



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

MONDAY, 1 JUNE 2009

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE**

Monday, 1 June 2009

Members: Senator Marshall (*Chair*), Senator Humphries (*Deputy Chair*), Senators Bilyk, Cash, Jacinta Collins and Hanson-Young

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Boyce, Bilyk, Brandis, Cash, Jacinta Collins, Crossin, Fifield, Fisher, Humphries, Marshall, Mason, Parry and Sterle

Committee met at 9.06 am

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

Consideration resumed from 31 May 2009.

In Attendance

Senator Ludwig, Minister for Human Services, and Senator Carr, Minister for Innovation, Industry, Science and Research

**Department of Education, Employment and Workplace Relations
Cross Portfolio**

Ms Lisa Paul, Secretary

Mr Robert Griew, Associate Secretary

Mr Michael Manthorpe, Deputy Secretary

Dr Michele Bruniges, Deputy Secretary

Mr Bill Burmester, Deputy Secretary

Ms Malisa Golightly, Deputy Secretary

Mr Graham Carters, Deputy Secretary

Mr John Kovacic, Deputy Secretary

Mr Ewen McDonald, Deputy Secretary

Mr Craig Storen, Chief Finance Officer and Group Manager, Finance Group

Mr George Kriz, Chief Legal Officer and Group Manager Procurement, Legal, Investigations and Procurement Group

Mr Jeremy O'Sullivan, General Counsel and Group Manager Investigations, Legal, Investigations and Procurement Group

Mr Glen Casson, Acting Branch Manager, Internal Audit Group

Ms Margaret Pearce, Group Manager, Parliamentary and Communications Group

Mr David Pattie, Branch Manager, Internal Capability and Support Branch, Parliamentary and Communications Group

Mr Brant Trim, Branch Manager, Communications Delivery Branch, Parliamentary and Communications Group

Mr Ben Johnson, Group Manager, People Group

Ms Sue Saunders, Branch Manager, People Services Branch, People Group

Ms Chris Silk, Branch Manager, Remuneration and Performance, People Group

Mr Ben Wyers, Branch Manager, Capability Development and Agility Branch, People Group

Ms Robyn Kingston, Group Manager, Delivery and Network Group

Ms Helen Skrzeczek, Group Manager, Applications Systems Group

Outcome 4—Employment and Strategic Policy

Ms Lisa Paul, Secretary

Ms Malisa Golightly, Deputy Secretary

Mr Graham Carters, Deputy Secretary

Ms Marsha Milliken, Group Manager, Income Support and Stakeholder Group

Ms Janine Pitt, Group Manager, Job Seeker Support Group

Ms Jo Caldwell, Group Manager, General Employment Services Group

Mr Stephen Moore, Group Manager, Employment Systems Group

Mr Tony Waslin, Group Manager, Specialist Employment Services Group

Ms Jennifer Chadwick, Branch Manager, Disability Employment Policy and Performance, Specialist Employment Services Group

Ms Sharon Stuart, Branch Manager, Disability Employment Services Branch, Specialist Employment Services Group

Mr Derek Pigram, Branch Manager, Employment Pathways Branch, Specialist Employment Services Group

Ms Dianne Fletcher, Group Manager, Employment Purchasing Group

Mr Darren Hooper, Branch Manager, Tender Team 2009, Employment Purchasing Group

Mr Matt Davies, Acting Group Manager, Strategic Policy Group

Ms Margaret Kidd, Group Manager, Employment Reform Taskforce

Mr Ali Jalayer, Branch Manager, Employment Services Operational Policy, Employment Reform Taskforce Group

Ms Louise McSorley, Branch Manager, Migration, Employment Reform Taskforce Group

Dr Alison Morehead, Group Manager, Social Inclusion and Participation Group

Ms Stephanie Bennett, Branch Manager, Social Inclusion, Social Inclusion and Participation Group

Ms Sharon Rose, Branch Manager, Participation Policy, Social Inclusion and Participation Group

Ms Robyn Shannon, Branch Manager, Income Support Policy, Social Inclusion and Participation Group

Ms Jody Hamilton, Acting Group Manager, Indigenous Group

Mr Shane Hoffman, Branch Manager, Indigenous Policy, Indigenous Group

Ms Jo Wood, Branch Manager, Innovation and Partnerships, Indigenous Group

Ms Julie Polson, Branch Manager, Strategic Support, Indigenous Group
Mr John Baker, Acting Branch Manager, Indigenous Implementation Strategy, Indigenous Group
Ms Trish Mercer, Group Manager, Research Analysis and Evaluation Group
Mr Malcolm Greening, Branch Manager, Economic, Labour Market and Educational Analysis, Research Analysis and Evaluation Group
Mr Ivan Neville, Branch Manager, Economic, Labour Supply and Skills, Research Analysis and Evaluation Group
Mr Justin Griffin, Branch Manager, Evaluation and Program Performance, Research Analysis and Evaluation Group
Mr Scott Matheson, Branch Manager, Research, Research Analysis and Evaluation Group
Mr Paul Balnaves, Branch Manager, Research, Research Analysis and Evaluation Group

Outcome 5—More Productive and Safer Workplaces

Ms Lisa Paul, Secretary
Mr John Kovacic, Deputy Secretary
Ms Michelle Baxter, Group Manager, Safety and Entitlements Group
Ms Terasa Cremer, Acting Branch Manager, Office of the Federal Safety Commissioner, Safety and Entitlements Group
Ms Kylie Dore, Acting Branch Manager, Employee Entitlements Branch, Safety and Entitlements Group
Ms Michelle Boundy, Director, Safety and Compensation Policy Branch, Safety and Entitlements Group
Mr Michael Maynard, Group Manager, Workplace Relations Implementation Group
Ms Jody Anderson, Branch Manager, Private Sector Branch, Workplace Relations Implementation Group
Ms Helen Bull, Branch Manager, Private Sector Branch, Workplace Relations Implementation Group
Mr Jeff Willing, Branch Manager, Building Industry Branch, Workplace Relations Implementation Group
Ms Sandra Parker, Group Manager, Workplace Relations Policy Group
Ms Colette Shelley, Branch Manager, Bargaining and Industry Framework Branch, Workplace Relations Policy Group
Mr Mark Roddam, Branch Manager, Wages Policy and Economic Analysis Branch, Workplace Relations Policy Group
Mr Stewart Thomas, Branch Manager, Strategic Coordination Branch, Workplace Relations Policy Group
Ms Natalie James, Chief Counsel, Workplace Relations Legal Group
Ms Elen Perdikogiannis, Branch Manager, Bargaining and Coverage Branch, Workplace Relations Legal Group
Mr David Bohn, Branch Manager, Safety Net Branch, Workplace Relations Legal Group
Mr Henry Lis, Acting Branch Manager, Institutions, OHS and Workers Compensation Branch, Workplace Relations Legal Group

Mr Peter Cully, Branch Manager, Termination, Building, Organisations and Dispute Settlement Branch, Workplace Relations Legal Group

Mr Rex Hoy, Group Manager, Safe Work Australia

Ms Amanda Grey, Branch Manager, Strategic Enabling Services Branch, Safe Work Australia

Mr Drew Wagner, Branch Manager, Regulations, Safe Work Australia

Dr Peta Miller, Director, OHS and Workers Compensation Policy, Safe Work Australia

Australian Industrial Registry

Mr Dennis Mihelyi, Acting Chief Financial Officer, Australian Industrial Registry

Mr Terry Nassios, General Manager, Statutory Services, Australian Industrial Registry

Mrs Joanne Fenwick, Acting Chief Financial Officer, Australian Industrial Registry

Comcare

Mr Martin Dolan, Chief Executive Officer, Comcare

Mr Steve Kibble, Deputy Chief Executive Officer, Comcare

Australian Fair Pay Commission

Ms Jennifer Taylor, Director, Australian Fair Pay Commission Secretariat

Workplace Ombudsman

Mr Nicholas Wilson, Workplace Ombudsman, Workplace Ombudsman

Mr Leigh Johns, Chief Counsel, Legal and Advice, Workplace Ombudsman

Mr Michael Campbell, Executive Director, External Affairs Branch, Workplace Ombudsman

Mr Mark Scully, Chief Financial Officer, Finance Branch, Workplace Ombudsman

Mr Steve Ronson, General Manager, South West, Field Operations Branch, Workplace Ombudsman

Workplace Authority

Ms Penny Weir, Acting Director, Workplace Authority

Ms Joanne Major, General Manager, Agreements and Strategy, Workplace Authority

Mr Mark Shapter, Acting Chief Financial Officer, Workplace Authority

Ms Lesley Butt, Acting Head of Corporate, Workplace Authority

Australian Building and Construction Commission

The Hon. John Lloyd, Commissioner, Australian Building and Construction Commissioner

Mr John Draffin, Assistant Commissioner Operations, Australian Building and Construction Commissioner

Mr Ross Dalglish, Deputy Commissioner Legal, Australian Building and Construction Commissioner

Ms Heather Hausler, Assistant Commissioner Corporate, Australian Building and Construction Commissioner

Mr Ken Morgan, Deputy Chief Financial Officer, Australian Building and Construction Commissioner

CHAIR (Senator Marshall)—I open this public hearing of the Education, Employment and Workplace Relations Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2009-10 and related documents for the Education, Employment and Workplace Relations portfolios. The committee must report to the Senate on

23 June 2009, and it has set Friday, 31 July as the date by which answers to questions on notice are to be returned. Under standing order 26, the committee must take all evidence in public. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has a copy of these rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I will now incorporate into *Hansard*.

The document read as follows—

Order of the Senate—Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
 - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
 - (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
 - (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).
- (d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941-42)

The committee will begin today's proceedings with cross-portfolio and then follow the order as set out in the circulated program. Proceedings will be suspended for breaks as indicated on the program. I welcome the Minister representing the Minister for Education, Employment and Workplace Relations, Senator the Hon. Joe Ludwig, and the departmental secretary, Ms Lisa Paul, and other officers of the department. Minister or Ms Paul, do you wish to make an opening statement before we commence?

Senator Ludwig—No, thank you.

Ms Paul—No, thank you.

CHAIR—On that basis we will move straight to questions in the cross-portfolio area.

Senator HUMPHRIES—I was looking at the 'Portfolio Resources' page on page 6 of the PBS to get an idea of the overall picture. Can you tell me if I am reading these correctly—does not table 1 on page 6 suggest that the total appropriations for the department for this coming financial year are \$44,578,501,000,000?

Mr Storen—The table, as you have read it, does suggest that. The headings are in millions of dollars; they should be in thousands of dollars, consistent with the rest of the document.

Senator HUMPHRIES—So I have just trimmed the department's budget by 1,000 per cent!

Mr Storen—If you multiply by thousands of dollars, it is about \$45 billion.

Senator HUMPHRIES—My work here is done! Is this on the website as well?

Mr Storen—Yes.

Senator HUMPHRIES—So there will be a corrigendum.

Mr Storen—The web version has been corrected for that heading error.

Senator HUMPHRIES—I want to know about the change of name that is referred to on page 3. The Carrick Institute for Learning and Teaching and Higher Education has been changed to the Australian Teaching and Learning Council. What was the reason for that change?

Ms Paul—In short—and we could explore this more under the higher education section on Thursday, if you wish—there was another institution with the same name; it was a private institution. I have forgotten the precise reason, but we could go into that in more detail when the relevant people are here. There was a dispute of name. It was a sad thing but, in the end, we had to come to losing the name of our institute rather than engage in an ongoing legal disputation with the holder of the same name. I am sure you will be interested to know that we did communicate with Sir John. I have spoken with him several times.

Senator HUMPHRIES—That is fine. As of the week before last, there were still 12 questions outstanding from the last estimates period for this department. Is that still the case?

Ms Paul—No, fortunately that is not the case. There are still three outstanding today. They will be in today. I think they were from you. I apologise for that. They are on reviews. It took some time to collate the information, but apparently they will be with us today. I am happy to take any further questions on them once you have seen the answers for those three. So I do apologise for that.

Senator MASON—Good morning, Minister, Ms Paul and officers. In terms of cross-portfolio questions, mine will relate to the contract notices. I am simply looking at those this morning, and I will see everyone again on Wednesday and Thursday. I want to go to an issue raised by my friend and colleague Senator Ronaldson, which relates to contracts concerning Mr Samuel Dennis Glover. I note there are two contracts relating to Mr Glover: Nos CN180842 and CN180856. The CN180142 contract concerns the contract period 21 April 2009 to 30 June 2009. So it is currently operative, and it is for \$30,000. The description is 'Editorial and Writings Services'. It is for about a 10-week period. The contract says that the reason for confidentiality is:

Can't disclose DEEWR confidential information without prior written approval.

What is so confidential about this contract? What is the reason for confidentiality?

Ms Pearce—Could you give me the date of that again?

Senator MASON—Yes. The date is from 21 April 2009 to 30 June 2009. So it is currently operative.

Ms Pearce—This is under our new panel arrangement where we have selected out of a group of 90-odd people who put in an application or a tender about eight people. We are probably going to extend that to about 12 because there are a whole mix of editorial and writing experiences that we require, including speech writing. That is the date of the contract that was entered into with Dennis Glover, and there will be other contracts with other people.

Senator MASON—With others? It is not just Mr Glover. There will be others as well?

Ms Pearce—That is correct.

Senator MASON—What is Mr Glover's role? What does he do? You mentioned speech writing.

Ms Pearce—He writes speeches only. But some of the other people on the panel also do editorial work. For example, if you had a major report that needed editing, they might do that.

Senator MASON—I remember looking at Mr Glover's book, *Orwell's Australia*. It is a very good book, too, if Mr Glover is listening.

Ms Pearce—He is an excellent speech writer. Of course you would know that he has a PhD and has a terrific knowledge of history, which is always wonderful in a speech writer.

Senator MASON—Why does the department need to go outside the department to procure these services? Don't you have a public relations or speech writing section within the department?

Ms Pearce—We do have a small speechwriting team. I think I covered this with Senator Ronaldson last time. We have about three speechwriters. It is really difficult to get good speechwriters and we have gone out and advertised, and advertised internally. It is actually quite difficult. I hate to say this but I have been around the traps for a rather long time and served under many ministers and it is a constant issue under all administrations. We therefore went to a panel arrangement so that we had a group of people we could call on to supplement our team. With five ministerial offices, we have a huge speech load.

Senator MASON—Are the people you employ on contract subject to the APS's neutrality requirements, and so forth?

Ms Pearce—Yes.

Senator MASON—As opposed to MOPS staff, or in this case Ms Gillard's own private staff—I understand that. They are subject to the neutrality requirements of the Australian—

Ms Pearce—It would go to the terms of the contract, and it would be covered there.

Senator MASON—So any speeches that Mr Glover or any other member of the panel is writing would be, in effect, politically neutral?

Ms Pearce—Yes, but of course those speeches go to ministers' offices, as they always have done, and ministers and their staff can—

Senator MASON—Can add some purple, is that right?

Ms Pearce—amend those speeches. That is often what you see in the public domain.

Senator MASON—So, Mr Glover could write a draft and it could be tweaked—and I do not say this without respect to the Deputy Prime Minister or any minister—for political purposes within the office.

Ms Pearce—All ministers and their staff, over time, change speeches to suit their own purposes.

Senator MASON—That is not a criticism at all. I was looking through some recent speeches of the Deputy Prime Minister. There are many of them. Some are very good but I

noticed one, which Ms Gillard gave to the Maritime Union of Australia, commencing with, 'Thank you, Paddy, for your welcome.' Did Mr Glover write that one?

Ms Pearce—He could have. I would have to look at the list of speeches. The Deputy Prime Minister has given well over 150 speeches and I think Dennis Glover has written about 65 of them. I would really need to check my list, Senator. Obviously ministers change speeches within their office prior to giving a speech. In fact, good speech givers often change speeches once they arrive at venues and realise there are certain people there or when they pick up anecdotes or whatever it might be.

Senator MASON—I have even done that myself, I have to admit, Ms Pearce, depending upon the audience.

Ms Pearce—Yes, that is right.

Senator MASON—So are we not sure whether Mr Glover wrote the Sir Robert Menzies oration, either?

Ms Pearce—I could check for you, if you like,

Senator MASON—All right, and I think there was an oration—

Senator JACINTA COLLINS—Sorry, Senator Mason, we were just thinking we could not imagine you never doing that.

Senator MASON—Thank you, Senator.

Senator Ludwig—We have not heard yet whether you are on a first-name basis with Paddy Crumlin from the MUA, either.

Senator MASON—I probably do not have as many friends called Paddy as you, Minister. If any contract worker for your department—for the APS—was acting politically or outside the bounds of neutrality, what would the consequences be?

Ms Pearce—Sorry, could you repeat that?

Senator MASON—If any person under a contract within the APS, or indeed within DEEWR, was not acting in a politically neutral way, what would be the consequences?

Ms Pearce—We would certainly speak to them and say that it is just not appropriate.

Senator MASON—Senator Ronaldson asked a question—I know Ms Paul mentioned questions on notice before—about who recommended Mr Glover to the department. I do not think there has been an answer to that.

Ms Paul—We have responded, I think.

Senator MASON—You have? If you have, that is fine. That is all the questions on Mr Glover, I think. I would like to ask a question about a contract—CN178673. It is about management advisory services from a supplier called SMART. SMART is an acronym. It is a sponsorship agreement and there are no other details because it is confidential, apparently. I just want to know why it is confidential and what SMART does. What do they actually do?

Ms Pearce—I am sorry, but I am not responsible for all contracts.

Senator MASON—Oh, aren't you? I thought you were!

Ms Pearce—But that does not actually ring any bells with me.

Mr McDonald—We will have to look into that one for you. We do not have that detail with us. We will be able to follow that up quickly for you and respond to your question.

Senator MASON—Could you find out what they do? The reason I ask is—and this is what concerned me and what attracted my notice—in contract No. 178673, as a confidentiality contract, it is \$280,000, so it is a substantial amount of money and the only description is 'a sponsorship agreement'. In a later contract—No. 177932—there is no confidentiality contract at all, and it simply says 'The skills are currently unavailable within the agency,' but that is for a contract for only \$20,000. That is much less. I want to know what the company does and what services they offer.

Mr McDonald—Can I just check—it was called SMART?

Senator MASON—Yes, it is an acronym—SMART.

Senator Ludwig—Have you got their contract number?

Senator MASON—Yes, I have given that.

Mr McDonald—Nos 178763 and 177932.

Senator MASON—Yes. If you could do that, that would be great—and also the services and who the directors are. Another contract, 177768: 'A town hall meeting' at the Ainslie Football Club—attracted my interest. What was that for? Mr McDonald, is that yours?

Mr McDonald—That would be a meeting of our IT staff in one place. We had to hire a venue big enough for the IT staff, so that is what that would be. The actual cost of it, I am not sure whether—

Senator MASON—I can tell you that. It was \$10,000.

Mr McDonald—I would have to check whether that was the actual cost, but it would have been a meeting to discuss the priorities for the IT group for the next period of time.

Senator MASON—Priorities for the IT group?

Mr McDonald—Yes, it is to bring them together. They are a big group.

Senator MASON—Sure. And \$10,000 would have covered what? The venue?

Mr McDonald—Yes, it would have been, I imagine, either a half day or a full day. We can get the detail for you.

Senator MASON—That is fine. I want to ask about two more contracts in relation to this issue: 177747 and 177748. This is a contract that runs between 25 March 2009 and 30 June 2009. It is for \$31,000 and I think it must be for National Youth Week. The contract says, 'National Youth Week—shoelaces.' What is that about, Mr McDonald?

Mr McDonald—National Youth Week has been occurring for some time—I think from about 2000 or 2001 or that sort of period. Each year, for National Youth Week, a steering committee—which is made up of Commonwealth and state representatives and also young

members that are nominated from the youth area—identifies the theme and the products to be distributed during Youth Week. That has been going on for some time. For this year, I would imagine, whatever year it was—I have not got—

Senator MASON—This year.

Mr McDonald—For this year, they would have been the products selected by that committee and distributed during National Youth Week. It goes out to state governments and also to local government, I think, from memory. As I say, it has been going for some time. We would be able to get you more detail and cover it in our—

Senator MASON—Could you give me an example of one, Mr McDonald?

Mr McDonald—No.

Senator MASON—The contract for the shoelaces is \$31,091.50. The accompanying contract of \$33,154, running for the same time, is for sweat bands. That is very retro—a bit 1980s! More my era than this one perhaps.

Mr McDonald—All I can say is that those products are selected by a steering committee. That has been going on since 2000.

Senator MASON—Do you have any examples of them, Mr McDonald?

Mr McDonald—I do not. They are not actually in my area. That was just from memory. I was trying to help with some information at the time.

Senator MASON—It is over \$60,000. So where do these shoelaces and sweat bands go?

Mr McDonald—My understanding is that these events are held all over Australia during Youth Week. It is something that has been going on continually for a number of years.

Senator MASON—What is the purpose of them?

Mr McDonald—As I say, it is not my area, but I would assume the purpose is to promote Youth Week and the importance of youth in the community and the value of our youth. As I say, this steering committee decides what the particular theme is for the year and what products might support that theme. It is something that has been going on for a number of years. In terms of the detail, you would probably need to ask people from that particular area—the youth area. I am just trying, from memory, to help answer that.

Senator MASON—Can you get some examples for me?

Mr McDonald—Yes. I will take that on notice.

Senator MASON—That would include the shoelaces. I want to see if they have flugelbinders. I also want to see some examples of the sweat bands. Would that be all right? Can you get them as well?

Mr McDonald—I will take that on notice.

Senator JACINTA COLLINS—What is a flugelbinder?

Senator MASON—I was hoping you were going to ask that, Senator Collins. The minister will know what a flugelbinder is.

Senator CASH—It was a very wealthy man who invented the flugelbinder.

Ms Paul—We might give you a list of what sort of products have been used to promote young people's participation in Youth Week over a number of years. It has been going on for a long time.

Senator MASON—The issue is really whether that is the best way to spend \$60,000 during a recession. That is the issue.

Senator Ludwig—We will get some information about how long this is running. I think it is also worth knowing that it is the stakeholders, the youth themselves, in consultation with the Commonwealth, state and territory ministers, who then comprise the group that decides how best to encourage our youth and to support our youth. That is the critical issue. Even with the current economic climate, it is important to focus on our youth to ensure that they get the message because they will participate in the recovery, they will be some of the building blocks of the future workforce. They will also participate in outcomes. It is also about not denying them the opportunity of having youth in that time. I think it is important to make sure that we do not deny these things for the sake of the continuity of the expenditure. I am sure we will be able to find how much has been spent in the past as well for comparison.

Senator MASON—How do we know whether the shoelaces and the sweat bands are effective?

Ms Paul—There may be an evaluation of Youth Week, but we can find that out.

Senator MASON—Can you also take on notice to find out how many shoelaces and sweat bands there are, Ms Paul?

Ms Paul—Sure.

Senator MASON—As I say, if you can bring in some examples, Mr McDonald, that would be terrific. I will move now to other promotional products. Contract 178611 is \$50,000 from Chilli Promotions Pty Ltd. What type of products do they make?

Mr McDonald—I do not know. Have you got any more detail?

Senator MASON—I do not. It says 'business administration services, 7 July 2008 to 30 June 2009'. All I want to know is what sort of products they have.

Mr McDonald—I will take that on notice if I can, Senator. I do not have that detail.

Senator MASON—Similarly, for the same amount is the contract 178610 with Inkspott Promotions. Again, it is from 7 July 2008 to 30 June 2009 for \$50,000. Again, what type of promotional products are they? That is all.

Mr McDonald—Can I take those on notice, Senator, and provide you with the detail?

Senator MASON—Yes. Thank you. I will now move to contract CN179526. This is for \$96,800. It is for the 'Review of the effectiveness, appropriateness and efficiency of the proposed wording of the revised Job Seeker Classification Instrument.' What is that? What is going on there?

Ms Paul—The job seeker classification instrument is the major instrument that is used by Centrelink and so on to work out how disadvantaged, if you like, a job seeker is. The job seeker classification instrument is the fundamental instrument which is administered to a job seeker to work out, for example, whether they face additional barriers—mental illness, homelessness, drug and alcohol issues and so on. The result of that assessment using the job seeker classification instrument informs the level of assistance that is offered to them. I do not know what that contract is for. I could take that on notice. We are constantly evaluating the effectiveness of the instrument. It is a world renowned instrument, actually. It is very good, but we continue to test it. We can find that out for you, anyway.

Senator MASON—It is ‘Review of the effectiveness, appropriateness and efficiency of the proposed wording’.

Ms Paul—Yes. That is because of the way—

Senator MASON—Why can’t that be done within the department? Clearly the specialty of your department is those issues.

Ms Paul—Yes, it is. I will check it for you, but, for example, it could have been that there were field tests involved for which we did not have sufficient numbers of staff. I just do not know. It might have been field testing different instruments with job seekers themselves, which we would not necessarily have the number of staff to do. We can check it for you if you like.

