

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-003974

Senator Marshall provided in writing

Question

jobactive star ratings - WA

Poor star ratings in WA have been almost uniformly low over the last three ratings periods dating back to last June. What has been tried to fix the performance?
In light of the recent and continuing poor results, what action is the Government taking to improve to the system to better serve jobseekers in Western Australia?

Answer

Under the jobactive Deed, departmental staff who are engaged in managing the contracts of providers hold formal performance feedback sessions every six months with the senior officers of the contracted organisations. These sessions are preceded by a clear written summary of performance issues, and the discussions are focused on provider plans for remediation. Where needed, providers are asked to provide performance improvement plans which are monitored by departmental staff. A range of performance improvement plans are in place with providers as a result of performance over recent performance periods.

In this context it should be noted that the March 2017 Star ratings that were released to providers on 26 April, and subsequently publicly released on 28 April 2017 show a significant improvement in WA. In March 2017, 79 per cent of sites in WA were rated 1 or 2-Stars, 17 per cent were 3-Stars and 5 per cent were rated 4-Stars. This compares to the December results in which 92 per cent of sites were rated 1 or 2-Stars, 8 per cent were rated 3-Stars, and there were no sites above 3-Stars.

Under the jobactive Deed, the department will conduct a business reallocation process at 18 and 36 months.

Providers with a 1 or 2 Star Rating at the Employment Region or Site level, at the end of the December 2016 performance period (using the published December 2016 Star Ratings) will be in-scope for business review and reallocation.

The results of the 18 month business reallocation have been given to providers. As part of the 18 month business reallocation process, the department has deferred a decision until after the June 2017 Star Ratings are available in five regions in WA. In a further region in WA, some business will be reallocated in June 2017 and a decision will be deferred regarding the potential for further reallocation until after the June 2017 Star Ratings are available.

The deferral or part-deferral of business reallocation decisions in these six regions reflects the poor performance evident at region and site levels, which precludes business being reallocated to existing providers or those in neighbouring regions.

A range of options will be considered by the department beyond merely reallocating between existing providers or seeking to gap fill using providers from neighbouring regions. Options could include re-tendering to bring in a small number of new providers, direct sourcing of new providers, and/or reducing the market share of existing providers.