Our objectives are to make sure that we continue performance through the transition period and that service delivery to the job seeker does not drop.

Ms GRIERSON—I know you are always concerned about quality assurance and that since your audit you would have followed up to make sure that those objectives were evaluated. Have

you seen any evidence of a clear evaluation of those service delivery objectives—of a new model—that are shaping the extension?

Mr Lack—We can only really look at what has been done. We cannot audit what is in train or about to be done. Just by way of clarification, in report No. 6 there is a summary of what we did say against each of the transition objectives. The first thing is to concur with Ms Golightly that this was a substantial change. We are saying that it is positive that DEWR did put in place some transitional objectives. They were, for example, to ‘minimise any disruption to services for job seekers and employers’. What I have said previously during this hearing—

Ms GRIERSON—I am sorry, I missed the page reference.

Mr Lack—Page 19 of report No. 6. At the top of the page we have reproduced DEWR’s transitional objectives. At the bottom of the page is a summary of our findings. The first transitional objective is ‘minimise any disruption to services for job seekers and employers’. As the ANAO said previously in this hearing, ‘complaints recorded by DEWR during transition to ESC3 exceeded that experienced in the previous transition period’. The second transitional objective was to ‘minimise any reduction in outcomes achieved during the transition period’. The assessment was that ‘reported outcomes dipped more markedly in the transition’. The third objective was to ‘have all eligible job seekers referred to Job Network members contracted under ESC3 as quickly as possible’. Earlier in this hearing, we talked briefly about the fact that nearly 451,000 vocational profiles had been scheduled but only 184,200 had actually taken place. Finally, there was the objective to ‘provide, in consultation with the industry, a consistent, manageable flow of job seekers to Job Network members, which maintained appropriate cash flows’. We have already had a discussion about the fact that DEWR made advance payments to Job Network members.

Ms GRIERSON—Does DEWR want to comment? Would you do things differently? I would hope that you would review things and know exactly where you are up to. I would hate to see another request for more money through the next stage. How are you ensuring that that will not happen?

Ms Golightly—I think we did say that we had reviewed it, and we have, but the point I was trying to make was this. We have set transition objectives and we have set measures, which is what this audit report was getting at. It is based on what we know about past performance, but it is also based on what we know about the nature of this particular transition, which is different from the last one, which was different from the one before it. The only other comment I would make on what Mr Lack just said is that, in relation to complaints, as Mr Manthorpe said, we are comparing two different bases here.

Ms GRIERSON—Have you made any variations to this?

CHAIR—Just before you answer that, out of courtesy to the witnesses and the members and senators, we were due to complete this hearing 10 minutes ago. We have had a number of questions from everyone here. We have had a significant number from the deputy chair—taking probably more than half the time. She has indicated to me privately that she has some 10 or 15 minutes left. Out of courtesy—

Ms GRIERSON—I am cutting it down to five.

CHAIR—Okay. We need to give courtesy to the witnesses and also remember the schedules of other senators and members sitting here patiently. So that is five more minutes. Is everyone okay with that?

Mr BROADBENT—Three would be very good.

CHAIR—That is right. I know the deputy chair is always keen to be courteous.

Mr BROADBENT—Or are there are number of questions, Mr Chair, that could be taken on notice?

Ms GRIERSON—They certainly could be. I am happy to send them in on notice. I am very happy to, if that will keep everyone happy.

CHAIR—So is that what is going to happen?

Ms GRIERSON—Yes, certainly. I will send those today through the secretariat.

CHAIR—So they will be sent to the secretariat, circulated to the members and senators who are here and forwarded to the witnesses to be taken on notice. Is there anything else?

Ms Golightly—Mr Manthorpe was just reminding me that because the contract extensions are not yet finalised the 16,000 figure I mentioned before is an absolute guesstimate. We do not know yet.

CHAIR—So it is approximate.

Ms Golightly—That would be an upper limit.

CHAIR—Thank you for that. The deputy chair will put in some additional questions on notice. If you could answer those to the best of your ability. They will come in sometime today.

Resolved (on motion by **CHAIR**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

CHAIR—On behalf of the committee, I would like to thank all of the witnesses who have given evidence at the public hearing today.

Committee adjourned at 11.26 am