Senator MASON—I pulled the job seeker classification instrument off the internet this morning, actually. I have it here. It is 10 pages long. It does not seem terribly complex to me at all. Certainly it seems like something that could be done within the department. I have a copy here. That is \$10,000 a page to fix up something which is mostly heading.

Ms Paul—I would imagine that it is not just an editing job. I imagine it is far more fundamental than that.

Senator MASON—It must be more than that.

Ms Paul—It would be. As I say, it is a very important instrument in terms of literally determining the level of assistance for a job seeker, and so we are constantly trying to refine it. There is a lot of statistical modelling and testing of it, and it could go to that. We can find out for you.

Senator MASON—It says, ‘Review of the effectiveness, appropriateness and efficiency of the proposed wording’. Is that review going to be published?

Ms Paul—I do not know. I would have to take that on notice.

Senator MASON—Could you take that on notice?

Ms Paul—Sure.

Senator MASON—And if it is to be published, a copy to the committee would be delightful, Ms Paul.

Ms Paul—Sure.

Senator MASON—I would have thought that this is core business for the department. I am surprised that nearly \$100,000 is going on a 10-page document. Having read it this morning I am a bit surprised.

Ms Paul—From my knowledge of how we have refined and evaluated the instrument over the years—it has been around for quite a long time—I am confident that we can explain why we sought external expertise and I am quite happy to find out—

Senator MASON—No-one here can help with further detail?

Ms Paul—In the next session, when we are talking about employment, the people will be here.

Senator MASON—I am coming back on Wednesday, Ms Paul.

Ms Paul—Okay. Anyway, I will take it on notice and if we can answer during the session here we will do so for you.

Senator MASON—Right. We will see how we go. There are several contracts, I think about seven or eight contracts, regarding tourism. I will quickly read out the numbers: 177371, 177370, 177319, 177320, 177342, 177346, 177355, 177373, 177374. They relate to the general issue of tourism. The first one, 11371, is an \$800,000 contract—again, this is a sizable amount of money—for a ‘tourism development office project’. What was that for? The supplier details read ‘Tourism NT’. What is that about?

Ms Paul—I think we will have to take that on notice. I do not know, it is not—

Senator MASON—You cannot help me, Mr McDonald or Ms Pearce?

Mr MacDonald—I apologise. I cannot, no. I have not—

Senator MASON—You know more about the sweat bands, Mr McDonald, than you know about this!

Ms Paul—That is more in his area. This sounds like a state office issue. We will have to—

Senator MASON—Sweat bands are more my area too, Ms Paul.

Ms Paul—find out. I do not know what that is.

Senator MASON—All right. Again, No. 177370 is a contract for \$800,000. These are big contracts; they are not small. The description reads, ‘Tourism Hubs, Alice Springs and Darwin’, and the supplier details, again, ‘Tourism NT’. Again, too, the consultants have skills not currently unavailable in the agency. Can you find out—

Ms Paul—Sure. Is it all in the Northern Territory?

Senator MASON—I think they are, because—

Ms Paul—It sounds—

Senator MASON—Well, ‘Western Cape Chamber of Commerce’ would be in Queensland. Isn’t that right, Senator Ludwig?

Senator Ludwig—Yes, by the sound of that.

Ms Paul—It will be connected to some of our programmatic responsibilities, and we must have drawn on those agencies to help us out. We had best take it on notice, I think.

Senator MASON—Contract No. 177319 relates to the Western Chamber of Commerce. It is for the sum of \$655,000 for an ‘economic development officer and mentor’. Could you please find out the details of that, Ms Paul. I mean the details of who is being employed and so forth.

Ms Paul—Sure. My guess—it is only a guess at this point—would be that it is something to do with our Indigenous Employment Program, and we can confirm that for you.

Senator MASON—Sure. The last six of these contracts are all covered by confidentiality provisions. I will just mention what they are and then ask why. There is a contract to the value of \$204,000 to the ‘Tourism Coordinator’, again from Tourism NT. The reason given for invoking the consultancy is, the ‘need for specialised or professional skills’, but it is confidential and covered by the Privacy Act 1988. Again, this is for \$204,000; it is not small bickies.

Ms Paul—Once again, my guess is that it is about the Indigenous Employment Program, but let us find out. The confidentiality aspect could be due to a number of things—there may be something in the contract which goes to keeping some of the intellectual property covered or something. We can answer that too, actually. We can tell you why that was put there. I am happy to do that.

Senator MASON—Thank you. The next contract is for \$168,000. The supplier details read ‘Native Oz Cuisine’. Again, it is covered by a confidentiality agreement. Can we find out what that is about?

Ms Paul—The more you talk about it and mention those headings, the more it sounds to me as though it is part of generating Indigenous employment, but we can confirm that for you.

Senator MASON—I have mentioned the numbers before, but contract No. 177346 is covered by a confidentiality agreement and is for \$218,000. The supplier is the ‘Albany Business Centre’. There is \$120,000 for an ‘economic development officer’ from ‘Indigenous Business Australia’.

Ms Paul—It is starting to add up, yes.

Senator MASON—That is what you been saying, and I accept that; you are right. An ‘art development officer’ from ‘Desart Incorporated’ is valued at \$447,000 and again covered by the Privacy Act.

Ms Paul—Yes, I have heard of Desart. That is one of the remote—

Senator MASON—Is it?

Ms Paul—Yes, it is a remote art businesses business.

Senator MASON—I just want to find out because, again, it is a lot of money. It is not \$20,000 or \$30,000; it is a lot of money.

Ms Paul—No, absolutely.

Senator MASON—The tourism development officer, Townsville, for \$367,000 is again covered by the confidentiality agreement, and the supplier there is Townsville Enterprise. All those contracts added together—I just did the sum in my head—are over \$2½ million, so it is a lot of money.

Ms Paul—Yes.

Senator MASON—So can the committee be informed about the ambit of those contracts?

Ms Paul—Absolutely. As I say, my guess is that they are connected with creating Indigenous employment and stimulating Indigenous owned businesses, but we can come back with all those details.

Senator MASON—I have many more contracts, but I might just ask questions on one more, Mr Chair, and then I will put any other questions on notice, if that is all right, rather than hold up Senator Cash.

Senator CASH—Thank you, Senator Mason.

Senator MASON—Let me just do one last one. We have an SES conference at the Crowne Plaza Coogee Beach hotel and facilitation and development of that conference by the Nous Group, I think it is.

Ms Paul—Yes, probably.

Senator MASON—Is there any reason for that venue—the Crowne Plaza Coogee Beach?

Mr Johnson—The venue was chosen as a venue able to house the department's SES from across—

Senator MASON—How many were in that, Mr Johnson? How many people went to the conference?

Mr Johnson—Approximately 190.

Senator MASON—190? That is quite a few. And you could not house them within the department; I understand that. Although it could always be in the Ainslie Football Club, Mr Johnson! No, that is unfair. So the \$21,000 was for venue hire, catering and accommodation?

Mr Johnson—That is correct.

Senator MASON—How long did the conference go for?

Mr Johnson—That was last year. I recall that it was around two days.

Senator MASON—All right. And there was \$79,510 for, as it says here, 'development and facilitation of SES conference', for the Nous Group. What does the Nous Group do?

Mr Johnson—The Nous Group were engaged to help with the planning for the conference, particularly in the context of work they had been doing with the new department in the development of the department's strategic plan and organisational priority setting across the three former agencies.

Senator MASON—So it is about \$100,000 for a couple of days.

Mr McDonald—There would have been quite a deal of work leading up to that conference undertaken by Nous, not just the two days.

Senator MASON—Yes, I understand that. There were 190 people there too. I understand that. Thank you very much. Just one last thing: the questions I asked before relating to contracts will come up under Senator Cash's area—is that right? I will be watching with bated breath, Senator Cash.

Senator CASH—I have one follow-up question. How many IT staff does the department employ on a full-time basis and on a part-time basis?

Ms Paul—We will take that on notice.

Senator CASH—Thank you.

CHAIR—I think that concludes questions in cross-portfolio. Ms Paul, I should have said earlier that the committee earlier resolved that Indigenous issues would be dealt with in the normal way—it has become the normal way—on Friday in the community affairs committee. You do have officers specifically for Indigenous issues. The committee will not be asking questions about that.

Ms Paul—Thank you for letting me know.

Senator HUMPHRIES—Mr Chair, I have a couple more cross-portfolio questions. Sorry, I meant to ask this before. I think I have asked questions previously about leave taken by staff in the department, particularly issues relating to stress leave. Are you able to give me any indication of levels of leave taken by officers in this department, particularly relating to stress leave?

Mr Johnson—Not particularly in relation to stress leave. We monitor sick leave, carers leave and other leave within the department, miscellaneous leave, but we would have to take it on notice if you were particularly interested in—

Ms Paul—I think the only way we would get to that would be through Comcare claims, but we could look into that.

Senator HUMPHRIES—Can you tell me the level of sick leave compared with last year?

Ms Paul—Yes, we can do that.

Mr Johnson—The current rate has declined compared to last year. We are actually tracking at about 1.82 days per employee for the period January to March this year, which is a reduction from 1.94 days per employee for the same quarter last year.

Senator HUMPHRIES—Is there any information kept by the department of the number of hours outside normal working hours that are worked by employees of the department?

Mr Johnson—Again, that is not maintained at an aggregate department-wide level. We do monitor that at a work level unit, so overtime or flex time is managed at a local business level.

Senator HUMPHRIES—Can that information be extracted to indicate the number of hours being worked as overtime or other kinds of extraordinary outside-normal-working-hours work undertaken by officers?

Mr Johnson—I will have to take that on notice, because I am not sure whether we would be able to track down to that level of detail for 5,000 to 6,000 staff.

Senator HUMPHRIES—Thank you for that. Just moving to industrial agreements covering officers in the department, what agreements are currently in place for officers of this department and are there negotiations underway to transition officers to other agreements?

Mr McDonald—There is a collective agreement in place in the organisation that covers all our staff below the SES level.

Ms Paul—We have finished the transition.

Senator HUMPHRIES—What proportion of the department does that cover—for people below SES level?

Ms Paul—Yes.

Mr McDonald—Yes, below SES. The majority of our staff are below SES.

Senator HUMPHRIES—So the whole of the department is on the collective agreement, except the SES?

Mr McDonald—There may be a few still remaining on Australian workplace agreements, individual agreements, but the majority of the staff are covered by the collective agreement.

Senator HUMPHRIES—What is the position with people still on AWAs? Is there a termination date for those?

Mr McDonald—I will be corrected if I am wrong, but they would run through to their nominal expiry date. Some still have a little time to run before they expire, but there are not that many left, from my recollection.

Mr Johnson—There are only 150 or so, the majority of whom are currently on leave from the department. So, as Mr McDonald has indicated, the majority of staff who are currently working with the department are covered by our new collective agreement.

Senator HUMPHRIES—Do those figures include people in the agencies covered by the department?

Mr McDonald—No, they do not. They are covered by their own arrangements.

Ms Paul—Basically, with anyone on long leave, we need to wait till they are back to roll them into the new arrangements or approach them about that. That is the majority of that very small number. The vast majority of people have come onto the new collective agreement, which was approved on 23 April and became operational on 30 April. So it is reasonably new for us, that collective agreement. It really brings together, under the SES, the previous arrangements of the three major departments that formed DEEWR.

Senator HUMPHRIES—Thank you.

Senator CASH—I have one more question in relation to IT. Is the department able to provide the total expenditure on IT subcontracting for the last 12 months?

Ms Paul—Yes, we probably are, so we will take that on notice.

Senator CASH—Thank you.

CHAIR—I think that ends questions in the cross-portfolio area. We will now move to outcome 4.

[9.50 am]

Senator CASH—I have a number of questions and I will start with modelling on payments. Has the department undertaken any modelling to ascertain the impact on workforce participation of lifting the age pension?

Mr Carters—The lifting of the age pension age is not something that has emanated from our department, so it is not something that we have done any modelling on.

Senator CASH—Can I ask what department it has emanated from?

Ms Paul—The Department of Families, Housing, Community Services and Indigenous Affairs—and who are giving evidence at the moment next door, I think.

Senator CASH—Yes, I think they are as well. Was your department consulted in any way regarding the proposal to lift the age of eligibility for the age pension?

Mr Carters—Not that I am aware of. We can check that.

Senator JACINTA COLLINS—Can I just interrupt you for a moment, Senator Cash, for a broader background question? With the split that occurred some years ago between Human Services and FaHCSIA in policy and implementation, was that the period in time when the working age payments came into this portfolio or was there a later point?

Ms Golightly—I think there were several points.

Senator JACINTA COLLINS—Several iterations?

Ms Golightly—Yes, several iterations.

Senator JACINTA COLLINS—Can you explain then for the committee's benefit what that distinction now is in terms of the areas that are listed here under 4.4?

Ms Paul—Sure. The other department—the Department of Families, Housing, Community Services and Indigenous Affairs—basically cover the non-working-age payments or the payments which are not as active: disability support pension, age pension, the carer pension and so on. And they look after the policy responsibility. This department looks after similar responsibilities but for the working-age active payments like Newstart, parenting payments—single and partnered—and youth allowance, both student and other, now that Education and Employment have come together. Both of those policy departments work with the Department of Human Services and Centrelink, and of course, in terms of delivery we work with Job Network, soon to be Job Services Australia.

Senator JACINTA COLLINS—So the distinction between policy and implementation between you and Centrelink is the same as it is between FaHCSIA and Centrelink?

Ms Paul—Yes.

Senator CASH—Just for my benefit, in terms of clarification, you are saying that FaHCSIA is the correct department in terms of the age pension—that your department has not had any reason to actually look at it?

Ms Paul—No, it is their responsibility. We have certainly had interactions with the other department in terms of the Harmer review, but questions on that would not come to us. They are fully responsible for that.

Senator CASH—In terms of the Harmer pension review, what was your department's involvement?

Mr Carters—We were on an IDC that was being provided with updates and information on how the Harmer review was progressing and the developments there. But, as Ms Paul said, through that context we would have known about the lifting of the age pension age, but we were not asked to provide any input per se to that.

Senator CASH—In terms of the actual impact of lifting the age of eligibility for the age pension, in terms of its impact on workforce participation, is that within your department's purview?

Ms Paul—Hard to call. It is not something we have been asked to do.

Senator CASH—So you have not looked at any modelling in relation to impact on workforce participation?

Ms Paul—No. It could be more a matter between FaHCSIA and Treasury, for example. Your questioning may be better directed towards FaHCSIA in particular, I think.

Senator CASH—Has your department been part of any consultations around changes to the eligibility criteria for the disability support pension?

Mr Carters—Can I just clarify what you mean by consultations? Do you mean external consultations or do you mean were there discussions with us about potential changes to the DSP eligibility?

Senator CASH—I will go for both.

Mr Carters—We were not involved in any external consultations. I am not sure whether they were conducted or not. We were certainly advised of what was being proposed, and obviously we needed to be advised of that because any changes would result in some additional income support funding coming to us and some additional employment services funding coming to us. If people who would otherwise have claimed DSP would instead go onto a Newstart payment, for example, that would impact on our portfolio.

Senator CASH—Do you know how many people are expected to go onto disability support pension as a result of the age pension age being increased?

Ms Paul—That would be a matter for FaHCSIA.

Senator CASH—Okay. I may come back to that area, but I will move on for now to participation. My understanding is that the department has ceased the mature age employment workshop initiative.

Mr Carters—There was funding that ceased—I am not sure when; we can check that—for the mature age workers initiative, which was funded, I think, for three or four years from the major welfare to work proposal.

Senator CASH—Can I ask why the funding was ceased?

Mr Carters—The funding was only provided for, I think, three to four years. It was a fixed duration.

Ms Paul—It would have been a terminating program under the previous government that just had an end date to it.

Senator CASH—What is the department currently doing to increase employment participation of mature age workers?

Mr Carters—Mature age workers have access to our mainstream employment services, so the new Job Services Australia would be the key service through which mature age workers would receive employment assistance.

Ms Paul—For example, under the new model that is coming into effect from 1 July, mature age workers who face particular disadvantage, which can be the case, so particular barriers, would actually receive more intensive assistance straight up than they would have right now, in the previous system. In addition to that, the government has decided recently that workers made redundant can access stream 2 services immediately, which is more intensive assistance. They can actually access more intensive assistance now but also stream 2 is the terminology that will be used after 1 July. So there are a couple of different ways in which mature age workers under the new model and then under some recent decisions get access to more intensive servicing faster. That is basically what it comes to.

Senator CASH—You say ‘more intensive assistance’; can you or Mr Carters elaborate on that?

Mr Carters—In the new Job Services Australia, there are four different streams. Stream 1 is for the job ready. Upfront, they have a CV developed, they learn how to use the job vacancy system and find out about local vacancies and those sorts of things. But, because they are job ready, they would then need to wait until after 13 weeks to then have a skills assessment and other things which would flow on under stream 1. However, with stream 2, which Ms Paul was referring to, if people are made redundant they go straight into stream 2. That means that from day one the provider has, in a sense, more funds to spend on the job seeker and also they are able to receive outcome fees for placing that job seeker. So there is certainly increased incentive for the providers to assist the job seeker and there is more ability to fund servicing for the job seekers who have been made redundant.

Senator CASH—When you say ‘more intensive assistance,’ are they getting over and above what is provided to other job seekers or are they, within the streams, merely entitled to what other job seekers within those same streams would be entitled to?

Mr Carters—They are entitled to the same as other people in stream 2. However, it provides a tailored service from day one, so the provider may well deem that a mature age worker may need some early assistance. For example, if they have just recently been made

redundant, they may have been in work for a long time, may not be as familiar with job search techniques to present at interview and may need some career development and training to perhaps change occupations or industries—those sorts of things. It is up to the provider and the job seeker to collectively work out what is best for them. It is a tailored service.

Senator CASH—But, again, that is the same as for any other job seeker. As a mature age person, am I getting anything over and above—

Ms Paul—This is over and above. One of the real benefits of the new model is that the job seeker classification instrument, which we talked about a while back with Senator Mason, helps stream people into assistance that they need from day one. At the moment, they have to wait. We are saying that someone who has been made redundant, such as a mature age worker—which will often be the case; they will be that age—who is regarded as actually job ready might have gone into stream 1, before the government made this new decision, but now goes straight into stream 2. I will give you an example: the government's decision was to enable these redundant workers to go straight into stream 2. One thing they might be able to go for is training. Stream 2 funding is higher. Stream 2 services include, for example, a 20 per cent loading for providers who link the job seeker with training, which will be highly relevant for mature age people who might need to retrain into a new industry. Redundant workers will get faster access to more intensive support, which covers off on things like training. I am just giving that as an example.

Senator CASH—The mature-age employment workshops have ceased. What has the department replaced them with?

Senator Ludwig—I think what was just explained was that rather than adopting an ad hoc approach, Job Services Australia provides a holistic approach to employment, which then streams people, one to four. The level of assistance they will get will depend upon the job seeker classification. Ultimately, that means if you are young and require assistance and you are not near job ready then you will get the level of assistance and it will be responsive to that, so it will happen much quicker than under the previous what I call ad hoc programs that may have existed. We now have a mechanism that streams people, if they are job ready, into stream 1, and if they are not job ready—I will not go through each classification of the four streams, but it will be more immediate assistance, more targeted and more effective in ensuring people can connect with employment rather than what existed under the previous ad hoc system.

Ms Paul—For example, the program which you were referring to was quite small, and one of the really positive things that the new model does is that it rolls seven previous programs into one. In the past, people at the really disadvantaged end of the spectrum, particularly—people with really big barriers like homelessness, drugs and alcohol or mental illness—often had to wait for a long time. They could access these smaller programs but were not really ever connected to employment seeking.

The new model rolls all that together and is much, much simpler. There is much less red tape because, as the minister said, basically a job seeker comes in and, no matter who they are, what their circumstances are, what their barriers are, what their age is, what their situation

is and so on, they get the level of assistance from day one which they need. That was not the case in the past. You had to wait. For example, a job seeker might have had to have waited for 26 weeks to get certain assistance. Some of the smaller programs were capped and there were waiting lists which were incredibly long.

Senator CASH—My understanding is that, in relation to the mature age workshops, one of the things that they did was to encourage employers to take on mature age employees. In terms of that type of initiative, what is the government doing in that area?

Ms Paul—I cannot comment on the previous program—perhaps Mr Carters can—but the new model is basically much stronger in supporting employers than the current model.

Senator CASH—Can I get you to explain that in detail?

Mr Carters—Do you want us to explain the old approach or the new one?

Senator CASH—No, the new approach and how it is different from the old approach.

Mr Carters—Okay. Under the new approach there are specific opportunities for employer brokers, for example. Part of their role is to identify particular groups that may be disadvantaged. That can be place based or it can be types of unemployed people who normally struggle to find employment. Those brokers have direct links with employers. They work very closely with employers, as I said, for particular target groups or for place based assistance to help move those people into employment with specific employers. So that is one example.

Senator CASH—That is one example.

Mr Carters—There is a \$41 million Innovation Fund.

Senator CASH—And what is that?

Mr Carters—It is a very similar concept. It is part of the Job Services Australia money. There is an Innovation Fund panel that has been set up over three years. Again, people submit proposals to that panel, and that has happened. For the first tranche of that, the proposals have come in. They are being assessed. They are due to be announced very soon, I would expect. Those proposals also are innovative ideas which will assist particularly disadvantaged people, and again in particular locations, with innovative ideas to help move these sorts of people into employment.

Ms Paul—I think the key message here is that the new model and the way it is constructed means that every job seeker has more access to training, employers, support and so on—and immediate assistance—whereas in the past, because there were all these different little programs, you could be lucky enough to get access to one but not every person in that category would get access to them. So we are certainly pleased with the much more profound coverage of the new model for everybody in every category, basically.

Mr Carters—The new model does not have a specific service for a specific client group. It has funding to assist client groups who are disadvantaged. The onus is on the people putting in a bid for those funds to identify the client group, and then we will look at that bid and decide whether or not that is an appropriate way to fund them. So we should get much more

innovation that way, because we will be getting very different proposals for different client groups, for different locations. We will be able to test those and, at the end of that, we will certainly be in a better position to identify what works and what does not work for various groups.

I have some more information. The Mature Age Employment and Workforce Strategy actually finished at the end of June 2008. It was \$12.1 million over four years. In a sense, that is not a lot of money. It is about \$3 million a year, so some of the funds which I have talked about could definitely cover a similar service. That is without mentioning things like the Jobs Fund as well. That is a grants based program which has \$650 million worth of funds. Again, the first series of bids have come in on that to the department to analyse. That is another area where mature age workers could well be covered in terms of proposals to assist them, particularly in priority areas of need.

Senator CASH—Mr Carters, you said there was no specific funding for specific client groups and that you would have proposals put forward and then you would assess those proposals to see whether or not the money should go on to be spent on a particular group.

Mr Carters—As an individual project, yes.

Senator CASH—So how do you then determine the needs of a specific client group? Do you have any idea as a department who these specific client groups are?

Mr Carters—Yes.

Ms Paul—As for the model, it is with the instrument that we have been talking about, and maybe Mr Carters might go into that. Mr Carters has largely been talking about the \$41 million Innovation Fund, which is an entirely new addition to the whole model.

Mr Carters—So as for the Job Seeker Classification Instrument, which is being reviewed for the new employment services model and which starts on 1 July—which is Job Services Australia—there was a requirement to review that. There has been a very intensive review undertaken of that. This is not the first time that the JSCI has been reviewed. We do it on a regular basis every couple of years to make sure that its predictive ability is maintained. In other words, we use regression analysis of a number of factors—I think there are 18 factors—and that predicts which factors have most influence on people being disadvantaged in terms of remaining unemployed without assistance. As I said, there will be another version of that which will be released on 1 July for the Job Services Australia model.

Senator CASH—In terms of the total amount of the tender, how large was it? My understanding is it was \$4.9 billion.

Mr Carters—It depends on what stage you are referring to. The initial size of the Job Services Australia tender was \$3.7 billion. Then it increased by—and these are rounded figures—about \$200 million when the new enterprise incentives scheme was included, so that is, say, up to \$3.9 billion. Then with the redundant workers having direct access to stream 2 that was another \$300 million. So that got it up to \$4.2 billion. Then the other increase—up to almost \$4.9 billion—is this. We have used Treasury forecasts to determine the number of extra jobseekers that will come through as a result of the global recession. In that context the

costings and funding for employment services are automatically increased because they are demand driven services. So in fact there has been a substantial increase in funding for Job Services Australia since it was first announced because of the global recession and the impact on Australia.

Senator CASH—In terms of the \$41 million that you referred to previously—

Mr Carters—That is in there.

Senator CASH—Yes. It seems a very small amount when you are talking in terms of a billion dollars overall and then we get down to \$41 million.

Ms Paul—It is actually quite a significant amount for something which has never been part of the model before. It is the first time ever that the model has been able to offer a significant fund—\$41 million is certainly not to be sneezed at—where providers and others are able to genuinely innovate. That is what it is about—to come up with new ideas for servicing job seekers and so on. It was a different tender process. It was finished in a different time frame because it is a whole range of providers, who are on a panel, able to suggest projects that are innovative in terms of all sorts of things connecting job seekers to employers and so on.

Mr Carters—It is a significantly higher amount of money than we within the department have had access to in terms of funding innovative ideas or particular groups or particular place based strategies.

Senator CASH—Can you tell me about the mature age strategy?

Mr Carters—Sorry, the previous one?

Senator CASH—Correct.

Mr Carters—Okay. The mature age strategy, as I said, was \$12.1 million over four years. It ended in June 2008. It included workshops and employer-demand projects. So in that case there were projects which were funded up to \$100,000 each. Through that \$12.1 million over four years a lot of small projects were funded. Just as a comparison, the Jobs Fund which I mentioned, the \$650 million, that tends to have a limit of up to \$2 million for similar sorts of projects. The workshops were designed to encourage employers to better understand and to increase the acceptance of employing mature age workers and to demonstrate that they are very good employees to have.

Ms Paul—And you would expect a focus like this coming through both the \$650 million Jobs Fund and the \$41 million Innovation Fund because the purpose of those funds, if you look at the public guidelines and so on, particularly for the Jobs Fund, is local job creation. The first round of submissions and so on are still coming in so I do not know what will come through precisely but you would have to expect that in a local area there will be a focus on mature age workers at risk of becoming redundant, or a factory might be thinking it might have to close down and what is the local job creation and so on. So I think we will see quite a bit through the \$650 million fund that goes particularly to helping reskill or create new enterprises or whatever in a local area for people made redundant.

Senator CASH—Was the mature age strategy effective?

Senator Ludwig—Perhaps there is another way of putting it? I am not sure they can actually say. The question is whether there was an evaluation of the program.

Ms Paul—I am just checking to see whether we had an evaluation done.

Senator JACINTA COLLINS—Whilst you are looking, I wonder if you could tell me what types of groups have come out of that process, given the large number of specialist providers?

Ms Paul—There is a new focus on, for example, Indigenous providers. We have never had specific Indigenous providers in Job Network, and so right across remote Australia there are just now, I think, about 27—Ms Golightly can correct me if I am wrong—providers who are Indigenous organisations, which is great and which we have never seen before. I think Ms Golightly can probably expand.

Ms Golightly—Certainly there is quite a range of specialists: Indigenous organisations, as Ms Paul has just mentioned, both in mainstream and in specialisations; youth specialists; people from non-English speaking backgrounds; homelessness specialists, ex-offenders—

Ms Paul—Yes, there are homelessness specialists and there are a few employment services areas where there is an ex-offender population and there is a specialist there; it is quite interesting. There is a whole range of different specialists. And the way the department undertook the tender meant that it is really trying to respond to the particular needs of that employment services area. So obviously your Indigenous organisations tend to be in remote employment services areas, servicing an Indigenous clientele of job seekers and so on.

Senator JACINTA COLLINS—Sorry, Senator Cash, I did not mean to interrupt.

Senator CASH—Not at all.

Mr Carters—We will need to take that on notice. We will need to check whether there was a formal evaluation done. I think that is probably the best solution.

Senator CASH—That is fine. Mr Carters, you referred previously to the job seeker classification instrument. Could you provide a copy of that current instrument to the committee.

Mr Carters—We can provide the current one, as in the one that operates for Job Network now. The one that will operate for Job Services Australia from 1 July is still not quite finalised.

Senator CASH—You mentioned, I think, 18 elements?

Mr Carters—It was 18 factors, yes.

Senator CASH—It is actually the 18 factors that I would like to see. Is it possible to get a copy of them?

Mr Carters—Yes, that is fine. We can do that.

Senator CASH—Thank you very much. Moving on: what is the department doing to increase the employment participation of youth?

Ms Paul—The Jobs and Training Compact has been announced recently for young people, and that has all sorts of componentry. The last COAG meeting signed up to a compact in jobs and training for young people in Australia, which covers the states and territories having responsibility to offer young people a guaranteed place in training or school, and the federal government, in return, guaranteeing support through training places, through Job Services Australia and so on. So there is a whole range of assistance. For example, there is a whole series of new training places targeting young people. There are some particular supports for young people in learning and literacy support. There was an announcement earlier in the year about particular support for apprentices who drop out of trades, so there is quite a bit of focus on apprenticeships. There has been some enhancement to apprenticeships in the recent budget. And there have been some changes to income support. All of those things basically add up to this compact, and there are other elements as well.

The compact is that all the first ministers of this country have agreed that there will be a particular focus on young people, who are some of the most vulnerable in a downturn, to keep them engaged, whether in education, at school or TAFE or university or whatever, or working. There are a whole range of reforms which go to keeping young people engaged, and they cover income support, more training places, more funding for apprenticeships and reform to apprenticeships funding. Finally, in terms of higher education, the Bradley review and its announcements in the budget context—and it is a considerable amount of funding: over \$5 million—go to things like equity. So there is a large stream of funding through the reforms announced in the budget arising from the Bradley review of higher education which will support young people from disadvantaged backgrounds into higher education in a much more meaningful way than has been the case in the past. And that is just one example. So there is actually support coming from state and territory governments who—except for Victoria, I think—have never actually guaranteed to every young person a place in school or training, and then also from the federal government in this raft of areas, whether income support, training places, higher education, apprenticeships and so on.

Senator CASH—That is wonderful, and you have obviously mentioned a lot in relation to training: new training places, support for literacy and learning, et cetera, but what about the focus on jobs—actually getting people a job, getting them out working? What part of the program is focused on that?

Ms Paul—Once again, there is a range of focus. The training places are, of course, vocationally oriented, so there is a focus there. Anything to do with apprenticeships of course has an employment component, because apprentices are working at the same time and receiving a wage. Then, in terms of Job Services Australia, which we have been talking about, there is a range of ways in which young people will be supported. And I would expect, as I was saying a minute ago, in terms of redundant workers, that many of the proposals coming from local communities under the \$650 million Jobs Fund will also be about engaging young people in work.

For example, in this country it is a bit interesting. I do not mean to go on but it is incredibly interesting that in a downturn the one positive thing that happens is that young people stay connected to education longer. Internationally, Australian young people have not done very

well in terms of year 12 retention, for example. We do not have as high an achievement of high school as in many other OECD countries. So the challenge for us is not only to keep young people engaged in education, and therefore coming out more skilled and more job ready, but to keep that going after the downturn and keep that strong connection to jobs. So, just to finish off on this, having been around several communities so far, I would expect to see, in the proposals coming in from the jobs fund, many of them which are probably—I do not know; I have not seen them yet—about connecting young people into education and then into the local work. So it might be the creating of a micro enterprise. It might be a small business idea in that local area or whatever. I do not know; we will just have to wait and see.

Senator CASH—In terms of the program you are referring to, how much is based on training and how much is based on real employment participation, and fundamentally getting them into the workforce and getting them a job?

Ms Paul—We can pull out the figures for you—

Senator CASH—That would be great if you could.

Ms Paul—but there is a considerable commitment of funding on both counts. So in terms of the training, literacy and apprenticeship support and the Bradley support, it is many, many hundreds of millions of dollars. And we can enumerate that. The higher education reforms come to over \$5 billion and, of course, most of that goes to young people. Other than the \$4.9 billion through Job Services Australia, which goes to our young people as much as to any other jobseeker, the \$650 million Jobs Fund will also be relevant, as I have just said.

Senator CASH—Could I now turn to women? What is the department doing to increase employment participation of women?

Mr Carters—Each time you go through a different group a lot of the answers are very similar, because—

Senator CASH—That is fine; I am prepared to listen.

Mr Carters—our mainstream services, such as the \$4.9 billion of Job Services Australia, the \$41 million of our Innovation Fund and the \$650 million for the Jobs Fund are all there to service a range of people. That is why it is very important for things like the jobseeker classification instrument to identify who has real disadvantage versus who is job ready and anyone in between. Then providers are able to determine the best service for the individual. So that equally applies to women.

Senator CASH—Now the problem with that answer would be that what I take from it is that you have just said you are doing nothing for women, nothing for youth, and nothing for the mature-age workforce. You are lumping people into a general category and then: it's great if I actually get pulled out so that a service might be given to me.

Ms Paul—Actually, we are saying the opposite. I think I enumerated—I attempted to, perhaps unsuccessfully—the youth jobs and training compact, which is absolutely precise. A youth jobs and training compact was signed up to by COAG. It focused on youth. It had a whole lot of components, which I have described. It is a bigger and more national commitment than has ever been the case before—including, I think, in previous recessions. I

think Mr Carters is probably just offering some introductory comments about the broader focus that the new mainstream services offer. But there are some reforms that have just come through in the budget recently which will help assist women too. They are to do with participating in income support and so on.

Senator CASH—Perhaps we can now talk about those specific elements in relation to women.

Mr Carters—There was the participation review task force which was undertaken, and the government responded to that task force in this budget. From memory the funding was \$26 million to \$27 million. That task force looked at whether it was appropriate that the existing rules for principal carer parents—obviously the vast majority of those principal carer parents are women—were sufficiently flexible for those principal carer parents and, if not, what sorts of changes should be considered in that context.

A range of consultations were held as part of that process. A small task force was involved in putting together the response. The outcome of that was that the government decided that the recommendations from the task force were sensible and they are implementing those recommendations, which will mean that there will be more flexibility in servicing principal carer parents. For example, they need to look for 15 hours of work a week. One of the recommendations was that there should be more flexibility there—voluntary work and training, as well as employment, should be encouraged for parents. One of the decisions was that a blend of those could occur as part of that 15 hours. For example, they could do, say—

CHAIR—I am getting the feeling that you are only just warming up with this answer. We might take our break now, and you can complete your answer when we come back.

Senator JACINTA COLLINS—It was so comprehensive.

CHAIR—We will suspend until 10.45 am.

Proceedings suspended from 10.31 am to 10.45 am

CHAIR—Mr Carters was some way through an answer to a question from Senator Cash. Please continue, Mr Carters.

Mr Carters—I will continue with some of the other initiatives as part of the Participation Review Taskforce changes. I mentioned that the parents could undertake a range of activities now, including study as well as part-time work. They can also do the NEIS, the New Enterprise Incentive Scheme, part time. There is also the provision that they will have two weeks off over Christmas so that they can be with their family without having to undertake job search. There is another provision for principal carer parents who are in a job that, for example, might operate during school time. If that job finishes, say, before Christmas, and they expect to return to that job, say, when school returns—the end of January—then they do not have to look for work for that period because they have a job to go back to.

There are also a range of additional exemptions to assist, for example, parents with large families. The ‘large families’ definition did not count families with children aged over 16, but it will now count children who remain at school, so that is likely to be up to the age of 18. There are some further concessions on domestic violence, foster care and kinship care, so

there is a better service available for those groups. There is more flexible reporting to Centrelink, including on the phone and through the web, so there is no need to always come in personally.

Senator CASH—To circumvent you having to go on, could I get you to, perhaps, take on notice to provide to the committee a list of the specific elements that target each individual group—youth, mature age and women? Is it easier to do it in that way? Will I get all the information?

Mr Carters—Yes.

Ms Paul—I should have drawn your attention last time to the Compact with Young Australians, which is covered in the Deputy Prime Minister's budget statement on page 35.

Mr Carters—And there is one other one which is very important. It is the paid parental leave. So we will include that as well.

Senator MASON—Ms Paul, I raised earlier, in the cross-portfolio area, the issue of a contract which was for the review of the effectiveness, appropriateness and efficiency of the proposed wording of the revised job seeker classification instrument. I was wondering if someone could help me with questions relating to that. In particular, what did the review entail?

Mr Carters—The review itself was quite extensive and the contracts that you are referring to are only a small part of that. Are you interested in the whole review or just the contract?

Senator MASON—Just the contract. It is the English. It is, in effect, the review of the proposed wording. What did the review entail that cost Taylor Nelson Sofres Australia Pty Ltd—TNS—\$96,000? What did they do?

Mr Carters—Mr Matheson will answer that for you.

Mr Matheson—As you said, there was a contract with TNS as part of the review of the JSCI. I have to apologise—I have got my notes on my Blackberry here, so I am not quite as well—

Senator MASON—That is very modern of you! I do not have one of those. I congratulate you anyway.

Mr Matheson—It could be the first. As long as I do not have to table the Blackberry, as there is probably some other stuff that I would not want passed on.

Senator MASON—As long as I can keep it!

Mr Matheson—During 2008 there was significant research carried out to inform the changes that were necessary for the improvement of the JSCI for the new employment services contract. There were a whole range of new questions which were developed and there were changes made to the flow of the questions in the JSCI as well in order to ensure the effectiveness and the efficiency of the proposed new JSCI.

TNS was contracted to comprehensively test the instrument with job seekers and with the JSCI interviewers. Given the importance of the JSCI in the new employment services contract

it was very important that we got accurate and consistent collection of data through the JSCI by Centrelink, by Job Network members and by job capacity assessors. It was also important that the job seekers themselves were willing to answer the questions honestly and to disclose the personal information.

The principle aim of the research was really to test, refine and retest the question wording in the JSCI and the flow—

Senator MASON—Sorry—to test the wording that had been developed within the department?

Mr Matheson—Yes. Within the department we developed new questions, changed the flow of various questions and so on. It was a significantly redeveloped JSCI. We then used TNS to go out and test the new wording, the flow of the questions—

Senator MASON—For empirical efficacy—is that right?

Mr Matheson—That is right—firstly to make sure if we ran these kinds of questions with job seekers that they actually understood the questions, that we could get accurate information from them and that the flow of questions worked. Similarly, with Centrelink, Job Network providers and JCAs to ensure that they could actually conduct the JSCI in an appropriate way.

There were actually two stages to the research. One was with the job seekers. The instrument was tested with 78 job seekers. Half of those were done face-to-face; the others were done via telephone I think. There was a full spread of coverage of age of job seeker, duration of unemployment, allowance type, range of disabilities and other factors—including indigenous status, education, English skills and ex-offender status. The second stage of the project was to test the instrument with Centrelink and with Job Network staff—

Senator MASON—Testing of the what, sorry?

Mr Matheson—Testing of the job seeker survey instrument that is used to collect the JSCI information. In that one I think a total of about 19 staff from Job Network providers and Centrelink participated in the research.

The reason we engaged an external consultant to do it was that organisations like TNS have particular expertise in social research, in conducting surveys and in developing survey instruments. The actual policy work around the JSCI was done within the department but the consultants were used to do all that kind of testing.

Senator MASON—Is the review that was completed by TNS available?

Mr Matheson—I am just consulting my Blackberry. I do not think that it is.

Mr Carters—No.

Mr Matheson—No it is not.

Senator MASON—Can you make it available to the committee?

Senator Ludwig—We will have a look at that. There may be commercial-in-confidence reasons—

Senator MASON—I am just looking at the contract. It does not seem to be confidential—

Senator Ludwig—I thought I would raise it in any event.

Senator MASON—Outputs, consultancy, yes. There does not seem to be in the contract as I have got it. Subject to those issues, could you make that available to the committee?

Mr Matheson—My understanding is that it was an internal document, but we will have a look at it.

Senator MASON—So this document, job seeker classification instrument factors, which I got off the web this morning, is this the new one?

Mr Matheson—I am probably best equipped to talk to you about the research but I will get someone else up to the table to talk to you about the JSCI.

Senator MASON—I will not detain the committee much longer. Is this the current document?

Ms Mercer—Yes, that will be the current document.

Senator MASON—Mr Matheson said that this document was significantly reworked. Is that right?

Ms Mercer—It has been a significant review undertaken of the JSCI, yes.

Senator MASON—Was the document significantly reworked? It is a different question.

Ms Mercer—Every question has been gone over in great detail. You have already heard about the focus group. So there has been a lot of work done. It has been a very serious investigative review over more than a year.

Ms Paul—It is something we do regularly, every couple of years. We can draw out for you where the differences are, if you like.

Senator MASON—Could you do that as well, the differences.

Ms Paul—Sure. It is the same review we have done in years past. Every couple of years we revalidate the instrument. There is nothing particularly new about it; it is just something we do every couple of years.

Ms Mercer—On what you have pulled down, I think there was an earlier question that Mr Carters answered. You have the current instrument, and from the start of July the new JSCI. Perhaps that is why you are not able to see—

Senator MASON—That is fine. I have got the one that is about to be replaced as from 1 July. Is that right?

Ms Mercer—Yes.

CHAIR—Mr Carters has already indicated that the new one is not finalised as yet.

Senator MASON—But it will be within a month.

Ms Paul—And the new one will be public in the same way that the current one is.

Senator MASON—One last thing: I did ask earlier about Mr Glover and the consultancy or contract the department has with him. Ms Paul, you might be right, I do not know. I am

getting conflicting information on this. Senator Ronaldson did ask at the February estimates a question on notice. I think Ms Pearce took it, and basically that is who recommended Mr Glover to the department as a speechwriter. I think you assured me that that had been answered.

Ms Paul—Yes.

Senator MASON—I am told it is not on our website yet.

Senator CASH—Not yet. We have checked.

Ms Paul—Okay. I am sure that we have three which we have not answered, which are from Senator Humphries and they are on reviews. That one will have been answered. I do not know what the story is on that beyond that. I am not sure when we transmitted that to you. I thought some time ago, actually.

CHAIR—I think the committee has just indicated to me that we do in fact have it. We will recirculate it to committee members.

Senator MASON—Thank you, chair.

Senator CASH—I have one more question on that particular area and then I am going to move on. In relation to specific initiatives that the department has undertaken since November 2007 aimed at employment participation as opposed to employment training, can you outline them for me?

Mr Carters—Job Services Australia, which has been a substantial review and there have been very many stages of consultation and exposure drafts and discussion papers and so on, is very much aimed at getting people into employment. It indicates that skills training is very important as well. There are bonuses paid to place people in employment after skills training. But again the end aim of that is to place people into employment.

So the \$4.9 billion which is being spent on Job Services Australia is very much about placing people into employment, and significant amounts of our resources have been tied up in developing that. The jobseeker classification instrument review which you have heard about, for example, is an incredibly important component of that, and a significant amount of research has been undertaken to make sure that that is as reliable as it can possibly be so we can move people into those streams to make sure that people get the right service in the right time frame.

Ms Paul—I would also mention the participation review, which went directly to that, which Mr Carters mentioned earlier on. I would mention the government's decision to uncap disability employment services. I would mention the government's decisions on the Indigenous employment program, which have reformed that and will come in on 1 July. I would mention the compact with young Australians, which I referred to, on page 35 of the minister's statement from the budget and a range of apprenticeship and related matters which go directly to employment. Then of course there are the range of initiatives, like the productivity places and so on. But you are not talking about training at the moment. Then, naturally, there is the \$650 million Jobs Fund, which goes directly to participation in local communities to respond to the global recession.

Senator BILYK—In regard to the employment pathway plan, can you just tell me how that will work?

Ms Golightly—The employment pathway plan will be a document that is negotiated between the employment services provider, the Job Services Australia provider from 1 July, and the individual. It will be a very tailored action plan on the sorts of things that the provider will do for that jobseeker and the sorts of activities, interventions and other assistance that can be provided for that jobseeker depending on their particular barriers and what particular stage they are at in their life. Taking into account what experience they may have had and what skills they may possess, it will building on those not just to suit the needs of that jobseeker but to tailor them to the needs of the local labour market and in particular employers.

Senator BILYK—So it is individualised?

Ms Golightly—It is very individualised, yes.

Senator BILYK—How will the employment pathway fund work and what will be different to the way the jobseeker account works now?

Ms Golightly—The employment pathway fund is a pool of resources that is available to be spent on the jobseeker. So it is not for the provider but is to be used to support the activities, interventions or other assistance that is needed to support that action plan that we were just talking about. It will pay for some of the things that are in that action plan. And so it will, again, be tailored because it will support that plan. Basically it can be used for a lot more interventions than could be under the original jobseeker account—

Senator BILYK—Can you give me an example?

Ms Golightly—particularly in the non-vocational area. Previously it could be used for things like transport, pieces of equipment, clothing, training, wage subsidies and a range of things. All of that still applies, but the fund can now also be used for non-vocational type interventions. I think Ms Paul mentioned earlier, for example, drug and alcohol counselling and that sort of thing.

Mr Carters—The other really important point about the employment pathway fund is that it will be available from day one for many more people than the jobseeker account. The jobseeker account is only available from day one now for highly disadvantaged jobseekers. But by running with the four-stream model significantly higher proportions of people will have access to that from day one.

Senator BILYK—So, basically, rather than having to get to a certain period of time before they can access it, from day one they will be able to access it, which will obviously increase their potential to get into the workplace?

Mr Carters—Yes. And that is very important, for example, for mature-age workers. Their rate of unemployment is quite low but we know that once they are in unemployed their propensity to become very long-term unemployed is very high. So it is important to assist them from day one, and this allows that to happen.

Ms Golightly—As well as being available from day one, it is available to a broader range of people than it currently is. So many more job seekers will be able to take advantage of this fund.

Senator BILYK—Who will determine what the money can be used for—

Ms Golightly—The provider does that in conjunction with developing that employment pathway plan.

Senator BILYK—And there is presumably a set of guidelines that they work within?

Ms Golightly—Yes, there is.

Senator BILYK—What will be different about the way fees and outcome payments work, compared to now?

Ms Golightly—One of the big objectives of the review was not only to improve job services for job seekers but also to cut the red tape and to make sure that the incentives provided in the model were incentivising—if that is a word—the right behaviour. And the outcomes payments model was reviewed and simplified. For a start, cutting seven different programs down to one means that we do not have seven different schedules, outcomes and payment schedules, and they were all very complex. That has been reduced to one and it has been simplified. There is a lot of reduced red tape there. But it has also been improved to make sure that there are the correct incentives for focusing most of the resources on the most highly disadvantaged, to give more emphasis on working with employers and to give more emphasis to the training and skills acquisition needed to get on that pathway to the employment that is available in the local area. They are just some key things that have been improved.

Senator BILYK—Thank you.

Ms Golightly—There is one other thing. There have also been loadings given for remote areas to recognise the particular difficulties there.

Senator BILYK—Given the change in economic circumstances since the reforms were announced in the budget last year, do some aspects of the reforms need rethinking? I suppose a question continuing from that is: are stakeholders still supportive of the reforms? I am just linking the two questions.

Ms Paul—The reforms deliver what stakeholders said in the consultations, and they still do. I think the system has already proven to be flexible and responsive. For example, when the government made the decision that redundant workers, in the face of the global recession, could access stream 2—which is a \$300 million initiative—the new system just took that on. It is really very flexible. It responds to all of the issues which were raised by providers and others in the consultations, which were quite extensive last year.

Ms Golightly—That is right. In particular, the demand-driven nature of the entire program is what gives us a lot of flexibility, plus the four streams can help us tailor things a lot more than we previously could. Also, remember that Job Services Australia is an integrated package of services, so anything that somebody who walks through the door needs is available in a

one-stop shop. It is also integrated with the government's other stimulus and training packages. It ties into the various productivity places announcements, the retrenched workers one we just mentioned, the stimulus and infrastructure packages, and the \$650 million Jobs Fund. All of those things have very close ties to Job Services Australia, and it is one part of that broader response.

Ms Paul—For example, Job Services Australia members can access a considerable proportion of the 711,000 new training places through the productivity places program for training and things like that. It reaches out further than the current model.

Senator BILYK—Thanks for clarifying that. I have some questions on the Disability Employment Network. The Disability Employment Network and vocational rehabilitation services have been under review. Where is the review up to? What are the likely key changes?

Ms Golightly—The review has got to what we call the exposure draft stage. What that is is this. Following consultations—with the release of a discussion paper in, I think, last December for further consultation and feedback from industry and other stakeholders on that discussion paper—we have put together a document which outlines the proposed model as it would go out to the market. But it is called an exposure draft because it is just that, a draft, and therefore there is further consultation. That exposure draft was issued on, I think, 20 May and is currently with industry and other stakeholders for further consultation.

As for some of the key changes, the really big one is that for the first time all of the services in this area as well have been uncapped. There were some that were uncapped previously but certainly not all. There was a much stronger employment or training outcome focus and the incentives, similarly with the Job Services Australia incentives, have been realigned to drive that sort of behaviour. In particular, there are increased incentives for training as a pathway to employment. So they are the big ones. There is also a reduction in red tape in this review as well. There is a lot of streamlining in terms of this. At the moment industry feedback and feedback from jobseekers is that they say they are quite confused about the different programs and their different eligibility criteria and why you access this one and not that one. All of that has been streamlined and simplified.

Senator BILYK—Sorry, but is that under red tape?

Ms Golightly—It is in addition to red tape.

Senator BILYK—Can you give me some practical examples as to the reduction-in-red-tape approach?

Ms Golightly—Yes. For the disability employment services area a really big one is the outcome and payments fee schedule. That was extremely complex under the three different programs and that has been simplified right down. The simpler eligibility criteria is a red-tape reduction but it is also there because it is responding to the jobseeker feedback about confusion, so it has got a sort of double objective there. Similar to Job Services Australia, we have also increased the resources available to remote area servicing for the disability area. We have increased and made more flexible the assistance that is available to workplaces and employers and individual jobseekers for workplace modifications, interpreter services and

that sort of ancillary assistance as well. One of the big things in the disability area is the ongoing support needs of somebody even after they are placed in employment and so there have been a number of enhancements out of the reform in that area as well. They are probably the main ones.

Senator BILYK—Okay, that is really good. What approach to tendering is the government considering in relation to these services?

Ms Golightly—In the exposure draft it is proposed that the purchasing process will involve two stages. The first one is technically called an invitation to treat. What that means is that high-performing providers will be offered an extension of their current contracts. The second stage is that the remaining business will be put out for competitive tender except for that part of the business which is under the control of the CRS, the Commonwealth Rehabilitation Service. There is a two-stage process proposed. That has been put out for comment and industry and other stakeholders are preparing their comments at the moment.

Senator BILYK—And the Commonwealth Rehabilitation Service does about 70 per cent, doesn't it?

Ms Golightly—I think about 50 to 60 per cent of the new market will be quarantined for the CRS.

Senator Ludwig—It is referred to as CRS Australia. They do not use the full term 'Commonwealth Rehabilitation Service.'

Ms Golightly—That's my old life coming back!

Senator Ludwig—It is the old name. They would chastise me if I did not correct the record.

Senator BILYK—Thank you for correcting me too, Senator Ludwig.

CHAIR—I am advised that there will be some more questions about this area a bit later on, so we will return to this at that point.

Senator CASH—If I could turn now to the Agency Adjustment Fund, how many claims did the department forecast on receiving?

Ms Kidd—We did not specifically do a forecast but I guess our ballpark estimate was in the range of 30 to 40 applications.

Senator CASH—How many applications has the department received to date?

Ms Kidd—To date we have received 110 applications.

Senator CASH—If the department had to pay out all of those 110 applications, what would be the total cost?

Ms Kidd—That is really difficult to answer because the applications, I guess, had requests for amounts of funding. We did not necessarily fund them to the maximum but the grants were worth a maximum of \$100,000. So I guess the maths is 100,000 times 110.

Senator CASH—In terms of your budgeting, how much had the department budgeted to spend on paying out claims under the Agency Adjustment Fund?

Ms Kidd—The measure was for \$3.5 million.

Senator CASH—Which equals how many claims at \$100,000 each?

Ms Kidd—There were two components to the fund: \$3 million was set aside for the adjustment grants and \$500,000 was set aside for the small business adviser component.

Senator CASH—Does this amount need to be increased?

Ms Paul—It has already been assessed competitively, actually, and the successful providers have been advised. So it has already been done in terms of the competitive consideration against the criteria of which applicants were eligible for funding.

Senator CASH—Sorry, to go back, you had budgeted \$3.5 million. You will need to explain it to me. Has the amount been increased? Or is there going to be an increase in this amount?

Ms Paul—No, that was the amount and it has been assessed competitively and organisations which really needed it and put in the best applications for the purpose against the guidelines have already been advised of their success.

Senator CASH—So when you say you thought you would get 30 to 40 applications but you received 110, there was enough funding within that estimate, was there, to actually pay out the 110 as opposed to the 30 or 40?

Ms Paul—No, I am making a perhaps too subtle point which is that the 110 had to be assessed against the guidelines in a competitive way. So, not all of those 110 would have actually met the guidelines. They do not necessarily fall into even the eligibility criteria for the guidelines.

Senator CASH—Which actually takes me to my next question: what did determine the eligibility for a claim to actually be paid out?

Ms Paul—Sure.

Ms Kidd—We had a range of eligibility criteria. The first one was that you had to be one of, I think, five service providers—for example, you had to have been delivering Job Network services, JPET services, Work for the Dole et cetera. Once you met that threshold criterion you had to demonstrate satisfactorily that you had been satisfactorily impacted by the results of the Job Services Australia tender. There were two components to this. One was that your organisation was ‘at significant risk of becoming unviable beyond 30 June 2009’ or that you would ‘be unable to continue to deliver the community services’ that were currently delivered. So it was looking at unintended consequences of the outcome. The next criterion was about satisfactory track record. So you had to demonstrate a track record of performance in the delivery of employment or community based services. And the final criteria was that you ‘must demonstrate a commitment to continuing to deliver community based services’ within the local community and needing ‘to secure new revenue streams to do so’.

Senator CASH—Are you able to table a copy of the guidelines?

Ms Kidd—Certainly, but I think they are on the website as well.

Senator CASH—In the event that an organisation was successful under those guidelines what then determined the amount that they were to receive?

Ms Kidd—A number of things determined the amount. The starting point was the amount that they asked for. As I mentioned, we had an upper limit of \$100,000 for the grants and \$15,000 for the small business adviser. Firstly, we assessed who was acceptable against the guidelines and then we looked at what they bid for, how much was available and what was reasonable in their claims and made a judgment.

Senator CASH—How many of the 110 applications were successful?

Ms Kidd—Thirty seven applications were successful for the small business grants.

Senator CASH—Under the Agency Adjustment Fund?

Ms Kidd—That is right. Thirty-seven organisations received an adjustment grant plus small business advice. On top of that, a further 11 organisations were successful in the specialist business advice category.

Senator CASH—Has the department paid out all of the claims?

Ms Kidd—We have not paid out the claims as yet. We have just advised organisations of their success or otherwise and we are in the process of issuing the funding deed.

Senator CASH—When will all of the claims be paid by?

Ms Kidd—The first step will be for funding deeds to come back signed. Once we receive the signed funding deeds we will make the first payment. The approach was to pay 50 per cent of the amount upfront on the receipt of the funding deed and to pay the residual 50 per cent, if required, six months later.

Senator CASH—When you say ‘if required’, what do you mean about payment of the second amount?

Ms Kidd—The purpose of the adjustment fund was to tide people over until they could secure an additional revenue source. It might be that a provider was looking for those additional revenue sources and had managed to secure one quite quickly. For example, if they got a \$2 million grant out of the jobs fund we would look at that before making the next payment to see if they still needed it.

Senator CASH—I go back to the question about what determined the eligibility to receive funding. You said that they had to prove a satisfactory track record. In proving that were star ratings taken into consideration?

Ms Kidd—It was up to the organisations to provide information to us for the demonstration of track record. It could have been track record in the delivery of employment and related services but equally it could have been track record in the delivery of community services. So where star ratings were relevant we would have looked at those. We noted in the guidelines that the department has access to information that the organisations put forward in the Job Services Australia tender process, and we would have accessed that. But I would like to correct something I said. The second payment is not six months after the first payment; it is four months.

Senator CASH—But still subject to it?

Ms Kidd—That is right.

Senator CASH—I will now move on to subcontracting arrangements. How many subcontracting arrangements have been entered into for the provision of services under the new Job Services Australia?

Ms Golightly—We understand that there are up to about 80 subcontractors at the moment.

Senator CASH—At the moment?

Ms Golightly—Yes, because subcontractors can come on at any time during the life of the contract.

Senator CASH—Is there a forecast as to how many more there might be?

Ms Golightly—No, this is something that is up to the individual providers to decide. They need to come to us to get approval if they want to do it, but it is really up to providers what alliances or other arrangements they enter into.

Senator CASH—If a provider were unsuccessful in their tender, would the department consider this when deciding whether to allow them to offer the services under a subcontracting arrangement?

Ms Golightly—We would be considering how that subcontractor was to be used, what strategies would be put in place to utilise the services of that subcontractor and what management processes were in place. It is more about what the proposal is from the lead contractor putting forward that subcontracting arrangement.

Senator CASH—If you had a provider who was unsuccessful, one would assume that they do not meet the criteria and are unable to provide the services—

Ms Golightly—That is not a correct assumption.

Senator CASH—So why would a provider be unsuccessful, then?

Ms Golightly—It is a competitive tender and it done on an ESA—Employment Services Area—area-by-area basis. We get lots of tenders for many areas. So it may not necessarily be that someone had a poor or unsatisfactory tender; it might just mean that they were slightly outcompeted by the top ones in that particular ESA. They may well have had a very good tender but not quite as good as the ones who got up.

Senator CASH—Are you able to provide a breakdown of how many subcontractors tendered in their own right for services but were unsuccessful in their tender?

Ms Golightly—What we could give you, I think—and I would need to take it on notice to get you the number—is, for those who we know are subcontractors in the current system, whether they tendered in their own right and were successful or unsuccessful. Is that what you are asking?

Senator CASH—Okay. Can you provide the breakdown at 1 July of subcontractors or providers who tendered and were unsuccessful but then became subcontractors?

Ms Golightly—Yes.

Senator CASH—Will you be publishing a list of subcontractors?

Ms Golightly—I think there is a list up on the website? Sorry, apparently not.

Senator CASH—Will you be publishing a list after 1 July?

Ms Golightly—What we have on the website is the list of people we have a direct contract with. They will then have all sorts of other arrangements such as memorandums of understanding in place. Some of that might be subcontracting. In the tender, there was an express requirement that they make arrangements and memorandums of understanding, for example, with CDEPs in the area. There could be any number of arrangements. We publish the official contract we have with a provider.

Senator CASH—I go back to my second question which was, in the case where a provider were unsuccessful on their tender, whether the department would then still consider them a subcontractor. If I failed in a particular part of the tender—and I say ‘failed’ as opposed to ‘wasn’t quite as good as the person who got the tender’—is that particular failure or inability to meet the criteria something the department would take into account?

Ms Golightly—Certainly, yes.

Senator CASH—Under the Commonwealth Procurement Guidelines, should the list of subcontractors be made public?

Ms Golightly—My understanding is that, under the procurement guidelines, we need to publish the contracts that we have with people. That is what we do.

Senator CASH—Could you take that on notice and just ensure that that is the correct procedure? I am going to move on to another area now: locations. How many current Job Network providers will be continuing under the new Job Services Australia contract in Toowoomba?

Ms Golightly—I do not have the ESA-by-ESA details here, sorry, but we can find that out for you.

Senator CASH—That would be fantastic. Can you also provide me with the information in relation to the Tiwi Islands?

Ms Golightly—Certainly.

Senator CASH—Can you provide me with the information in relation to the current Job Network case load on Lord Howe Island?

Ms Golightly—Certainly.

Senator CASH—And information on how many providers were awarded business to serve Lord Howe Island?

Ms Golightly—Certainly. I should mention that 95 per cent of the Job Services Australia contractors are existing contractors. That is a national figure for you.

Senator CASH—I am going to move on to the tender process and I have a considerable amount of questions in relation to this. What weighting was given to community links?

Ms Golightly—There were four selection criteria.

Senator CASH—Did you say there were four selection criteria?

Ms Golightly—Yes. Selection criterion No. 3 was all about local strategies, which includes community links. And that selection criterion was given a weighting of 40 per cent.

Senator CASH—40 per cent for community links?

Ms Golightly—Yes.

Senator CASH—What weighting was given to the ability to deliver services?

Ms Golightly—All of the criteria were about the ability to deliver services.

Senator CASH—So there was not one specifically in relation—perhaps you can take me through the four criteria?

Ms Golightly—Okay. Selection criterion 1 was about past performance and that was given a weighting of 30 per cent. Selection criterion 2 was about the understanding the tenderer had of the new system and how it would be delivered at an organisational level. Selection criterion 3, I just mentioned, was about local strategies and implementing the new system at the local level. Sorry, I forgot the weightings. Selection criterion 1 was 30 per cent, 2 was 20 per cent, 3 was 40 per cent, and selection criterion four was about the corporate governance arrangements surrounding the organisation and that was worth 10 per cent.

Senator CASH—This is a more generic question about whether the ability to deliver services was across all four selection criteria. Sorry, past performance was 30 per cent, you said?

Ms Golightly—Yes.

Senator CASH—I answered my own question. In terms of the community links, were providers required to provide evidence of their connections to the community?

Ms Golightly—They were. They had to detail in their tender what linkages they had and also, most importantly, how those linkages would be used to benefit jobseekers in the new system.

Senator CASH—How did the department verify the claims put forward in the tender, as to the community links?

Ms Golightly—Certainly, in relation to any claims in the tender—whether it be those or any others—it starts right at the beginning of the process. We have a lot of training for our assessors and guidelines to help them. The assessment teams are teams of two people, who are experienced in employment services and also have knowledge about delivery on the ground. Those people assess those claims, checking them against other data that we might have or indeed that other Commonwealth agencies or state government agencies might have. We have other networks, of course, on the ground that we can check with. We have the experience with other programs that we might run that some of these linkages actually relate to. So there is a

whole range of things. That assessment by those two people is then checked by a senior contract manager and also, at another level, by a state manager who knows all of those people who know the local area and the area that we are talking about. They do a comparative assessment, as well as a consistency check, and they overlay on all of that their knowledge of various things, including the local linkages. That then comes to a tender review committee that is, again, a committee of senior people in the department. All sorts of things are discussed at that committee, including the substantiation of claims, et cetera. All of that then leads to a recommendation.

Senator CASH—And if the company were an overseas company, was it the same procedure?

Ms Golightly—Yes, it was the same procedure for all and we have links overseas as well.

Senator CASH—Are subcontracting providers also required to demonstrate their community links?

Ms Golightly—This is particularly, but not solely, part of criterion 3. If someone was proposing to use a subcontractor, we would be looking for how that would benefit the strategies being put in place for the job seeker, which would include, potentially, the local linkages that that subcontractor had.

Senator CASH—I asked you previously whether, according to the Commonwealth Procurement Guidelines, you had to publish a list of subcontractors. Clause 7.26 on page 20 of the Commonwealth Procurement Guidelines states:

To enhance transparency, agencies must make available on request, the names of any sub-contractor engaged by a contractor in respect of a Commonwealth contract for procurement.

a. Agencies must require contractors to agree to the public disclosure of the names of any sub-contractors ...

et cetera and—

b. Contractors must be required to inform relevant sub-contractors that the sub-contractor's participation in fulfilling a Commonwealth contract for procurement may be publicly disclosed.

Does the department adhere to all of those guidelines?

Ms Golightly—I will need to take that and check it with my procurement people.

Senator CASH—Thank you. How were the tenders assessed? You may already have answered this.

Ms Golightly—In terms of what you have already said, it has been answered, Senator.

Senator CASH—If a provider submitted tenders for two different ESAs but the tenders were technically identical, under what circumstances would a provider have been offered business in one employment services area when they were not successful in the other?

Ms Golightly—Whether they were technically identical or not, the issue is that the tenders are all assessed for the particular ESA to which their bid applies. It is a contract on an ESA basis. The tenderers in ESAs would be assessed on their strategies, on their implementation,

on their experience and on how they were going to apply those to the particular profile of job seekers, employers and the local circumstances of that ESA. The claims and proposed strategies of the tenderers would be assessed against all the selection criteria, but selection criterion 3, in particular, would be assessed on that basis.

Other things are taken into account as well, as per the RFT, in that decision. For example, we compare for that particular ESA what coverage different tenderers are offering us. One tenderer might be offering us one site, others might be offering us 10—and everything in between. We look at diversity of choice for job seekers in a particular ESA, and tenderers can bid for a particular range of business. They could bid for a minimum of 10 per cent and a maximum 50 per cent share of the market, for example. And then we have specialist bids—we mentioned the specialist providers as well, who are bidding for a particular cohort of job seekers.

All of those things end up being unique for each ESA. So you may well have had an identical bid from one tenderer, but it is compared to the circumstances of the local labour market and also compared to other bidders in that ESA. Some ESAs had up to 48 bids, so there was quite a lot to be considered.

Senator CASH—Would the original recommendation by the tender assessors still stand when it goes off to the next part of the process?

Ms Golightly—They do an assessment. It is then checked. There are several layers of checking before a recommendation is made to the tender review committee. But, yes, at that level all sorts of other considerations, knowledge of claims et cetera, would be brought to bear.

Senator CASH—Did the department check that there were no conflicts of interest between the tender assessors and the providers whose tenders they were assessing?

Ms Golightly—Yes, before they commence their assessments all of our assessors are required to declare any conflicts of interest and any declarations of that nature are checked and appropriate action taken.

Senator CASH—And in terms of the onus being on the tender assessor to declare what additional steps were actually taken to ensure that there is no conflict?

Ms Golightly—Any other knowledge the department or other sources might have is taken into consideration.

Senator CASH—So you would ask them to declare. Are there any other steps that the department takes? Do you ask them specific questions that you gain the answer to?

Ms Golightly—Yes, and we also have guidance and training. They all go through a particular training module about what would be a conflict of interest. Specific case studies as examples are worked through and we also give examples of how particular conflicts will be treated. In order for people to feel comfortable they need to know that it is not the be all and end all; it just might be that they are not involved in a particular part of the process.

Senator CASH—And how does the department ensure that the assessment process is objective?

Ms Golightly—All of the processes that I have just gone through. Right from the beginning we set out very detailed guidelines of what procedures and protocols are to be followed at every single stage, whether it be assessment or quality checking or review—any of the stages. That is followed up by extensive training of the assessors. There are teams of two people at all times and, as I mentioned, I think we do up to about seven layers of checking of that assessment. With all of this, including the guidelines and training, as well as the assessment and decision making, the probity adviser is involved and checks off each step of the way to make sure that we are adhering to objectivity, fairness and value-for-money principles, as do our own internal legal people.

Senator CASH—How many current job network providers tendered to offer the Job Services Australia program?

Ms Golightly—I will just look that up for you.

Senator CASH—Okay. Following on, the next question is: how many of them were successful?

Ms Golightly—Yes.

Ms Paul—I think that Ms Golightly—while she is looking it up—said a minute ago that 95 per cent of the—

Senator CASH—I did get that.

Ms Paul—Remember that?

Senator CASH—Yes, I would like that translated now to a figure.

Ms Paul—Ninety-five per cent of the providers under JSA were in JN.

Senator CASH—I will continue on because there might be some additional information that you can get whilst you are looking. How many current Personal Support Program providers tendered to offer Job Services Australia program? How many of these were successful?

Ms Golightly—I have got figures—Ms Fletcher might have other figures—of how many of the successful ones were Job Network previously. There are 140 organisations who have contracts with us.

Senator CASH—Under Job Network?

Ms Golightly—No, under Job Services Australia, and this does not include the subcontractors. Of the 140, 70 are existing Job Network members and 49—I think you asked about PSP—are existing PSP providers. Then we have more that may well be subcontractors as well in the new service.

Senator CASH—How many current Job Placement Employment and Training providers tendered to offer Job Services Australia program, and how many of them were successful?

Ms Golightly—There were 29 that were successful in getting contracts in their own right, but many are subcontractors. In terms of how many tendered, in Job Network 92 tendered.

Senator CASH—And 70 were successful?

Ms Golightly—Yes 70. This is as leads—they could be subcontractors, so they may well be successful as subcontractors. In PSP, 96 tendered and 49 got lead contracts but there are quite a few that are subcontractors. In JPET, 59 tendered and 29 got lead contracts and a lot of them are subcontractors.

Senator CASH—Again, some of them could be subcontractors?

Ms Golightly—Yes.

Senator CASH—How many providers tendered to offer specialist services?

Ms Golightly—I am not sure if I have got the number of tenders, but 158 specialist contracts were awarded.

Senator CASH—How many of the 158 were currently providing the service under the current Job Network? And how many were successful?

Ms Golightly—I need to take that on notice. There are less specialists in the current Job Network.

Senator CASH—How many youth specialist providers are there under the Job Services Australia Contract?

Ms Golightly—Thirty-five, I think. I will just check that for you.

Senator CASH—Are you able to provide a breakdown of where they are located? I am happy for you to take that on notice.

Ms Golightly—Yes we will be able to but I will need to take that on notice.

Senator CASH—How many mental health disability specialist providers are there under the Job Services Australia Contract? And again, can you provide a breakdown of where they are located?

Ms Golightly—Yes and yes. There are four specialist mental health providers, but there are a further 43 providers that have nominated their specialty as people with disabilities, which would of course include mental health as well.

Senator CASH—Okay, but there are four specifically for mental health?

Ms Golightly—Yes and 43 others that would cover it. The other thing too of course is that Stream 4 in particular—but not exclusively—in the services is very much designed for people with that sort of barrier.

Senator CASH—How many Indigenous specialist providers are there under the Job Services Australia Contract?

Ms Golightly—Forty-eight.

Senator CASH—And could you take on notice to provide a breakdown of where they are located?

Ms Golightly—Yes.

Senator CASH—How many Job Network sites rated at three stars or above in a given ESA did not receive business under the Job Services Australia tender?

Ms Golightly—I have to take that on notice.

Senator CASH—You probably want to take this one on notice: how many Personal Support Program sites rated at three stars or above in a given ESA did not receive business under the Job Services Australia tender?

Ms Golightly—Yes, except that Personal Support Program does not have star ratings.

Senator CASH—Okay.

Ms Golightly—And of course, as we went through before, past performance was only one of the selection criteria. I should just explain that star ratings was one of four subcriteria within that one criteria. That is just to put it in context a bit.

Senator CASH—Can I turn to business share allocations—how was the process of determining business share determined?

Ms Golightly—Basically the same process as went through before, both in terms of how the assessments were done with the teams and the QA and all of that sort of thing. Also, there is the example that I went through in relation to your question about how a tenderer might get business in one and not another—that same process. We look at each of the bids for the particular ESA, we look at their comparative merits and we also look at things like what coverage each of them is providing and what range of business share each of them is interested in.

We also look at diversity in the market as well—I think I mentioned that for job seeker choice. Business allocation is about selecting the relevant providers but also how much business share they get in that ESA. You might have three or four providers who are successful and they might have different business shares adding up to 100. It always has to add up to 100 of course.

Senator CASH—Are there any written guidelines surrounding the business share allocation?

Ms Golightly—The RFT goes through all the sorts of things that are taken into account; yes, Senator. The issues of minimum and maximum bid ranges, coverage and all of those things are in the RFT, which we can get you a copy of.

Senator CASH—If you could get me a copy, that would be greatly appreciated. In terms of negotiation, how much leeway was there for tenderers or providers to negotiate their business share?

Ms Golightly—I suppose it all starts with their actual bid. We advise tenderers, through all of the consultations and roadshows that we do, that they do need to think very carefully about what we call their bidding strategy, their bid-range strategy. It is something that is quite particular to each tenderer and their business model for a particular ESA, so they have complete discretion in putting into their bid what sort of bid range or business share they

would like to tender for. Some of them do have strategies, which is quite valid, saying, for example, 'For X business share we will give you three sites in the ESA, but for Y business share'—something higher—'we would give you four or five sites.' That can be the sort of thing we are looking at. So, as we go through the assessment process and look at what various bids are offering compared to others, we will come up with a mix for that ESA which gives the best coverage for the job seekers and the best mix of providers for the job seekers.

The RFT does allow us to discuss with the provider whether they are willing to alter their bid range in any way. They do not have to. There is a process there for them to either answer that question or discuss with us various sites that might be offered. We of course need to take into account that they possibly have been rated as they have been based on particular coverage, so we would not enter into agreements which altered that coverage to the detriment of the job seeker.

Senator CASH—Are you aware of instances where a provider was offered X amount of business share but ended up with something quite fundamentally different, whether it be more or less of that particular business share?

Ms Golightly—I think we need to be careful about the word 'offered'. Certainly, there may well have been discussions or correspondence either from providers to us or from us to providers about whether they would consider a different business share, but that is all it would be—a question. The offer is the offer at the end of the day and—

Senator CASH—Okay. What is the offer actually made up of? Is it a document?

Ms Golightly—Yes, it is a deed. It is a formal letter from the department attaching a deed, or, in layman's terms, a contract. That is sent to each successful tenderer, and they sign it and return it.

Senator CASH—Okay. What percentage of business overall was awarded to current Job Network providers?

Ms Golightly—I do know that 95 per cent of the Jobs Services Australia providers are current providers. I will just check the business share for you.

Senator CASH—I asked you earlier how many Personal Support Program sites rated three stars or above—

Ms Golightly—Yes.

Senator CASH—in a given ESA did not receive business under the Jobs Services Australia tender, and you said to me that there were none with any star ratings. So what actually was taken into consideration?

Ms Golightly—In the current Personal Support Program, we do have a performance management framework, and basically PSP providers are ranked, or given a position, out of the total providers in that ESA. For example, if there are five PSP providers in a particular ESA, they will be ranked as being No.1 out of five, No. 4 out of five, No. 3 out of five et cetera, based on a number of outcome and commencement type indicators.

Senator CASH—In relation to the information that you are gathering, I am also going to ask what percentage of business share overall was awarded to PSP providers and what percentage of business share overall was awarded to JPET providers.

Ms Golightly—That will be quite difficult because, as I mentioned before, many of them are subcontractors, and subcontractors do not get a business share allocated to them. I will have a look to see what we can do but I feel I should mention that first.

Senator CASH—Okay. So you will take them on notice and provide the information? I will move on now to probity. Can you explain the probity process and how this impacted on departmental communications with providers?

Ms Golightly—I think I started mentioning this before. The process is that we have probity advice right from the beginning of the process all the way through to the end. For example, the probity adviser assists us with clearing all of the guidelines and assessment documentation for our staff—all of the training for our staff. Also, at the beginning of the process, they check off for us any documentation that is also going externally, so it is not just the internal stuff. The most important external documents, of course, are things like the exposure draft and the RFT. They are then also involved in ensuring, to their satisfaction, that we are following all of those commitments, guidelines and protocols, including the communications protocol, throughout the tender process. They also provide advice. They attend all meetings where decisions are being made and check off that we have done all of that properly. They are also involved in checking off that advice sent out at the end of the process, including the deeds and contracts, is all okay as well. So it is right from the very beginning, from draft documents all the way through to the final decisions, but including the communications protocols.

Senator CASH—Can you just take me through how that impacted on departmental communications with providers?

Ms Golightly—For any communication that we had with providers—be it a consultation session on the exposure draft, for example, or a response to a query on the hotline, right through to any negotiations that might have been had on the draft contract—we had a communication protocol that we had to follow, and the probity adviser is satisfied that we have followed that protocol.

Senator CASH—Did the same restrictions to communications also apply to other stakeholders—for example, the National Employment Services Association or Jobs Australia?

Ms Golightly—If we were consulting with peak bodies like NESAs, or anybody else for that matter, they were required to sign a confidentiality deed and that was all overseen by the probity adviser as well. I think that in most, if not all cases, the probity adviser attended any such meetings.

Senator CASH—On what date did the probity period end?

Ms Golightly—We have a final report from the probity adviser. I just cannot recall the date for you but I will get that for you. They come all the way through, as I mentioned, to the signing of the contracts, but we also offer a debriefing opportunity for—

Senator CASH—Yes, I am actually going to take you through that as well.

Ms Golightly—So they are involved in that as well. It is all the way. We are still doing some debriefs, so the probity adviser is in fact still—

Senator CASH—Okay. How about this, then: when did the probity adviser sign off on the process?

Ms Golightly—I have the date of their final report here. It is dated May. I will have to get a look at the—

Senator CASH—It is dated May, is it?

Ms Golightly—Yes.

Senator CASH—Could you also tell me the time the probity period ended?

Ms Golightly—The probity period has not ended. As I mentioned, they are still involved in our debriefing sessions.

Senator CASH—Can I turn to the communications protocol. Are you able to table a copy of the communications protocol?

Ms Golightly—Apparently it is in the RFT and we can get a copy of the relevant section for you.

Senator CASH—Are you able to explain or outline why the list of successful providers was uploaded onto the department's website and then removed shortly thereafter?

Ms Golightly—It was not actually removed. Unfortunately, that day we had quite a number of technical problems with the website being available and then becoming unavailable, so the list was never removed. It was an issue with the website.

Senator CASH—What type of technical problems?

Ms Golightly—I am not an expert on the technical issues, but I understand there was quite a number of different problems that converged at once on that day.

Senator CASH—Was it just that website or were other websites affected?

Ms Golightly—As I understand it, a couple of websites were affected but not all of our websites.

Senator CASH—How long afterwards was it fixed and uploaded?

Ms Golightly—I think it came up and down a couple of times but, as I understand it, we ended up rebuilding the website entirely and that new temporary website was available from six o'clock. The results were on that website.

Senator CASH—As of six o'clock?

Ms Golightly—Yes.

Senator CASH—They were published at 2 pm but then they disappeared, unfortunately, and came back on at 6 pm.

Ms Golightly—They came back a couple of times during the afternoon but, because of the issues we were experiencing with that particular website, our IT people built a completely new website and it was the new one that was available from around 6 pm that night.

Senator CASH—Was there any possibility of using what we called at the last Senate estimates hearings ‘redundant internet connections’? Could that have been utilised?

Ms Golightly—We tried that earlier in the afternoon. I am not the technical person, so my IT people will correct this if any of it is wrong. As I understand it, part way through the afternoon we tried to switch to one of our other websites. We experienced similar problems there and that is when the decision was taken to build the temporary website.

Senator CASH—So it was technical difficulties that meant that this list was unavailable for some time, not because the department had not contacted all of the providers?

Ms Golightly—That is correct. It was the technical difficulties.

Senator CASH—And you absolutely contacted all of the providers?

Ms Golightly—Yes, we were contacting all the providers that day.

Senator CASH—When you say ‘that day’ do you mean prior to 2 pm?

Ms Golightly—It started early in the morning. There were some providers who received their email after the website went up, but we called all of those personally and explained what was happening.

Senator CASH—Why did they receive their email after the website went up?

Ms Golightly—Again, that day we were facing serious technical issues.

Senator CASH—Which also affected email?

Ms Golightly—Yes. We could not get it through.

Senator CASH—By what time had all of the providers been contacted?

Ms Golightly—As at 6 pm all providers had their results when they went up on the website. I would have to check what time all of the phone calls finished and get back to you.

Senator CASH—Could you do that for me. I have been told that some people could get onto the department website and the only thing that was not there was the link to the list of successful providers. Can I get a response to that?

Ms Golightly—As I understand it, the link would have been there but it was not working. That was the issue.

Senator CASH—When you realised that the email was not working—actually, I should ask: what time did you realise that the email was not working and reaching providers?

Ms Golightly—The email was working; it is just that it was very slow because of all of the issues that were happening. So, as we realised—I think, during the afternoon—that there were possibly going to be some providers who did not get their email before the website went up, we started calling them.

Senator CASH—And how did you realise that?

Ms Golightly—Basically, we can see how slowly or otherwise emails are being released.

Ms Paul—In the outbox, as it were. They were stacking up and not going out.

Senator CASH—Is the department aware that some caseworkers and employment services staff discovered that they would not have a job after 1 July 2009 as a result of your communications breakdown with the providers?

Ms Paul—I think we would have rung them all by the time it went up. How those contacts then notified their own staff is their issue.

Senator CASH—What about the people who actually saw it within the first five minutes before it went down?

Ms Paul—I do not know that they did it. Did they?

Ms Golightly—Some people may have had quick access to it, but my understanding was that people were having difficulty getting on to that site.

Ms Paul—It would have been almost impossible to tell at that point who had a job and who did not because of course the clientele, the number of job seekers, is increasing dramatically—as we sit here—and there is plenty of work around. You could not actually draw that link to the ultimate point that you describe there. Nonetheless, of course we were extraordinarily sorry that it happened like that, and in the end we had to get Microsoft in to work with us and even go to their HQ and so on to come up with a whole lot of fixes which will prevent it. It could not have happened on a worse day, of course, from our point of view, but that is what happened.

Senator CASH—So how many providers in total needed to be contacted by telephone, as opposed to by email?

Ms Golightly—It was a minority of the providers, Senator. I do not have exact numbers here, but I can—

Senator CASH—Could you get me the exact numbers?

Ms Golightly—Yes.

Senator CASH—Thank you very much for that. How were providers advised of whether or not they had been successful?

Ms Golightly—For the final decisions, there were a couple of things. There were the emails that we were just talking about and the website that were just talking about—

Senator CASH—Or, rather, lack thereof!

Ms Golightly—Well, at six o'clock it was there. And then that was followed by the official letter and offer containing the draft contract.

Senator CASH—When were the official letters sent out?

Ms Golightly—On 9 April.

Senator CASH—I have a question going back to the probity period. If the probity period has not yet ended—which I understand was your evidence—what are the restrictions on communications between the department and providers currently?

Ms Golightly—Basically, we do not, of course, discuss other providers' information with individual providers, but we do provide individual providers with feedback on their tender and their results.

Senator CASH—Sorry; you are going to have take me through that again. If the probity period has not ended, what are the restrictions currently on communications between the department and providers?

Ms Golightly—The restriction is that I can, and do, discuss with tenderers any information about their particular tender—and contract, if they have one—but I do not discuss with them anything about anybody else's.

Senator CASH—How is that enforced? Is there a set of rules in relation to this?

Ms Golightly—Yes. There is guidance on how to do the debriefs. Also, we usually have a probity adviser or at least one of our internal legal people present.

Senator CASH—How do you know that this is being adhered to? What steps are in place to ensure adherence to this?

Ms Golightly—That is the role of the probity adviser attending or our internal legal person attending.

Senator CASH—What about phone calls between people where there is no probity adviser or legal person attending?

Ms Golightly—In terms of normal contact with providers generally, of course, all of our staff have undergone all of that intensive training I have talked about. Indeed, if there are any issues they are uncertain of, we have processes in place for them to escalate that to a more senior level—that sort of thing.

Senator CASH—If there were a breach of that process, could it result in termination of employment?

Ms Golightly—No, we would investigate whether there indeed was a breach, what sort of breach it was and what the consequences were of that breach before determining what action would be taken.

Senator CASH—Is it considered to be a serious breach?

Ms Golightly—It would depend on the nature of the disclosure.

Senator CASH—Were any providers initially told that they had not received business in a particular ESA, only for the department to go back and inform that they had?

Ms Golightly—We had a preferred tenderer process back in mid-March, whereby—as in many other large tenders, certainly at the Commonwealth level—we advised those suppliers who at that stage were preferred. This period is there as a risk minimisation strategy to ensure that they can raise with us or we can raise with them any issues that they might have,

particularly about capacity if they are using many subcontractors et cetera. But, depending on those negotiations and how they result, there is always the possibility that somebody else may be offered business at the end of that. Because we had just received the latest unemployment figures, we also did a final review to make sure that we had enough capacity in the system, so there may have been one or two providers who did not get a preferred tenderer letter but were offered business in the final allocation.

Senator CASH—Are you aware of any incidents where that actually did occur as opposed to where it could have occurred?

Ms Golightly—Yes, Senator.

Senator CASH—Can I ask you to outline that incident.

Ms Golightly—There were a couple of ESAs where we did decide to bring in a new provider in addition to the ones that had already been offered business.

Senator CASH—What happened to the ones that had already been offered business?

Ms Golightly—They still had their business. This was over and above.

Senator CASH—Could you also table a copy of the entire request for tender, as opposed to just the communications protocol?

Ms Golightly—Certainly. We can table it through the committee secretariat now, if you like.

Senator CASH—Fantastic. When you said that there were a couple of ESAs, which ESAs were you specifically referring to?

Ms Golightly—I will take that on notice, just because I do not have the list here.

Senator CASH—Thank you very much. How many providers undertook a tender debrief offered by the department?

Ms Golightly—One hundred and twenty-two have indicated so far that they would like a debrief.

Senator CASH—Has this process actually commenced? My understanding is that they were offered in April and May.

Ms Golightly—Yes, most of them were undertaken in April and May. I think they have up to three months after the tender to request, so a couple more could come in. I am not sure.

Senator CASH—How many have you done to date?

Ms Golightly—We will have done 122 by tomorrow.

Senator CASH—What is the average duration of each meeting?

Ms Golightly—About one hour. It can go shorter or longer.

Senator CASH—Were providers limited in the number of staff who were able to attend these meetings?

Ms Golightly—No.

Senator CASH—So as many as they wanted could actually go? I could bring 10 along?

Ms Golightly—Yes. I am just trying to think—someone may have. But there was no limit.

Senator CASH—My understanding is that some people were told that they could only bring four people along. Are you aware of any instances where that may have occurred?

Ms Golightly—No, I am not aware of that.

Senator CASH—What you are saying is that there was no limit on the number of people that could come to attend a debrief?

Ms Golightly—That is right.

Senator CASH—Were providers entitled to bring their own legal counsel?

Ms Golightly—Yes.

Senator CASH—Did any providers do so?

Ms Golightly—I believe one or two did. But the simple answer is yes, they did.

Senator HUMPHRIES—Did you say that the process of a debrief was initiated or was by request from the tenderer, rather than automatically by the department?

Ms Golightly—That is correct. The RFT encourages people to have a debrief, but it is at their request.

Senator HUMPHRIES—And that is available to both successful and unsuccessful tenderers?

Ms Golightly—That is right.

Senator CASH—Just going back, you are taking a question on notice in relation to the ESAs?

Ms Golightly—Yes.

Senator CASH—Can I also get you to take on notice how many ESAs did additional business allocation occur in, over and above the names of those providers that you are going to give me?

Ms Golightly—Sorry, I think I took on notice that I would give you the name of the ESA, not the name of a provider.

Senator CASH—Sorry, the ESA.

Ms Golightly—Yes.

Senator CASH—In terms of the tender debrief, face-to-face meetings were for the most part undertaken in capital cities, with the exception of, I believe, Cairns, Townsville, Bendigo, Newcastle and Orange. Based on that, what proportion of non-capital-city based providers attended these debriefs?

Ms Golightly—We will have to take that on notice. There was also the option to have the debrief undertaken by videoconference or telephone conference. Again, it was the choice of the provider—

Senator CASH—It was the choice of the provider whether or not they attended?

Ms Golightly—Of the tenderer. Sorry, if the teleconference and videoconference suited them better, we would do that.

Senator CASH—That was going to be my next question. How many providers did undertake the debrief by telephone?

Ms Golightly—We will take that on notice. There were some.

Senator CASH—Was the external probity adviser also represented at each of the meetings?

Ms Golightly—We can get you how many the external probity adviser was at, but if they were not there we had our internal probity legal people at the meeting.

Senator CASH—In relation to a telephone debrief, how did you hook in—

Ms Golightly—It was the same thing. The probity adviser would have been either in the room or phoning in themselves as well.

Senator CASH—During the tender debrief process, did the department give specific details of where the tenderers or tenders did not meet the requirements of Job Services Australia?

Ms Golightly—Again, that comes back to the issue that it may well not be—and in most cases it was not—an issue of not meeting the requirements. It was an issue of how competitive their bid was. The debriefs did go into details on what the strengths of their bids were and what areas could have been improved.

Senator CASH—I am going to take you back to the ESAs that we are talking about and that you are going to be providing me with some information on notice about. You are going to provide me with the information in relation to how many ESAs this occurred in—that additional providers were brought in. Can you tell me the reasons that the additional providers were brought in?

Ms Golightly—It was as a result of the final review we did, taking into account the latest information. We had a look to see if there were any ESAs where we could—we had enough job seekers and good tenderers to choose from—and whether there was an option to bring in an additional provider. If there was, we did. And, of course, we have to take into account, again, all of the same sorts of things as per the RFT—about what coverage is being offered and what bid ranges there are, as well as the quality of the bid. The same sorts of processes apply as I outlined earlier.

Senator CASH—I will move on to the costs of the model itself. What is the transaction cost of changing the business model from Job Network to Job Services Australia?

Ms Golightly—I am not entirely sure how you are defining ‘transaction cost’.

Senator CASH—Let’s just talk about cost then.

Senator Ludwig—When you ask about it are you going back to when the decision was first made by the previous government to then start a competitive process—that is, a tender

process—because then there were subsequent iterations of that. I am not sure—and people at this table will correct me if I am wrong—but they were only partial tenders. So that is a cost. Did you want the cost of this competitive tender in total. That is what I am trying to establish. We are happy to provide the information; we just need a bit more precision about what type of information you want.

Senator CASH—That is fine. Can we do it from when this government was elected? Is that possible?

Ms Paul—It depends what you are after. I am not quite sure what transaction cost means.

Senator CASH—Looking more at the administrative cost to the department to date.

Ms Golightly—The cost of running the tender?

Senator CASH—Yes.

Ms Paul—We can do that.

Ms Golightly—From memory I think we were appropriated around \$10 million. It was in last year's budget so I will need to confirm that. But that included not just running the tender but building the relevant IT systems et cetera. But I will take that on notice because it was last year's budget so I am operating from memory.

Senator CASH—How much is the department intending to spend on advertising?

Senator Ludwig—A lot less than you used to!

CHAIR—Minister! We have been going very well until now!

Ms Golightly—Sorry, I need to look it up.

Senator CASH—That is fine. You might need to look up this next question: what percentage of the employment services deed for 2009 to 2012 is forecast to be spent on jobseekers in strains 1, 2, 3, and 4? While you are looking that up can someone else perhaps answer questions in relations to the complaints process. I will ask a few short questions about that.

Ms Paul—We will take your question on notice but we may come back to you in a couple of minutes.

Senator JACINTA COLLINS—Are we going off costs?

Senator CASH—Yes, I am going off costs.

Senator JACINTA COLLINS—Then before we go off costs, I would like to insert one question about the cost of the system. Could you give me a comparison of costs to jobseekers in terms of needing to change providers through the various iterations of the Job Network and JSA?

Ms Golightly—The whole point of the tender is to make sure that we have got providers who can deliver the new service. It is absolutely the right of the jobseeker to be able to choose from one of those providers. But in this tender or transition we estimate that the number of jobseekers transitioning will be much fewer than other equivalent tenders in the past. The

final figures will of course not be known until 1 July when people actually transition, but I think an early estimate was around 47 per cent, which compares to around about 80 per cent or 100 per cent in previous large tenders.

Senator CASH—I have two more questions. Ms Golightly, we are going to go back to the ESA. Regarding the ESA that we discussed where it was decided to bring on further providers, was there any discussion between the department and the providers that occurred prior to the offer being made to them?

Ms Golightly—There would have been through the allocation process. We often clarified parts of the tender with providers.

Senator CASH—Can you outline the nature of those discussions?

Ms Golightly—They could be, for example, anything to do with their financial statements. It could be a clarification around what bid ranges and sites they are offering. There are a whole range—

Senator CASH—You said ‘it could be’. Are you able to actually give me specific examples of the nature of those—

Ms Golightly—All of those examples I am giving from memory. We can take on notice the precise details—

Senator CASH—And provide details of the nature of the discussions.

Ms Golightly—but both of those things would have been examples. We do clarify with people some queries we might have on their financials but also their bid strategies.

Senator CASH—How long prior to the offers being made did those discussions occur—days, weeks or months?

Ms Golightly—They can happen throughout the whole process from the minute that we start opening the tenders and realise that perhaps the financials or something, for example, need clarification right up until the final negotiations before the contract is signed. It happens all through the process.

Senator CASH—In relation to the specific providers that were offered, can you tell me: how long before the offer was made did those specific discussions occur?

Ms Golightly—Again, it may well have been right from the beginning. We need to make sure that we have all the relevant information, and we clarify as we go right up to the last minute before the contract is signed. Some of that clarification can be initiated by the tenderer/contractor.

Senator CASH—I have a lot more questions, but I am happy to leave it there now. Are we breaking?

CHAIR—We might as well if you are going to go on to a different topic.

Senator CASH—Yes, they are on a different topic.

CHAIR—Then we will suspend for lunch.

Proceedings suspended from 12.27 pm to 1.29 pm

CHAIR—The committee will resume. We are in questions on outcome 4.

Senator CASH—I will turn now to the complaints process. My understanding is that the department has a dedicated customer service line for handling job seeker complaints.

Ms Golightly—Yes, Senator. They handle any job seeker query.

Senator CASH—How many calls have been received by the Job Network complaints line during the transition process?

Ms Golightly—For the period up to 26 May, we have had 6,465 calls.

Senator CASH—So 6,465 calls?

Ms Golightly—But they are not complaints.

Senator CASH—No. So it is actually not a Job Network complaints line as such?

Ms Golightly—I probably should clarify. There is a hotline set up for job seekers for transition. So that takes any queries a job seeker might have about transition, which is a bit different to complaints about the Job Network.

Senator CASH—So in terms of the transition, it is a Job Network complaints line which takes calls during the transition process. Is that the 6,465 calls?

Ms Golightly—It is the same hotline number, but the 6,000 figure I just read out to you is about transition related inquiries.

Senator CASH—Do you break them down any further into whether or not there are just general queries relating to the transition process?

Ms Golightly—I think we could get a breakdown for you of the general types of queries that are being asked.

Senator CASH—Yes. Would you able to table that?

Ms Golightly—Yes. Of course, if there were complaints about the Job Network, that would be handled separately because that is not part of the transition.

Senator CASH—When you say it is the period up to 26 May 2009—

Ms Golightly—Sorry. That is just the most recent data I have.

Senator CASH—What is that period from?

Ms Golightly—From 6 May.

Senator CASH—So it is 20 days?

Ms Golightly—Yes.

Senator CASH—How does that 6,465 compare with the previous three months in terms of calls?

Ms Golightly—The previous three months were not transition, so there is not a comparison. What it does compare to is, I think, that we sent out 700,000 or more job seeker

letters which were advising the job seeker about the new arrangements and that if they had any queries they could ring this particular number. So the 6,000-odd can be compared to, I think, just over 700,000 letters.

Senator CASH—When did you send those letters out?

Ms Golightly—They commenced going out, I think, on 4 May.

Senator CASH—For my own purposes, can I have the figure for the previous three months and the figure for the previous six months in relation to that hotline?

Ms Golightly—Yes, we can.

Senator CASH—Have you got them on you?

Ms Golightly—I have not got them here, but I can get them for you.

Senator CASH—How many staff currently work on the customer service line, complaints line, hotline or whatever it is called?

Ms Golightly—For the transition?

Senator CASH—Yes.

Ms Golightly—I am not sure if we have the number here. We will try and get it for you.

Senator CASH—And can I have a comparison with how many would normally work on it?

Ms Golightly—Certainly, yes, we can get you the two figures. Of course, we make sure that we have enough staff to answer the calls as they come in.

Senator CASH—Yes. But I am looking for specific figures in relation to staff. Since the transition process, have you had to increase staff numbers on the hotline?

Ms Golightly—Certainly with 700,000 letters going out, we did make sure we had enough resources on the hotline, as did Centrelink on their calls, to make sure that job seekers were being serviced.

Senator CASH—And, in terms of the 6,465 calls, you are going to provide me with a general breakdown in relation to what types of calls they were. Can you add as part of that breakdown what percentage of the calls have related to job seekers needing to transfer providers?

Ms Golightly—Certainly. In line with the job seeker choice nature of these services and past services, people can choose any time to have a different provider.

Senator CASH—Over lunch I went back and looked at some of my notes. My understanding in relation to the probity period was that Clayton Utz signed off on it on 1 April 2009. Is that correct or incorrect?

Ms Golightly—Clayton Utz gives us sign-offs all the way through the process. It depends on the particular milestone being reached. Given that 1 April was a major milestone—the minister's announcement of the overall results—we had Clayton Utz sign off on that particular part of the process, being the department's final decisions.

Ms Paul—The May date that Ms Gillard is referring to is when they signed their report. They do a formal thing.

Ms Golightly—On the entire process from the beginning through to the end.

Senator CASH—Can you take me through the milestones in relation to the probity period. Given that you are saying it is still ongoing, can you now take me through each milestone?

Ms Golightly—Yes, certainly. The first major milestone was the preferred tenderer advice, I think, on 16 March or thereabouts. There was another one on 1 April.

Senator CASH—And what was that?

Ms Golightly—That was the announcement of our decision on the final results. Then, of course, the probity adviser has given us a report on the entire process. That is the May report that we were referring to.

Senator CASH—What was the date of that one?

Ms Golightly—From the information I have in front of me, the report has just got May on it, but I can find the specific date.

Senator CASH—If you could, that would be appreciated.

Ms Golightly—I might have to take that on notice because I need to go back to my file.

Senator BRANDIS—Ms Golightly, how many professional staff does Clayton Utz have retained for this task, do you know?

Ms Golightly—I could not give you an exact answer without checking with them, Senator.

Senator BRANDIS—Roughly.

Ms Golightly—I know roughly there were, I think, two or three—around that figure.

Senator BRANDIS—Is that at partner level?

Ms Golightly—Certainly.

Senator BRANDIS—Thank you.

Senator CASH—You said there were a number of milestones in relation to the probity process. Each time Clayton Utz signed off—so on 16 March, 1 April and May—did the process itself change at all? If so, how?

Ms Golightly—No, Senator. The sign-offs are on the arrangements about that particular milestone, except for the final report, which is a report on the entire process.

Senator CASH—In my questions earlier, I asked you if the same restrictions that had applied to the department applied to communications with other stakeholders—for example, NESAs. You said that NESAs were bound by the communications protocol.

Ms Golightly—I said NESAs had to sign confidentiality agreements and that the probity adviser attended most, if not all, the meetings.

Senator CASH—Attended most but not all?

Ms Golightly—I said if not all.

Senator CASH—Can you provide a list of those meetings that the probity adviser did attend and those which the person did not?

Ms Golightly—I will see what we can do, Senator.

Senator CASH—Thank you. During the tender process itself, in any discussion between the minister for employment participation and an employment service provider, can you explain the protocol as it applies to the minister?

Ms Golightly—The tender in its entirety is, of course, a confidential piece of work. It was, of course, being conducted at arm's length from the minister. So the minister did have a probity briefing and was aware that anything to do with the tender could not be discussed.

Senator CASH—So the minister did have a probity briefing?

Ms Golightly—I believe so.

Senator CASH—When did that briefing occur? Can you find out?

Ms Golightly—Just before the tender started.

Senator CASH—Could you also find out who actually briefed the minister?

Ms Golightly—I believe, but I will check, that it was Clayton Utz.

Senator CASH—Clayton Utz?

Ms Golightly—But I will check that.

Senator CASH—Again, could you just explain to me what the actual protocol that applies to the minister is. Is it the same protocol that applies to the department as applies to the minister?

Ms Golightly—I would just need to check. There are rules, if you like, that everybody has to abide by. Whether it is exactly the same, can I just check?

Senator CASH—Yes, absolutely.

Ms Golightly—I will check and come back on that for you.

Senator CASH—In terms of the briefing, was the minister made aware of when the probity period would end?

Ms Golightly—Yes, Senator.

Senator CASH—So what would he have been told?

Ms Golightly—Well, because the probity period has not actually ended, it does not end until the debriefs finish.

Senator CASH—So he would have known that there is an ongoing—

Ms Golightly—Even beyond that, we do not discuss particular matters with other tenderers. That is throughout the life of the contract.

Senator CASH—Let us follow that through, then. Can you explain to me what matters are appropriate to be discussed between the relevant minister and an employment service provider during a tender process? In fact, let us talk about this particular tender process.

Ms Golightly—Of course, the minister would not be able to discuss anything that would mean that a particular tenderer had more information than others. That is the same as for the department. That is why if there are any questions or specific queries made on behalf of or by particular tenderers, we put all of them up on the website with the answers so that everybody can see. It is also why, for example, when the department does public briefings and roadshows et cetera, all of that is open to the public and put up on the website. So the bottom line is that no one tenderer gets more information than another.

Senator CASH—Excuse my ignorance, but it would be inappropriate for the minister, or it would be in breach of the communications protocol, for the minister to discuss with a potential provider the type of business they might be going to get under a tender?

Ms Golightly—Yes.

Senator CASH—During the tender process, at what time was it appropriate for the minister and his staff to be in contact with providers regarding the tender process?

Ms Golightly—In terms of the results, of course once the department had made its final decisions.

Senator CASH—And when was that? These questions are very important in terms of times and dates.

Ms Golightly—Yes, certainly they are, Senator. In terms of the preferred tenderer advice, the minister was briefed at a high level, I think on 5 March after we had made our decisions on that. The notices went out, I think, on 16 March. In terms of the final announcement, the department finalised its decision making on 31 March. The minister announced the overall results on 1 April. The department advised individual tenderers on 2 April.

Senator CASH—But in terms of the ongoing probity period, how does that reflect on the minister actually having discussions with individual employment service providers in relation to the tender process?

Senator Ludwig—Is that during or after?

Senator CASH—That is after 2 April.

Ms Golightly—The minister—of course, anybody in the department as well—can talk about how the process was conducted. But in terms of the results, as I think I have mentioned a couple of times, we cannot discuss the results of other tenderers. We can only discuss with the tenderer their results, not other tenderers' results.

Senator CASH—Would it be inappropriate for a provider to make contact with the minister to lobby for additional business allocation in between the period of 31 March and 2 April?

Ms Golightly—Providers can contact anybody any time they like. I think the answer is what happens as a result of the contact.

Senator CASH—If a decision were changed as a result of potential representations and an additional business allocation were given, would that be wrong?

Ms Paul—There were no decisions changed as a result of representations. We can absolutely assure you of that.

Senator CASH—Sorry, what was that?

Ms Paul—There were no decisions changed as a result of representations. We can assure you of that. Probity was with the team all the time. The probity report goes to that too. So representations can be made. Representations can be noted. Representations are not acted on by the team.

Senator CASH—So what you are saying is that throughout this process there was nothing inappropriate in terms of additional business being given or business being changed during that period 31 March to 2 April?

Ms Paul—Correct.

Senator CASH—Have any providers prepared any papers for the department regarding the tender process?

Ms Golightly—Yes. I think we got a number of letters to the probity and other hotlines. Again, providers raise queries with us all the time.

Senator CASH—Briefing papers as such, or did you refer to letters?

Ms Golightly—It depends on the time period you are talking about too, Senator. Of course, the design of the tender was part of the consultations that occurred all throughout last year from January right through to the release of the RFT. Then once the RFT is out there, providers are able to write to us, to email us and to ring us up and ask questions and submit views, that sort of thing.

Senator CASH—Has the department received a paper that makes suggestions as to how the tender process could be improved?

Ms Golightly—Personally, I am not aware of one, but there could have been.

Senator CASH—Perhaps you could take that question on notice in relation to any papers the department has received from providers commenting on the tender process in terms of potential improvements for the process.

Ms Golightly—Yes.

Senator CASH—In the outer west Sydney ESA, encompassing Penrith, were there any changes to business allocation from the original recommendations—being what the tender panel recommended and was signed off on?

Ms Golightly—The tender review committee signs off on the final results, so there have been no changes since then, no.

Senator CASH—So my understanding is there are seven ESAs in Penrith or seven sites in Penrith?

Ms Golightly—In Penrith itself, I would have to check, Senator. In every ESA, there will be more than seven sites.

Senator CASH—Could you check for me or provide information as to whether any of these were additional sites, which is what we talked about before lunch, in terms of the additional providers being brought on?

Ms Golightly—Yes. There is a difference between sites and a provider.

Senator CASH—Sorry. My terminology is not as on the ball as yours.

Ms Golightly—Senator, when convenient I have the answer to the communications question you had.

Senator CASH—What was that question?

Ms Golightly—You asked, I think just before lunch, about whether there was money available for communications.

Senator CASH—Was my question about how much the government would be spending on advertising? Was that the question?

Ms Golightly—Yes, that may have been it.

CHAIR—You give us the answer and we will make up the question.

Senator CASH—Thank you. I will make up the question.

Senator Ludwig—We will give you the answer from the last one.

Ms Golightly—On page 172 of Budget Paper No. 2, there is the measure. It totals \$15.8 million over two years for a national communications campaign.

Ms Paul—To advise job seekers about the change to the new model et cetera, so part of the transition.

Senator CASH—I will move now to the transition process itself. Can the department confirm that it has issued a directive to Centrelink that job seekers will not be referred to a non-ongoing employment services provider after 1 May 2009?

Ms Golightly—That is part of the transition plans. To minimise disruption to job seekers after that date—I will do it in the positive—they would be referred to providers that are ongoing, wherever possible.

Senator CASH—I will go back to my question. Has the department issued a directive to Centrelink in those terms?

Ms Golightly—It is more than just that. That is a decision of transition, and Centrelink is part of implementing that.

Senator CASH—Could you table any appropriate papers in relation to that particular directive?

Ms Golightly—It is more an issue that it is a transition decision that that is what will happen. We advise Centrelink of that, as we do advise providers.

Senator CASH—How do you advise them?

Ms Golightly—I will have to check. I am not sure if we wrote to them or built it into our systems design. I would have to check.

Senator CASH—Could you take that on notice to go and check how Centrelink was communicated with to actually provide that particular communication?

Ms Golightly—Yes.

Senator CASH—Thank you. During the transition process, how many new job seekers have been serviced outside the employment services area in which they live?

Ms Caldwell—There are no special transition arrangements regarding the servicing of job seekers out of area. We have a number of job seekers who are permitted to be serviced out of area typically because they are with specialist services. That is not changed by the transition.

Senator CASH—So if you look at the transition guidelines, they state that job seekers will not be referred to non-ongoing providers after 1 May. If an employment service area has had no ongoing providers, where will job seekers be referred to?

Ms Golightly—I think I mentioned that they would be referred to ongoing providers, wherever possible.

Senator CASH—Outside their—

Ms Golightly—No. This is within their ESA.

Senator CASH—When you say ‘where possible’, what is going to happen where it is not possible?

Ms Golightly—If there is not an ongoing provider, then the referrals will continue to be directed towards the providers that are there, even if they are exiting. If I put it in the reverse, maybe that will be simpler. I will use an example. If they are in a particular ESA, there are continuing providers and exiting providers. New job seekers in that ESA coming in will be referred to the continuing provider unless they become full, in which case they can go to the exiting provider.

Senator CASH—Will there be any cases where there is no continuing provider in a particular area?

Ms Golightly—Yes. That is another example, in which case the job seekers would continue to be referred to the providers that are there, even if they are finishing up on 30 June.

Senator CASH—If they are finishing up on 30 June, what incentive is there for these people to actually meet with the job seeker if they know that they are not getting any business after 30 June?

Ms Golightly—Actually, there is quite a lot of incentive, because the payments under the current contract, which of course runs until 30 June, are all based on the provider commencing new job seekers, pushing them through into training, using the job seeker account, and perhaps even getting them a job placement. So all of the payments are triggered by them actually servicing the job seeker. That is an example in Job Network. For programs such as Work for the Dole, they can, of course, commence projects all the way up until the

last working day in June, which I think is the 26th or 27th. Those projects run for six months. So the current contracts have lots of incentives in them to keep servicing if they so choose.

Senator CASH—If there is no ongoing provider in a particular ESA, is the job seeker able to get an exemption from participation until 1 July?

Ms Golightly—No.

Senator CASH—What actually happens?

Ms Golightly—They will be referred to the providers that do exist in that ESA and will be serviced by those providers.

Senator CASH—What proportion of job seekers will be required to change employment services provider during the transition to Job Services Australia?

Ms Golightly—I think I mentioned before lunch, Senator, that our initial estimate—this changes all the time, of course, because new job seekers come in each week—were about 47 or 48 per cent, which compares to about 82 per cent for a comparable transition previously.

Senator CASH—So that is during the transition to Job Services Australia?

Ms Golightly—Yes.

Senator CASH—Of these, how many will be required to change employment service providers on 1 July?

Ms Golightly—Sorry, I do not distinguish. The transition is to 1 July.

Senator CASH—So that is the figures for those, is it?

Ms Golightly—Yes. We do expect that that estimate may change for a couple of reasons. As I said, there are new job seekers coming in. But also the fact of referring new job seekers to continuing providers means less change actually on 1 July.

Senator CASH—Absolutely. But you do anticipate some change on 1 July?

Ms Golightly—Well, all of this is about 1 July, yes.

Senator CASH—But is that not going to be disruptive to the job seekers—that they are with one person and then they have to go to another person?

Ms Golightly—It is less disruptive than making them go to exiting providers now. We are minimising it by referring new job seekers to continuing providers so in fact they do not have to change on 1 July.

Senator CASH—Of the transitioning job seekers, how many will be transitioning from a PSP or JPET provider to a new services provider?

Ms Golightly—I do not think we would have those sort of breakdowns here, Senator.

Senator CASH—Could you take that on notice? How will job seekers be classified during the transition process? Will they be classified against the current Job Network job-seeker model or in accordance with the streaming requirements for Job Services Australia?

Ms Golightly—If they are transferred before 1 July, then of course the current arrangements are in place. From 1 July, the new arrangements come into force.

Senator CASH—So can you tell me just what the transition process is?

Ms Golightly—Yes. Up until 30 June, the seven existing programs still operate. So the referral systems through Centrelink or JCAs et cetera operate as they have done for the last three years with the current seven programs. From 1 July, when all of those are rolled into one, job seekers will be referred to a provider under those new arrangements.

Senator CASH—Have all of the new employment services contracts been sent out?

Ms Golightly—Yes.

Senator CASH—As at what date were they all sent out?

Ms Golightly—They were sent out on 9 April.

Senator CASH—Will the department collect all paper records and files from non-ongoing providers, or will the non-ongoing providers be responsible for archiving those files?

Ms Golightly—The current contract requires all of those files to be returned.

Senator CASH—And what is the procedure that is put in place to ensure that they are returned?

Ms Golightly—I am just checking that for you. Once they are returned we are responsible for the archiving of those records.

Senator CASH—The department is responsible for the archiving. And you are going to find out for me what the process is to ensure that all of the files are returned?

Ms Golightly—Yes. As I said, it is a contract requirement that they are all returned. Of course, we know the providers that are closing and so we can keep tabs.

Senator CASH—I am just wondering what the incentive is, though, for them to actually ensure they are returned. You are not giving them work after 30 June.

Ms Golightly—There is the substantial cost of having to store records that they do not actually need. We have all of our contract management staff in the states tracing that up weekly.

Senator CASH—How many job seekers does the department expect to transition to Job Services Australia on 1 July 2009?

Ms Golightly—We have, as I said, made some estimates. We will not really know until 1 July.

Senator CASH—Estimates for the time being?

Ms Golightly—The estimate that we made in April was around 47 or 48 per cent for transition.

Senator CASH—Can you convert that to an actual number for me? You are saying 47 to 48 per cent of the current caseload?

Ms Golightly—Yes.

Senator CASH—Can you convert that to a number?

Ms Golightly—I believe it is around 320,000.

Senator CASH—If a provider hands back business once the contract commences, how would the department go about retendering that business?

Ms Golightly—The contract allows for what we call gap filling. Basically, the Commonwealth's procurement guidelines would come into play and we would have to look at what was the right process for the amount of business that was involved, whether there were other providers in a position to take that business or, indeed, whether we had to, for reasons of value for money and job-seeker servicing, need to go further afield. They are the sorts of considerations that are taken into account. Those processes are the same—I think they remain unchanged from the current contract.

Senator CASH—Given that the budget now forecasts Job Services Australia to cost around \$4.9 billion over the three-year term of the contract, how many additional job seekers are expected to use Job Services Australia over the course of the contract?

Ms Paul—I think Mr Carters went to that earlier, Senator, which is that there is a whole bunch of different components to that. Ultimately, we take some estimates from Treasury. I do not know what they are. But the parameters are actually set by Treasury, not by us.

Senator CASH—Does Mr Carters want to contribute in relation to that question at all?

Mr Carters—We will have to take it on notice, Senator. Because they are Treasury parameters, there may be some issues with what is provided.

Senator CASH—In terms of your department, though, would you not have a general idea as to how many additional people are going to be using your department's services?

Ms Paul—Not precisely because, of course, it changes. It is changing significantly and quite rapidly at the moment. But we will take on notice—

Senator CASH—And you will provide the information?

Ms Paul—Yes.

Mr Carters—Just as a rule of thumb, Treasury have predicted that, for example, by the June quarter 2010, the unemployment rate will be about 8¼ per cent. So that will be taken into account. As I said, a rule of thumb is that for a one percentage point increase in the unemployment rate, it might be about 110,000 people.

Senator CASH—Ms Paul, you said that the figures are changing quite rapidly. Is that changing up or changing down?

Ms Paul—Actually the unemployment rate has gone in both directions recently, which is interesting.

Senator CASH—But in terms of the forecast in the future?

Ms Paul—In terms of the forecast, it is just that it is changeable. So at any point each month there has been some significant sort of change. It has gone in both directions recently. Of course, according to the Treasury forecasts, the Treasury forecast is up, as everyone knows, between now and when they are predicting for that quarter in 2010. That has been in all the various documents.

Senator CASH—Can the department provide an estimated caseload for 1 July 2009?

Ms Golightly—What we are doing for providers that we have not done before—so it is an improvement this time around—is that they got their caseload figures as early as May. They are getting weekly updates on those caseloads.

Senator CASH—Can you provide me with the estimated caseload for 1 July 2009?

Ms Golightly—No. I do not think we have estimated the caseload as at that date. We are providing weekly updates to providers. So I can give you—

Senator CASH—If you could provide the weekly updates. When did you start providing those updates?

Ms Golightly—They got their first caseload information in the week commencing 4 May, I think. I think it might have been actually 6 May they got it, but it was in that week. They have been getting weekly updates since then.

Senator CASH—Are you able to provide the committee with those weekly updates?

Ms Golightly—I will take that on notice, Senator.

Senator CASH—Are you also able to provide an estimated breakdown of expected numbers by stream of the caseload on 1 July 2009?

Ms Golightly—Not in terms of the estimates but certainly the weekly reports—

Senator CASH—If you could do the same then with the weekly updates.

Ms Golightly—are done by stream.

Senator CASH—Could you also table that information? Thank you. What is the estimated caseload for 1 July 2010?

Ms Golightly—That goes to the answer that Mr Carter and Ms Paul gave you a minute ago, Senator.

Senator CASH—Mr Carters, what did you say unemployment is forecast to be?

Mr Carters—Eight and a quarter per cent.

Senator CASH—Can the department provide a copy of the revised streams for job seekers? Are you revising the streams for job seekers? You have stream 1 to stream 4, but changes have been made in terms of who can go into the streams?

Ms Golightly—In terms of the newly retrenched workers, there was a change announced in February, yes.

Senator CASH—Are you able to provide that information?

Ms Golightly—We can provide you with information on what the change was, yes. Basically, anybody who has lost their job as a result of the economic situation is eligible for immediate access to stream 2 whereas before they may have gone, depending on their level of disadvantage, into stream 1. But that announcement made an automatic entry for them into stream 2, which is a higher level of assistance for them. But it also means that providers have higher outcome payments and a greater incentive, of course, to work with them.

Senator CASH—In terms of documentation on the revised streams, are you able to table the copies of the revised streams?

Ms Golightly—Yes. There was that one.

Senator CASH—So you are happy to table that one?

Ms Golightly—Yes.

Senator CASH—A lot of this will probably go on notice unless you have the information. What is the forecast cost per employment outcome for stream 1 job seekers, stream 2 job seekers, stream 3 job seekers and stream 4 job seekers?

Ms Golightly—Senator, we might have that.

Senator CASH—I am also going to ask what proportion of funding will be allocated for job seekers in stream 1, stream 2, stream 3 and stream 4.

Ms Golightly—In terms of the cost per outcome, there is information on page 143 of this year's portfolio budget statement. And your second question, Senator, was?

Senator CASH—What proportion of funding will be allocated for job seekers in stream 1, stream 2, stream 3 and stream 4?

Ms Golightly—Estimates of that were published with the RFT on our website. We can get you a copy of those.

Senator CASH—Thank you very much. Just in relation to the 8¼ per cent unemployment figure, is the additional \$1 billion expenditure for Job Services Australia calculated on that figure?

Mr Carters—That is part of the calculation, Senator.

Senator CASH—Can you explain that in a bit more detail for me. What is the whole calculation?

Ms Kidd—I think Mr Carters covered some of this material earlier. Probably about \$600 million-odd to \$700 million is due to changes in the unemployment rate or the additional flow from those changes. We had between \$170 million to \$200 million due to changes in NEIS and in the order of \$260 million for early access to retrenched workers. There are various other small measures that make up the difference.

Senator CASH—And if unemployment exceeds the figure stated by Mr Carters, will additional money be required?

Mr Carters—Yes, Senator. There will be recalculations undertaken if Treasury review their forecasts and change them, and that could be up or down.

Senator CASH—Unfortunately, the trend is up, but we will not go there. Under Job Services Australia, what proportion of funding is forecast to be paid in outcome fees?

Mr Carters—Did you say ‘what proportion’, Senator?

Senator CASH—What proportion of funding is forecast to be paid in outcome fees? What proportion of funding is forecast to be paid in service fees?

Mr Carters—We will need to take that on notice, Senator.

Ms Golightly—I should also just clarify. You were asking before, I think, about the proportion of funding for streams 1, 2, 3 and 4. I mentioned we did some estimates and had them on the website of the RFT. The estimates that we did were of the flow of job seekers into each of the streams, so not the funding itself. But we can provide you with those estimates.

Senator CASH—In relation to what is the forecast cost per employment outcome for streams 1, 2, 3 and 4, would there be any differentiation between the cost per employment outcome?

Ms Golightly—There could be because, of course, the cost of outcomes is the result of a number of factors. Given that stream 4 is our highest investment stream, if you like, it may be that the cost per outcome is higher and there are difficulties faced by those job seekers. But if their outcomes are higher than we expect, then the cost per outcome will be lower. So it is a combination of the two things.

Senator CASH—So would you expect, say, stream 1 and stream 3 to have the same cost per employment outcome?

Ms Golightly—Yes. I think our figures on page 143 of the PBS show that we project the cost per outcome of streams 1 to 3 to be the same and a higher cost per outcome for stream 4.

Senator CASH—If stream 1 is the most job ready and stream 3 is obviously heading towards not being job ready but not quite stream 4, why is it the same cost per employment outcome?

Ms Mercer—I think your question was: why we have one cost for streams 1 to 3?

Senator CASH—Correct. I would have expected a difference based on the fact that stream 1 is job ready and stream 3 is heading towards being fundamentally not job ready. Why is there the same figure and you do not see more in stream 3 than you do in stream 1?

Ms Mercer—At the moment, because we are moving into a new model—this is the information available to us at this point—the calculations are based on putting streams 1 and 3 together. We recognise that there is clearly a considerable difference between streams 1, 2 and 3. We will record the outcomes in our quarterly reports for each of the streams. As we redevelop our model, we will be able to ask in the next PBS: are we able to distinguish between streams 1, 2 and 3? But we are having to look at the past and then come to the future. We cannot just carry forward the two categories that used to exist under the previous model. The streams are very different, although there are characteristics that are similar, as you were saying. Job search will be available across streams 1 to 3.

Mr Carters—What it boils down to is that, rather than making a prediction about a differential cost per outcome for streams 1, 2 and 3—we really do not have sufficient evidence to be able to do that—we have used the \$4,000 on the basis that that is about the level where the cost per employment outcome exists now for the Job Network. So we have just run that through for streams 1 to 3 because they are the categories of job seekers who are currently in the Job Network. For stream 4, obviously, they are the people with non-vocational as well as vocational disadvantage, so they need to have a much higher cost per employment outcome.

Senator CASH—Really, it is quite a basic forecast that is subject to change as you go forward?

Mr Carters—Yes. It is just an initial performance indicator that we are putting in the first PBS that we have had for the new model. It is there before we even start the model, so it will change.

Senator CASH—I suppose my concern is this: did you not undertake comprehensive modelling to work out exactly what the cost per employment outcome would actually be for each stream? I just find it quite bizarre that stream 1, stream 2 and stream 3 are all \$4,000. Are you underservicing one and overservicing another?

Mr Carters—We are not servicing any of them, Senator. I have explained why we have put that in here. In terms of what will be reality and what the cost per employment outcome will be, yes, it will definitely vary between streams 1, 2 and 3. But for the purposes of the performance indicator here, we have just left it at the level that it has traditionally been at, which is the \$4,000.

Senator CASH—When did you expect that any changes might be made to those forecasts?

Mr Carters—Well, we really will not know in sufficient detail and sufficient numbers for at least six to nine months—probably 12 months, preferably.

Ms Mercer—Senator, perhaps I should point out that we have always used the same figure. The figure that Mr Carters referred to for the previous active participation model was one figure also, even though there were different categories within that.

Ms Golightly—Of course, this is different to what the provider is paid. They are paid according to the schedule and the contract.

Senator CASH—I turn now to the streaming process. How will job seekers be streamed into the four streams?

Ms Golightly—The main gateway is, of course, Centrelink, as it always has been. Centrelink will administer the JSCI, which we talked about earlier. That will determine which stream is the right stream for the job seeker. The JSCI could trigger the need for a further assessment—a job capacity assessment. That will need to be done for anybody going into stream 4.

Senator CASH—Do you have the figures surrounding what proportion of job seekers will be in stream 1, stream 2, stream 3 and stream 4?

Ms Golightly—They are the estimates that I was referring to that we published at the time of the RFT. We can get those for you.

Senator CASH—Will all job seekers be required to undergo a job capacity assessment?

Ms Golightly—No, Senator. All job seekers are required to do a JSCI. That may trigger the need for a further, more in-depth assessment, being the job capacity assessment.

Senator CASH—What would the trigger be in terms of having to go on to the job capacity assessment?

Mr Carters—I mentioned the 18 factors in the job seeker classification instrument. There may be four or five of those which we have identified as being the key triggers for determining whether someone should have a job capacity assessment. There are things like disability and personal factors. There are a few others that we can get for you. But that is the reason—yes.

Senator CASH—It would be good if you could actually table the one with the 18 factors. I know we have got one with the 15. Perhaps we could get one with the 18. Does it outline in there what the trigger is? Does it highlight the different areas?

Mr Carters—Yes.

Senator CASH—So it does. That is fine. Has the department streamed all transitioning job seekers ready for the 1 July start date of the Job Services Australia contract?

Ms Golightly—Any job seekers that are currently in service will have a JSCI to have got to where they are now. If their circumstances change between now and 1 July, or indeed any time after 1 July, that JSCI can be redone.

Senator CASH—In terms of the JSCI, is there a particular score that a person needs to get to be regarded as highly disadvantaged?

Ms Golightly—In the current system, yes.

Senator CASH—And going forward?

Mr Carters—No.

Senator CASH—Can you explain the difference to me.

Mr Carters—The reason is that in Job Services Australia there will be four streams and the JSCI will determine three streams. So you do not have the concept of high disadvantage anymore. You just have a concept of which stream people go into. In the current Job Network model, there is just a highly disadvantaged stream, which means you get assistance from day 1. Otherwise you are not highly disadvantaged and you have to wait before you get things like access to the job-seeker account and so on.

Senator CASH—What percentage of stream 1 to 3 job seekers who are still being serviced by a Job Services Australia provider after 12 months are expected to be restreamed into a higher stream service?

Ms Golightly—Again, we had estimates of that, I believe, on the website at the time of the RFT. We put the estimates up at the time we put the RFT out. So that information will be embedded in the information I have already taken on notice for you, Senator.

Senator CASH—Fantastic. Thank you very much. Mr Carters, could you explain this to me again. In terms of the Job Network, you get a score on the JSCI and that sends you into a particular stream?

Mr Carters—They are not streams. You are either highly disadvantaged or you are not highly disadvantaged.

Senator CASH—Under the new?

Mr Carters—Under the current one. Under the new one, the score that you get will decide whether you go into stream 1, stream 2 or stream 3 or if you need a JCA to consider you for stream 4.

Senator CASH—In the information that you are going to provide to the committee, will that actually show what score sends you off to what stream?

Mr Carters—Yes. That has been released already.

Senator CASH—What percentage of stream 1 to 3 job seekers who are still being serviced by a Job Services Australia provider after 12 months are expected to commence a Work for the Dole activity at this point?

Ms Golightly—There is a percentage in those same figures we are getting for you on the number that we expect might start work experience activities, one of which might be Work for the Dole.

Senator CASH—Again, will that be in the information?

Ms Golightly—We do not break it down into the various types of work experience activities, but there will be an estimate for work experience in them.

Senator CASH—If a person is restreamed, does this negate their need to undertake a work experience activity or Work for the Dole after 12 months? Do they start again?

Mr Carters—I can answer that. If there is a change to the stream because the JSCI indicates that they should be in a different stream—that is quite possible because there will be points allocated for when people become long-term unemployed under the new JSCI, so they will gain extra points by virtue of that—the rule is that if they do increase in a stream, it depends where they came from and which stream they go to in terms of where they start. For example, if they went to stream 4, they would start again.

Senator CASH—If they went the other way?

Mr Carters—They do not go the other way. You can only go up. You cannot go backwards. That is so the providers have an incentive to improve the circumstances of a job seeker without then losing out because they have dropped back a stream and they would get lower outcome rates and so on. The only limitation, I think, is that streams 2 and 3 get a

maximum of 18 months servicing, but the others will get the full 12 months before they go into work experience.

Senator CASH—Could you have a situation where someone goes from stream 1 to stream 2 to stream 3 over a period of three years and does not actually have to undertake a work experience activity so they are continually restreamed?

Ms Golightly—I think this is another issue we need to get clear. People can do work experience activities at any point if that is what they and their provider negotiate is the best thing for them.

Senator CASH—Let us work on the basis that they do not. Is there that possibility that someone could be restreamed three times and not actually undertake a work experience activity?

Ms Golightly—It is possible if their level of disadvantage is increasing that much. Their participation requirements, therefore, would be to be undertaking interventions assigned to them in their employment pathway plan.

Senator CASH—There is nothing to prevent that from happening?

Ms Paul—It would be unusual. There would have to be particular life events on their part which meant that they had faced new barriers and so on. One of the big differences between the new model and the current model is this capacity to get the assistance that you need at any point, including work experience, whereas the current model has all these waiting periods. It is more a sequencing sort of model. So you can envisage the policy reform as moving from a sequenced kind of time waiting type model to a streamed immediate service according to need model. So while what you say could be, it is quite theoretical.

Senator CASH—But it could happen. That is the point.

Ms Paul—I would not expect it to work that way.

Senator CASH—But it could happen.

Ms Paul—I think we have answered the question.

Senator CASH—What percentage of stream 1 to 3 job seekers who are still being serviced by a Job Services Australia provider after 12 months are expected to commence a work experience activity at this point? That builds on from the Work for the Dole activity.

Ms Golightly—The figures I think we talked about were about work experience. They are not broken down into Work for the Dole. Work for the Dole is only one of many work experience activities. We have estimates at the work experience level, not below.

Senator CASH—I was going to ask the same question about those expected to commence educational training at this point.

Ms Golightly—Job seekers can commence educational training at any point. In fact, skills acquisition is going to be a fairly key part of their employment pathway plan. So they might be commencing educational training from day 1 of stream 2, for example.

Senator CASH—I turn specifically to stream 1. Given that newly redundant workers may now be eligible for stream 2 services, how does this decision affect the department's modelling that indicated that 61 per cent of job seekers would be serviced in stream 1?

Mr Carters—Senator, the 61 per cent of job seekers is only the flow of new job seekers into the stream. The figure that we have produced in our RFT takes into account that there is also movement between streams. It is not just the new flow. The stream 1 figure is 53 per cent, not 61 per cent. That is the average across the three years. In terms of what impact moving the redundant workers into stream 2 will have, we have not actually recalculated that in terms of the percentage difference—

Senator CASH—So it is just that you have not modelled those changes yet?

Mr Carters—We have been working on it, but we have not released anything.

Senator CASH—When do you expect the final figures to be available?

Mr Carters—It is a matter of whether we actually do that or 1 July will be here anyway.

Senator CASH—I thought you said you were doing it.

Mr Carters—Yes. But it is whether we need to release figures or whether the process that Ms Golightly has been talking about, where real weekly transition figures are being released, is a better way of doing it than us coming up with an estimate.

Senator CASH—How many job seekers are expected to be transitioned to Job Services Australia classified as stream 1?

Ms Golightly—Again, we have the estimates up there for the RFT and the weekly reports that the providers are getting, which give the actual figures. That is for each of the streams.

Senator CASH—What is the expected average time between commencement in employment services and an employment outcome for a stream 1 job seeker?

Mr Carters—It is not completely clear what you mean by that, Senator. Are you suggesting an average outcome duration, because the change is very individual?

Senator CASH—What is the average? If I go into stream 1, how long is it before I get an employment outcome?

Senator Ludwig—I suspect if it were you, very quickly, Senator.

Senator CASH—Because you would not want me in the service!

Ms Paul—We may have to take it on notice.

Mr Carters—The figure that we produced, which is the same one we have been talking about through here—I am just looking at that now—suggests that for stream 1 we are saying that there will be 34 per cent remaining in the stream at the review point, which is after 12 months. So that suggests that at that time 66 per cent would have an outcome before then.

Senator CASH—Which was my next question. What percentage of these job seekers will be exiting to a job—proper employment?

Mr Carters—We would not have calculated that. This will be people who exit presumably because they have gone off income support. We do know that a very high majority of people that go off income support do go into a job, but we have not got a figure for stream 1 per se.

Senator CASH—Pardon my ignorance yet again. So how do you know what people are actually going off to get a job after they have been through this process?

Mr Carters—We do not know which ones will go off to get a job. All I am saying is that we know from previous surveys that a very high percentage of people who leave income support leave income support because they move into a job. That is part of our post program monitoring. It is part of our longitudinal surveys that were done in the past.

Senator CASH—Do you know what percentage of these particular job seekers in stream 1 are expected to exit to education?

Mr Carters—We do not have that here, Senator. We will take it on notice.

Senator CASH—Mr Carters, if I am correct, just to confirm your evidence, you said that 34 per cent were expected to remain in stream 1 after 12 months and 66 per cent would exit?

Mr Carters—That is correct.

Senator CASH—Stream 1 is the most job ready people?

Mr Carters—Yes.

Senator CASH—But you have 34 per cent remaining unemployed?

Mr Carters—Yes.

Senator CASH—How does that augur for streams 2, 3 and 4, then, if you have 34 per cent of those who are most job ready joining the ranks of the long-term unemployed?

Mr Carters—If you look at it the other way around, there is 66 per cent who go off and find employment, which is a very high percentage. We have also produced the figures for streams 2 and 3 in this document that is up on our website.

Ms Golightly—This is the one that we published at the time of the RFT that we said we would give you. But that is what Mr Carters is referring to.

Mr Carters—So it suggests that 40 per cent of stream 2 would be there after 12 months.

Senator CASH—Forty per cent, yes.

Mr Carters—And 75 per cent of stream 3.

Senator CASH—After 12 months will still be there?

Mr Carters—Yes. And 78 per cent of stream 4 after 12 months.

Ms Paul—Note that the people in streams 3 and 4 are the ones who have been in the other six programs. They might not have even been getting any employment outcomes at all. They may not have been connected to a Job Network member in the way that they will be under the JSA.

Senator CASH—I turn to stream 2 specifically. How many newly redundant job seekers does the department forecast will be eligible for stream 2 services in 2009-10 and 2010-11?

Mr Carters—I need to check this, but I think that the estimate of the number of redundant workers that would be able to access stream 2 is 175,000.

Senator CASH—Is that for 2009-10?

Mr Carters—No, that would have been over the whole duration.

Ms Paul—I will clarify, Senator. The estimates that went up for the RFT purpose were based on Job Network experience, so it is based on our experience with the Job Network over the current contract and before.

Senator CASH—Can you provide a further breakdown on notice in relation to 2009-10 and 2010-11?

Mr Carters—If we have that split, yes, we can.

Senator CASH—And how many additional hours of servicing will job seekers in stream 2 as opposed to stream 1 receive in the first three months?

Ms Golightly—Basically from stream 2 onwards, the provider is meant to be working intensively with the work seeker from day 1. We do not prescribe a set number of hours. We do say minimums that they need to meet with their job seekers. But the incentives are for them. There is money available to work with them from day 1 whereas in stream 1 the resources are more limited.

Senator CASH—This is financial resources?

Ms Golightly—Yes. And the level of funding, for example, that goes into the Employment Pathway Fund associated with that job seeker et cetera.

Mr Carters—We could answer that in the context of what the difference is in funding that we provide to providers rather than how many hours because it is up to the provider.

Senator CASH—That would be appreciated.

Mr Carters—So in the first 13 weeks, in stream 1, the service fee is \$63. In stream 2, the service fee is \$271. The other important one is the Employment Pathway Fund. I will give you that as well.

Ms Golightly—I think in stream 1, \$11 gets credited to the fund whereas in stream 2, \$550 gets credited.

Mr Carters—That is for non-remote, all those figures.

Ms Golightly—The RFT, which we have given you a copy of, has all of that in it on page 3.

Senator CASH—I will move now to performance management. In particular, in relation to the star ratings, the request for tender at clause 31.4 states that:

The department may, at its absolute discretion, publish the provider's performance ratings.

When it says 'at its absolute discretion', will performance ratings be published?

Ms Golightly—Yes, Senator.

Senator CASH—They will be? It is a bizarre way to put it. It is probably that people will be looking for it. It is a performance rating. So at your absolute discretion you will guarantee the fact that there will be a performance rating and it is actually going to be published?

Ms Golightly—Yes. Further to that, at the moment they are published every six months in the Job Network. We are discussing with the industry, of course, arrangements for the new services. We plan to publish them every six months. But we will provide providers with their star ratings on a quarterly basis. They do not get that now.

Senator CASH—That just goes up on the internet. If a job seeker is looking for a performance—

Ms Golightly—The six-monthly ones will.

Senator CASH—When do you think you will be able to first publish those? The contract starts on 1 July. When is the first time that you think you might have those performance ratings up?

Ms Golightly—Again, because these ratings are based on actual data—numbers of clients and numbers of jobs et cetera—we will have to wait until we have enough data to do a proper regressed analysis. So it will be as soon as we can get that.

Senator CASH—How long do you think that might take—six months, 12 months, 18 months?

Mr Carters—At least 12 months.

Senator CASH—So in the interim, what would a job seeker do if they were looking for a comparison for, say, a provider's performance rating? Accepting that the information is not there, what would they look for?

Ms Golightly—Certainly we know that job seekers are very keen on looking at location and ease of transport to and from their provider. But also, I think, job seekers do look for variety in activities et cetera offered, particularly in a work experience area. I am sure that will be important to them.

Ms Paul—Of course, we have just in effect raised the bar considerably by having a 100 per cent tender, which was highly competitive. So the quality of providers is very high, of course.

Senator CASH—What are the key performance indicators for providers under the Job Services Australia contract?

Ms Caldwell—The KPIs are listed in the request for tender document in part 2 of page 48 under the measurement of performance. There are three KPIs—efficiency, effectiveness and quality.

Senator CASH—What weighting is afforded to each one?

Ms Caldwell—The new rating system that is foreshadowed in the request for tender combines efficiency and effectiveness in a scored rating system, which is set out at page 49 of the RFT. So in essence, there are additional weights for getting jobs for people in higher, more

difficult streams. That is all detailed in the request for tender. The third KPI, which is about quality, is measured separately. It is not a scored integrated rating in that same way. The department has been working closely with industry on the development of the quality KPI as well as fleshing out the efficiency and effectiveness rating system as well.

Senator CASH—Can you explain to me the new benchmarking system?

Ms Caldwell—It is not a new benchmarking system per se. The request for tender foreshadows that consideration will be given in future to a benchmarking system, not for the current 2009-12 contract. There has been a thorough reworking of the ratings system, in particular to remove our former practice of rationing the number of ratings, a feature that was called fixed distribution and meant that the department set out in advance that only 5 per cent of performance could get a five-star rating in the past. This is after feedback through the discussion paper and an expert reference group, chaired by Professor Stephen Sedgwick, that was set up at that time by the minister. So that rationed approach of fixed distribution is being replaced by saying how much the results are above or below the average for performance, taking into account the nature of job seekers and the local labour market considerations.

Senator CASH—What would happen if a provider were to contest the rating that they are given under the new system? What if they say they do not agree with it?

Ms Golightly—Much the same as what happens when they do that now. We have a look at what their issue is and what evidence they might have for why they think it should be different or what we have not taken into account or whatever and we work it through with them. I do not think we have ever found one that needed a change.

Ms Caldwell—What will be different in the future rating system is that the new arrangements have been developed in close conjunction with industry. There has been some simplification of the factors and the approach. Removing that fixed distribution means that there is a truer congruence between saying, 'I was better than the average' or 'I was worse than the average'. So while we always take seriously any questions such as, 'Why is my rating as it is? Are you sure it is right?', we think it will be much more transparent and simpler to follow. Because we are doing both the mid-term regression—the three-monthly regressions—and have worked really closely with industry on better reporting tools, it should be much more clear to a provider why they got the score they got. There should be no surprises, and it will be not nearly as convoluted as the old system has been in the past.

Senator CASH—I turn to IT. Will EA3000 be the IT system that is used for Job Services Australia providers and department staff?

Mr Moore—We have actually renamed the system that will be providing support for Job Services Australia moving forward. It is called the employment services system, ESS. Whilst it is a new system, it is actually based on a lot of the technical underpinnings that supported the current EA3000 system.

Senator CASH—Can I get you to outline what improvements there are in the ESS.

Mr Moore—Certainly, Senator. First of all, I guess we have undertaken a very substantial consultation process with industry to shape the development of the system. That started 12

months ago, or in fact a little more than 12 months ago. We set up an industry advisory group that had members from the various peak bodies and an independent member from industry. We have worked through that IT advisory group to gather feedback from all of the providers on various aspects of the system. We started with some fairly basic questions about what they liked and disliked about the current system. As we sifted through that and understood how the make-up of the new model was being set through the tender process, we then got into more of the specifics around particular functions within the system. It is fair to say that we have substantially improved most of the aspects of the system. Key areas in the feedback from providers where I think we have made particular large gains are around caseload management and the information about individual job seekers, where we have created a much more flexible set of functionality that providers can use. They can basically tailor the screens. An individual can tailor the screens to their own way of working. They can save various views of the data for different functions they might be performing with their caseload. Consultants can focus on the job seekers that they are managing rather than have to sift through the whole caseload for a site.

Senator CASH—So, from that, is the new system compatible with the old system?

Mr Moore—I am not sure exactly what you mean, Senator.

Ms Golightly—In terms of providers being able to still talk in the same way they do with us IT-wise, yes. Obviously the new system has all the new parameters in it—the different payment regimes and the much more streamlined way of using EPS, for example. So all of that is different to the old EA3000.

Senator CASH—Can the new system talk to the old system?

Ms Golightly—Yes. All of the data in the old system that is needed for the new system will be there. Certainly for people who want to, for example, make claims and payments under the old system, we have got processes in place for them to be able to do that.

Senator CASH—Has the new system been rolled out yet?

Mr Moore—No, it has not, Senator. We do our migration into production in the last weekend of June for a start on 1 July. What has been rolled out today, as it happens, is a training version of the system. So that is like the sandpit, if you like, where they can actually go in and do the functions that they will be doing for real post 1 July, work through the training workbooks and so on that we have provided, again, that have been published over the weekend, and learn how to use the new system and how to run the business under these arrangements.

Senator CASH—So that is the training for the new system?

Mr Moore—Yes.

Senator CASH—When did that start?

Ms Golightly—The actual training started back in April. We have a three-phase training process. What Mr Moore was referring to is that phase 3 of the training was rolled out today, yes.

Senator CASH—Do providers get training on the new system?

Ms Golightly—This is for the providers.

Senator CASH—And obviously the departmental staff?

Ms Golightly—Yes.

Ms Paul—We have had some really good feedback, too, by the way. I have been bailed up by some providers saying how fantastic it has been and they are very grateful for the training and how much better the new system is, which is great.

Senator CASH—In terms of job seeker records transferring over from the old system to the new system, is it guaranteed that that can actually happen?

Mr Moore—Yes.

Ms Golightly—Yes.

Senator CASH—In terms of the hiccup in relation to the tender notification and the emails that went out, has that been looked at on the new system to ensure that that type of problem does not arise?

Ms Golightly—That was a general technology issue with email and websites. This is a very specific application and a very large one. It is a separate application.

Ms Paul—The problem with communication was with our Internet, our own departmental gateway, if you like. It was nothing to do with ESS or its predecessor.

Senator CASH—What IT records will new providers be able to access for job seekers who have transitioned from a non-continuing employment services provider?

Mr Moore—They will obviously have all of the basic information about the job seeker that Centrelink have created for us. They will have a history of any activities that the job seeker has done. They will have a history of job placements and so on that the job seeker has had. There is extra information if the job seeker is moving to a continuing provider or where the job seeker perhaps was with an organisation that has been swallowed up into the new provider, in which case they will see the activity agreements that are in place. Remember that activity agreements stay in place until an employment pathway plan has been negotiated between the job seeker and the provider. They will also see in that case any of the comments or other information that the provider has put into the system.

Senator CASH—And what was the total cost of developing the new system?

Mr Moore—I have to take that figure on notice. I actually have my figures for the full year but that includes some other activities, not just the development of ESS itself. So I would have to give you a breakdown of that. Remember, too, that some of the costs for the development of the new system are actually in the next financial year. But I can give you the breakdown by financial year.

Senator CASH—That would be appreciated. Just in terms of the records that can be viewed by the new providers, will they be able to see the diary appointments from the old provider?

Mr Moore—No. I do not think so.

Senator CASH—That leads me to this: what will they not be able to see that they can currently see?

Mr Moore—It is a matter of which activities were undertaken within the system that were, I guess, part of the commercial or intellectual property of the other provider. So our providers have always given us very clear advice that the comments and so on they record against the job seeker, whilst they are servicing them, are their property. They are very uncomfortable with the notion that that information might be shared with others. So whenever a job seeker has been transferred, including under the current arrangements, we do not pass that information over. It remains owned by the organisation that created it, if you like.

Senator CASH—If a job seeker were breached previously, would that be evident?

Mr Moore—Yes. The breach history is part of the historical record that is in the system.

Ms Golightly—Anything that is to do with the job seeker—

Senator CASH—Will be able to?

Ms Golightly—Will be able to. And the job seeker can ask for that information as well.

Senator CASH—And was the system developed internally?

Mr Moore—Yes, Senator.

Ms Golightly—Senator, something you mentioned there reminded me. The other thing that will be available in the IT system which is also an improvement is that from 15 June any Job Services Australia provider will be able to start making diary appointments for the future. So they do not have to wait until 1 July.

Senator CASH—I go back to work experience placements. My understanding is that, from page 144 of the PBS, only 1,500 job seekers undertook a work experience placement last financial year. Will not, then, the majority of work experience need to be Work for the Dole?

Ms Golightly—Senator, that was a completely different program. It was a very small, limited program which was about paid work experience. Yes, the figure you just read out is correct.

Senator CASH—The 1,500?

Ms Golightly—Yes. Work experience in the new system has a completely different meaning. It is part of the streamed services. It is a phase where the job seeker and the provider work out from a menu of activities what is best suited for the job seeker at that point. That menu of activities can be anything, such as Work for the Dole, Green Corps, paid work experience, unpaid work experience or training. It could be some sort of other intervention—perhaps some literacy and numeracy intervention or drug and alcohol intervention. It can be anything. The list is quite long. It is a much broader definition and quite different to this old program, which is finishing.

Senator CASH—So under the new system, in relation to work experience activities, will Work for the Dole still be the main activity?

Ms Golightly—We would expect that a significant number of people will still do Work for the Dole. But there is a much broader range of activities. Of course, the incentives are different for both the job seeker and the provider. So we do expect that, for example, training and accredited training—including through Work for the Dole, but other things as well—will also be quite a significant activity. There are placements for social enterprises. There is just quite a range.

Senator CASH—I turn to the job seeker account. What percentage of the job seeker account expenditure was spent on training for job seekers?

Ms Golightly—If you just bear with me for a second, we will get the right figures.

Senator CASH—In addition to that—I will give you the information—what has been the average expenditure per job seeker over the last 12 months?

Ms Caldwell—I have that information. I will just look it up. We have seen an increase in the incidence and value of training for job seekers since the government's measures on 24 February to bring forward the new Employment Pathway Fund arrangements to enable them to apply to the remaining period of job seeker account. For training expenses, the amount of job seeker account reimbursement for the 2008-09 financial year up to 30 April was 27.4 per cent of all job seeker account reimbursements. The average reimbursement per job seeker assisted with training was \$643. That is the financial year from 1 July. As I mentioned before, there has been an increase since February and into March and April in those figures. It was running a bit under that until the new Employment Pathway Fund arrangements were brought forward.

Senator CASH—I turn to the comprehensive compliance assessments. Will job seekers be referred to the comprehensive compliance assessment by the DEWR IT system?

Ms Golightly—I think it will be the Centrelink IT system that talks to ours. There are a number of ways that someone can have a comprehensive compliance assessment. Centrelink can refer somebody. Our providers can request one through our system to the Centrelink system. So it can happen both ways.

Senator CASH—What would be the time frame for job seekers to undergo a comprehensive compliance assessment?

Ms Pitt—Centrelink will undertake the comprehensive compliance assessments, so that will be an arrangement that Centrelink makes.

Senator CASH—Does the department have any input into that?

Ms Pitt—We are certainly working closely with Centrelink. Our expectation is that once a comprehensive compliance assessment is triggered, that will be undertaken as quickly as possible.

Senator CASH—When you say as quickly as possible, are there any parameters surrounding as quickly as possible?

Ms Pitt—Each Centrelink area will have different numbers of job seekers and different population cohorts. But our expectation is that, once a comprehensive compliance assessment

has actually been triggered, Centrelink will be in a position to undertake that assessment as quickly as they can.

Senator CASH—I will now move to the Job Network. Can you provide a breakdown by industry type of the job placements from the Job Network for the last 12 months?

Ms Golightly—I am not sure that we can do that by industry type. We might have it by state, that sort of a breakdown, but I do not think we do it by industry type.

Senator CASH—It was implied on 12 May that the Job Network was due in large part to job placements in the mining industry. That was the minister in parliament. Where would that information have come from?

Ms Golightly—I would need to check the actual statement and get back to you on that.

Senator CASH—In terms of the information that you can provide, can you look at whether or not you can provide a breakdown by industry type of job placement?

Ms Golightly—Yes, we will.

Senator CASH—If not, state by state.

Ms Golightly—Yes. I will see what we can do—if we can break it down in any way and provide that.

Senator CASH—In the last 12 months, how many job seekers in the Job Network have undertaken training courses?

Ms Golightly—How many job seekers? I am not sure we will have that here because we have the amount of money spent on the figures that Ms Caldwell just read out a while ago. But we can see if we have the number of job seekers.

Ms Caldwell—I can provide the number of job seekers who were assisted with training through the job seeker account. That would be a subset, however. There would be other job seekers who had done training perhaps in a productivity program place—PPP.

Senator CASH—That was my next question. The information that I am looking for is: in the last 12 months, how many job seekers in the Job Network have undertaken training courses? How many referrals have been made by Job Network members to date for job seekers to the productivity places program? How many successful employment outcomes have resulted from job seekers who have been referred to the productivity places program?

Ms Golightly—We will need to take all of that on notice, Senator.

Senator CASH—The labour market assistance outcomes for the year ending 2008 document provides a breakdown of positive outcomes, employment and/or education and training. Is it possible to provide a further breakdown of these figures indicating what percentage of outcomes were for employment or educational training for each of the programs listed on page 5 of the document?

Ms Golightly—Can you give us the name of the document again?

Senator CASH—The labour market assistance outcomes document for the year ending 2008.

Ms Mercer—This is our December quarterly report, which is published on our website. We have there on page 11, under employment outcomes, a breakdown between employment, education and positive outcomes.

Senator CASH—What page was that?

Ms Mercer—Page 11.

Senator CASH—That does indicate what percentage of the outcomes were for employment or educational training for each of the programs listed on page 5?

Ms Mercer—Yes, it does, for all the existing Job Network program. You are looking at page 5 under the positive outcomes. I think all those programs are covered, but we can just check that.

Senator CASH—Thank you. That would be appreciated. How many job seekers are still on the Personal Support Program waitlist?

Ms Golightly—We probably have that information here.

Senator CASH—When these job seekers transition to Job Services Australia, have these job seekers been advised that they can commence services earlier if they so request?

Mr Waslin—On 30 April, we had 26,447.

Senator CASH—That was 26,447 on the Personal Support Program waitlist?

Mr Waslin—Yes.

Senator CASH—When will they transition to Job Services Australia?

Ms Caldwell—That request for tender outlines different categories and timing. Some of the Personal Support Program clients transition directly on 1 July. Others have a later start date from that. For example—

Senator CASH—What page on the request are you looking at?

Ms Caldwell—I am looking at the allocation of transition participants, which is table 2.7 on page 55 of the request for tender. It indicates that there is an immediate start for most categories of Personal Support Program participants. There is a staged start for those currently on the waitlist—they will be drawn in progressively—and for those people who are on the PSP suspension list.

Ms Golightly—And I think the third part of your question was: can they start earlier if they request? Yes. And they can also start earlier if their provider wishes them to start earlier.

Senator CASH—And they have been informed of that?

Ms Golightly—Yes.

Senator CASH—And how were they informed of that?

Ms Caldwell—That is in the published information and in the published information to providers who are working with these clients at the moment. It is also information that is available to Centrelink and to our hotline. So if anyone has any queries about what is happening to them in the new world and they are concerned, they can raise those questions. In

the case of the Personal Support Program, the department is working with providers, if there is a change of provider, to sit down with the participant and their current provider and their new Job Services Australia provider to introduce them personally before 1 July. So there is a further opportunity for any questions they have at all, including that, to be answered.

Senator CASH—I turn now to the Job Placement, Employment and Training program. How many of these job seekers will be transitioning to Job Services Australia?

Ms Golightly—All of them will go to Job Services Australia.

Senator CASH—What is the current figure?

Ms Golightly—How many people are in that program currently?

Senator CASH—Yes.

Ms Golightly—Not all of them actually change provider, though.

Mr Waslin—The current caseload is 11,220.

Senator CASH—It is 11,220 currently on JPET?

Mr Waslin—Yes.

Senator CASH—I just need to understand, Ms Golightly. Not all of them will actually transition on 1 July?

Ms Golightly—All of them, I think, do transition on 1 July. The distinction I was making is that some may already be with their provider now.

Senator CASH—So none of them will actually have to wait?

Ms Golightly—No.

Senator CASH—They should all transition on 1 July?

Ms Golightly—That is right.

Senator CASH—Do they all transition into stream 4?

Mr Waslin—Yes. That is the expectation.

Senator CASH—That is the expectation?

Ms Golightly—Yes.

Senator CASH—So when you say that is the expectation, is that—

Mr Waslin—That is a fact.

Senator CASH—That is a guarantee.

Mr Waslin—It is guaranteed.

Ms Caldwell—I will just add to my response before. I have just confirmed that the individual letters that are going out to PSP clients do make a plain point of saying, 'If you want to start any time from 1 July, we'll send you a reminder letter closer to the time that your new provider will contact you, or from 1 July you can contact your provider to access services straightaway.'

Senator CASH—What was the date of that letter?

Ms Caldwell—They are the letters that have been sent out to 700,000 job seekers over the course of May. That included those on PSP.

Senator CASH—Thanks for that. I go back to the JPET. They will transition into stream 4. Does that include people who are currently on the JPET waitlist?

Mr Waslin—There is no JPET waitlist.

Senator CASH—We are on the downhill run. The Job Network credit for recruitment agency performance.

Ms Golightly—Sorry, Senator—Job Network?

Senator CASH—Credit for recruitment agency performance. Or should we just call it recruitment agency performance? Maybe that makes more—

Ms Golightly—Maybe, yes.

Senator CASH—I want to clarify one thing. If you are on the PSP waitlist, do you have any mutual obligations in relation to the previous set of questions? Is there a PSP waitlist?

Ms Golightly—There is a PSP waitlist. We are just checking the reports.

Senator CASH—I will ask this question to keep the proceedings moving: has the department been advised by either the minister's office or other sources that some current employment services providers are phoning recruitment agencies to ask for details of people who the recruitment agency has placed into employment, enabling them to claim placement outcome fees for job seekers who have in fact been placed in employment by the recruitment agency, and that in recent times this is becoming more prevalent? You have a recruitment agency placing someone and then a provider saying, 'What are the details? I am claiming the fee.'

Ms Golightly—I personally have not been told of that, but I can check whether we have received that sort of complaint from anybody.

Senator CASH—Has anybody else at the table received such a complaint?

Ms Caldwell—I am likewise totally unaware of a complaint of that nature. They would normally have passed my desk.

Senator CASH—Can you make inquiries as to whether or not that allegation has been made to the minister's office?

Ms Golightly—Certainly. We can check.

Mr Waslin—To return to your question on the PSP waitlist, you asked about their mutual obligation requirements. Because they are not entered into a program, they are not actually being overseen by an employment services provider.

Senator CASH—Because they are on the waitlist?

Mr Waslin—That is correct. Any activity that they might be required to do would be determined by Centrelink as their primary focus.

Senator CASH—I return to the recruitment agencies. Is there a process in place to ensure that when a recruitment agency does place someone in employment, the provider cannot claim that placement fee?

Ms Golightly—Certainly we have controls in place around all the sorts of payments that our providers claim from us and the evidence that they need to have. We have extensive monitoring processes in place through our contract managers to look at that. If from time to time various allegations are made, we then investigate the allegations at that time. We will check.

Senator CASH—In relation to the allegation I raise, the information I have is that it was reported to the minister's office and it was raised that someone was phoning and asking for these details and then claiming a placement fee. If you could follow that up, that would be appreciated.

Ms Golightly—Certainly, Senator.

Senator CASH—How many New Enterprise Incentive Scheme enterprises commenced between 30 June 2008 and 1 January 2009? I am going to ask you how that compares with the previous six-month period.

Ms Golightly—We will see what information we have here. Otherwise we will take it on notice, Senator.

Senator CASH—I will read out all of the questions, then, in case you come across the information whilst you are looking. How many New Enterprise Incentive Scheme businesses have gone out of business in the last 12 months? How many New Enterprise Incentive Scheme businesses has the department forecast will commence in the 2009-10 financial year? How many New Enterprise Incentive Scheme businesses does the department forecast will commence in the 2010-11 financial year? Of the current New Enterprise Incentive Scheme participants, how many are currently classified as long-term unemployed?

Ms Golightly—In terms of the first question, the numbers we have are the number of participants in NEIS for July to April.

Senator CASH—July?

Ms Golightly—July 2008 to April 2009. That totals 4,791.

Senator CASH—But in terms of the actual enterprises commencing between 30 June 2008 and 31 January 2009?

Ms Golightly—I would have to take that on notice.

Senator CASH—And in terms of the comparison with the previous six months?

Ms Golightly—In terms of forecasts—I will check this—I do not believe we actually forecast the number of businesses. It is part of the overall demand driven nature of the program. People in the new services, in Job Services Australia, will be referred to NEIS type activities if that is what is determined is the relevant activity for that person.

Senator CASH—In terms of NEIS businesses going out of business in the last 12 months?

Ms Golightly—I will check what we can find out on that. We do track, I think, more closely the number of people who have gone off income support as a result of being on NEIS. So that is probably the figure we will be able to get you.

Ms Pitt—That figure might include people who have gone to educational training or other employment.

Senator CASH—So in terms of the current figure—4,791 from July 2008 to April 2009—how many of those people are classified as long-term unemployed?

Ms Golightly—I have not got that here.

Senator CASH—Put that on the list as well. I take you back to the previous area in relation to the recruitment agency. If evidence were to come to light now about a provider who had been successful in the Job Services Australia contract and had in fact claimed a placement fee for someone they had not placed, what action would be taken?

Ms Golightly—Under the current contract and the future one, there are a number of remedies. Again, it would depend on the nature, extent and reason for such a thing happening. If it were an extensive breach of major parts of the contract requirements, of course the remedial action we take is much more serious than something which turned out to be perhaps more of a misunderstanding of the guidelines. So it really is tailored to the individual investigation and what evidence is found and what the reasons and extent of the breach are.

Senator CASH—In terms of someone claiming a placement fee for a person they did not place, where does that fit on the scale of indiscretion?

Ms Golightly—Certainly, if there were absolutely no evidence of any involvement in the placement of that person by the employment services provider, we would be concerned. If it were one out of 700,000 placements, the action taken would be in that context. If it were 99 per cent of those 700,000 placements, the action would be much, much more commensurate with that level of breach.

Senator CASH—I turn now to job capacity assessments. How many job capacity assessments does the department expect will be undertaken in the 2009-10 financial year and in the 2010-11 financial year?

Ms Golightly—I am not sure that we do estimates, but I will take that on notice. The reason I am not sure that we do, of course, is that it is part of our demand driven programs that if somebody needs a job capacity assessment they will have one. At the moment, job capacity assessments, up until 30 June, are still the responsibility of the Department of Human Services. So they may well have estimates. But that would be a question for them.

Senator CASH—Has a contract variation been entered into with each of the job capacity assessment providers due to a change in the administering departments?

Ms Golightly—It will be.

Senator CASH—When is that going to take place?

Ms Golightly—I think we are working closely with officials in the Department of Human Services to sort all of that out.

Senator CASH—Prior to?

Ms Golightly—Prior to 1 July.

Senator CASH—What is going to happen if it does not take place prior to 1 July?

Mr Waslin—Senator, what you are talking about is the fact that the current contracts expire at 30 June and that DHS is offering a contract extension for 12 months. We understand that they are working with the final version of that with their lawyers and they will issue that very shortly. But that is the responsibility of DHS at this stage, although we have material. It is interesting what they are doing.

Ms Golightly—We are working very closely with them because, of course, it will come to us on 1 July.

Senator CASH—Have any of the providers decided not to continue with providing job capacity assessments?

Ms Golightly—This department would not have that information at this stage. At this stage, it would still be with the Department of Human Services.

Senator CASH—Will all of that information be transitioning over to you?

Ms Golightly—Yes. It will be.

Senator CASH—When it comes to your department, will you be managing the contract with job capacity assessment providers from the national office or on a state-by-state basis?

Ms Golightly—A combination of both. For all of our employment service programs, we have a program area in the national office that oversees on a national basis. But the day-to-day delivery and liaison with all of our contract providers is done in each of our state and regional offices.

Senator CASH—Can you explain the transition process to me from the Department of Human Services to your department and whether or not any Department of Human Services staff will be coming over on secondment or permanently to your department?

Ms Golightly—Yes, Senator. It is a normal machinery of government change whereby the function in its entirety comes to this department. The normal process of staff following function will occur. So the DHS staff that have been working on this program will transfer to our portfolio.

Senator CASH—And how many are expected to transition?

Mr Waslin—We understand there are 14 or 15 people.

Senator CASH—And how many staff, when it transfers, does your department expect to have managing job capacity assessments?

Ms Golightly—It will be slightly less than that because we are able to take advantage of our national type arrangements. But I also understand that in the same budget there were additional measures for job capacity assessments. So we will need to work through with DHS what that additional work was.

Senator CASH—At this stage, though, you are expected to have the 14 or 15 staff. More staff or fewer staff?

Ms Golightly—The 14 or 15 will come over to this department.

Senator CASH—And they will manage the job capacity assessments when they come over?

Ms Golightly—Yes.

Senator CASH—In terms of the administration of job capacity assessments, is that undertaken nationally?

Ms Golightly—It is a combination of both.

Senator CASH—A combination again?

Ms Golightly—We will have a national program area, but day-to-day administration will be undertaken in the state regional offices.

Senator CASH—What is the government's estimate for the average duration on Youth Allowance (Other) from 1 July 2009? I have to say I am intrigued by Youth Allowance (Other).

Ms Paul—I will explain that. There is Youth Allowance (Student) and Youth Allowance (Other).

Senator CASH—If you are not studying full time, basically?

Ms Paul—Yes.

Senator CASH—I will read out all four questions, if you are looking for the information. What is the government's estimate for average duration on Youth Allowance (Other) from 1 July 2009? What percentage of youth allowance recipients is estimated to exit income support within three months from 1 July 2009? What percentage of youth allowance recipients is estimated to exit income support within 12 months from 1 July 2009? What proportion of youth allowance recipients is estimated to achieve an employment outcome from 1 July 2009?

Ms Golightly—The information we do have, which does not go to all of those questions, is on page 152 and 153 of our portfolio budget statements. That gives you the projected numbers on youth allowance.

Ms Paul—It is dollars.

Ms Golightly—It is dollars, yes. Then there is a table which talks about duration on page 153.

Senator CASH—So if I looked at what the government's estimate is for average duration on Youth Allowance (Other) from 1 July 2009, what would the table tell me?

Ms Golightly—We have estimates for this year, but we have not been able to provide estimates for future years because the recipient population is changing so dynamically that we have not been able to use our normal trend analysis to project forward reliably.

Senator CASH—Could you explain those figures? I do not have them in front of me. That is to see how they relate to the questions.

Ms Golightly—Yes. For the duration questions you had, on page 153 there is a table which gives that average duration on income support by the different types of payment, one of which is Youth Allowance (Other). That gives an estimate for the current financial year. But there is a footnote to the table which explains that we have not been able to provide estimates for forward years because the population is changing with the economic circumstances quite differently to our normal historic trend analysis. We have not yet got enough of a trend to be able to reliably project forward.

Senator CASH—When do you expect to have enough of a trend to be able to provide those additional figures?

Ms Golightly—It is probably a similar answer to the earlier similar question.

Ms Paul—Twelve months, I think.

Ms Golightly—Or probably 18 months, I would say.

Senator CASH—In relation to the other questions, were you able to look at forecasting estimations to exit income support within three months and 12 months?

Ms Golightly—Exit to employment or educational training are normally done by the type of program somebody is in rather than the type of payment that they are on. Someone has just pointed out to me that in fact we do have some. In the same table underneath the average duration, we have exits from income support for Newstart and Youth Allowance (Other). That is exits in a three-month period and a 12-month period.

Senator CASH—That is what I was looking for. Could you call that out for me, please.

Ms Golightly—Again, these are estimates for the current financial year. For the youth allowance, it is 33 per cent three months after receiving income support, and 12 months after is 78 per cent for youth allowance.

Senator CASH—In terms of the proportion of youth allowance recipients estimated to achieve an employment outcome from 1 July 2009?

Ms Golightly—Percentage receiving?

Senator CASH—Estimated to achieve an employment outcome.

Ms Golightly—The two breakdowns I just read out are the only information I have here.

Senator CASH—I go back to the 14 or 15 staff that are transitioning over from the Department of Human Services to your department. If the 14 or 15 staff are not needed to actually manage the job capacity assessments, what is going to happen to them?

Ms Golightly—Certainly there is plenty of other work going on in the department. With all of our staff, we would like to make sure that they are given opportunities in all of our high-priority areas which are desperately in need of staff.

Senator CASH—So they would be reassigned, in other words?

Ms Golightly—Yes. We have lots of expressions of interest and agility and mobility type programs where they can express an interest on where they might like to be.

Senator CASH—What are the key performance indicators to measure the elements of the jobs compact? I am also going to be asking: what are the expected employment outcomes from the jobs compact?

Ms Paul—In terms of the expected job outcomes, probably the best thing for us to do is to take it on notice and go through each of the components because there are quite a few components, some of which I described this morning, I think, in answer to some of your questions. There is a whole bunch of components to do with training places and productivity program places. There is apprenticeship componentry and so on. So, to try to get that clear, we should take that on notice and try to spell it out. In terms of performance indicators, I think Mr Carters is looking for that. I am not sure. We would like to take that on notice.

Senator CASH—Are there any performance indicators to measure the elements of the jobs compact?

Ms Paul—I am not sure if we have any in our PBS, but we will come back to you on notice on that question.

Senator CASH—Would you expect there to be some?

Ms Paul—Yes. Of course they will go to things like the employment outcomes, just as you ask in the second part of your question.

Senator CASH—How would the number of jobs created as a result of the jobs compact be measured?

Ms Paul—It could be in a number of ways. Because some of the componentry is about training, we may have to use some survey techniques. We may know that someone has done training, but we may not know the actual employment outcome unless we do some longitudinal or some post-training surveys. Some of the components will be much more direct, like the apprenticeship components. Some of them will be reports from state governments, actually. You might be aware—I think I mentioned it this morning—that one of the components of the compact for young Australians is a national partnership agreement worth \$100 million between the Commonwealth and the states. So some of the information will need to come from state governments too. Basically the story is that, once you put together the KPIs, which will be in the national partnership, with our measures of outcomes and so on and the other components, you will get an overall picture. But it is probably better at this stage, which is quite early, for us to come back on notice and try to give you a flavour of that in writing.

Senator CASH—So who at the table is responsible for the jobs compact?

Mr Carters—We are, Senator.

Senator CASH—Why did you not come here today with this information?

Mr Carters—I was just trying to clarify what you meant—whether you are talking about the component which is for the training side of it or whether it is just the jobs. When you talk

about the jobs compact, that is much broader. That includes the jobs fund and those components. In that context, we are certainly developing an evaluation strategy, which will look at things such as participation in each element of the compact, including the speed at which services are accessed and the take-up relative to the numbers eligible; outcomes such as sustainable employment and skills acquisition; type of infrastructure projects funded and the potential for these to have ongoing community benefit; and the cost of each element of the package relative to projected costs, participant numbers and participant outcomes.

Senator CASH—Where are you reading from?

Mr Carters—Just a brief that we have.

Senator CASH—Did you say you were developing these or they are developed?

Mr Carters—We are developing them because we are needing to consult with some of our other departments—Treasury, Finance and so on—before we can have something that we can release.

Senator CASH—When do you expect to have something?

Mr Carters—In terms of more detail? That will also be up to the minister. The evaluation report is expected to be prepared by June 2011.

Senator CASH—I might put some questions on notice in relation to the jobs compact. I turn now to the Disability Employment Network. I know we canvassed some of this morning, but bear with me. There might be one or two double-ups. When will the Disability Employment Network request for tender go out?

Ms Golightly—The exposure draft for the request for tender went out on 20 May.

Senator CASH—I have a copy here.

Ms Golightly—While a date has not actually been set, we would expect about August would be time for the RFT.

Senator CASH—My understanding is that there is a provision to extend the Disability Employment Network contract. However, the department claimed no such provision for the Job Network and other employment service contracts. Can I ask why?

Ms Golightly—It reflects the different stages of the contracts. In the Job Network contracts, the ability to extend had been exhausted. So the contracts themselves allowed for the ESC3 contract to be extended. It was entered into in 2003 and extended in 2006, so it will have been exhausted by the time we get to 30 June.

Senator CASH—And that is a natural provision of the contract, is it?

Ms Golightly—Sorry? What was that?

Senator CASH—So that is a natural provision of the Job Network contract that you can only extend it a certain number of times, and that has already been done?

Ms Golightly—And that has already been used and exhausted. So under the Commonwealth procurement guidelines, we were not allowed to extend it again because that clause had already been used and exhausted. Whereas in the disability one—

Senator CASH—The network contract?

Ms Golightly—Yes. The extension clause in there has yet to be exhausted. We still have the ability to extend. It is a newer contract. I think we entered into that in 2006. Part of it is governed by the Disability Services Act, which in itself introduces different requirements that were not available to us in the Job Network.

Senator CASH—Why has the department deemed it appropriate to use the star ratings to facilitate an invitation to treat high-performing Disability Employment Network providers as stream B? However, Job Network and other service providers were not entitled to an invitation to treat for their Job Services Australia contract? As such, high-performing providers have lost business.

Ms Golightly—There are a couple of things in that sentence I need to address. The answer as to why can we have an ITT in DEN and not in the Job Network is exactly the same. It is for the same reason that I just explained.

Senator CASH—The contractual provision again?

Ms Golightly—Yes. That is right. For example, in the Job Network, if there had been a clause that enabled us to extend, one way of extending may well have been to do an ITT. But we just did not have that option available to us. The extension clauses had been exhausted. So in DEN, where we do have an option of extending, the proposal in the exposure draft is that we do extend contracts for those providers who have already demonstrated that they are high-performing and demonstrated through the star ratings, for example. I stress that the proposal is being put to the industry and it is out for comment at the moment.

Ms Paul—The other thing to say about the Job Network is that Job Services Australia, of course, as we have discussed at quite some length today and previously, is a whole new model which rolls seven programs into one. It is a fundamental reform. Many of the providers under some of the non Job Network programs that made up that seven have not had access to star ratings and so on. So it is a whole different consideration in a policy sense. Ms Golightly has discussed that past performance was an important selection criterion in the Job Services Australia tender and how that was applied today. It is a different situation in DEN. We are not rolling seven programs into one and so on.

CHAIR—We will break now for afternoon tea.

Proceedings suspended from 3.44 pm to 4.04 pm

CHAIR—The committee will resume with questions in outcome 4.

Senator CASH—Returning to the Disability Employment Network, what percentage of Disability Employment Network capped provider sites are currently three-star or above?

Ms Golightly—I would need to take that on notice.

Mr Waslin—We think it is about 70 per cent.

Ms Golightly—Yes, Mr Waslin has mentioned to me that we think it is around 70 per cent, but we will confirm that on notice.

Senator CASH—Thank you. What percentage of business share is currently held by three-star-plus providers?

Ms Golightly—Because it is a capped program the concept of business share does not come in until the new system commences, but we might be able to approximate it through—

Senator CASH—How would you translate the number of places under the current contract?

Ms Golightly—Sorry? What was that, Senator?

Senator CASH—If the concept does not come in, can you tell me how much business is currently held by three-star providers under the current—

Ms Golightly—In terms of places, we could, yes.

Senator CASH—Can you do that now?

Ms Golightly—Not here, sorry, Senator. We will take that on notice. But we can tell you in terms of places. The invitation to treat discussion paper that is out at the moment refers to places.

Senator CASH—When you say, ‘the discussion paper’, is that the exposure draft?

Ms Golightly—There are two things out at the moment. The exposure draft is for the bit of business that will go to tender, and there is also a consultation paper on the invitation to treat process itself.

Senator CASH—Will the department confirm that three-star-plus Disability Employment Network providers will be offered an invitation to treat?

Ms Golightly—That is the proposal. Comments on that consultation paper are due back fairly shortly, but it is still open at the moment.

Senator CASH—Is it likely to continue—

Ms Golightly—I think the idea of having an invitation to treat is broadly supported by industry, but I will have to wait to see the final comments.

Senator CASH—Okay. At what stage will the funding level tool that is intended to replace the Disability Pre-employment Instrument be undertaken?

Mr Waslin—Do you mean the development of that tool?

Senator CASH—Yes.

Mr Waslin—We have currently got a small consultative group that we have assembled with representatives from the peak bodies and also from the disability associations. We are working through that at this stage. There is a meeting tomorrow, in fact.

Senator CASH—Okay. Is there any anticipated—

Mr Waslin—We have had a lot of the analysis done by the University of Adelaide. There are a couple of models which we are working through to get industry input on. We would like to have that finalised, obviously, before the tender goes out.

Senator CASH—In terms of compliance, on page 21 of the exposure draft, , under the heading, ‘2.8 Overview of compliance framework’, it talks about the primary compliance role of providers. Will disability support pension recipients also be obliged to meet the compliance requirements, or will they just be subject to no show, no pay failures?

Ms Golightly—While we are looking it up, the same compliance framework applies to all job seekers who have an activity test, so it will operate in the same way.

Senator CASH—This seems to refer mainly to—

Ms Golightly—Yes, that is the same as for Job Services Australia. It is the provider that decides whether they need to notify Centrelink or not.

Senator CASH—Do disability support pension recipients have compliance requirements?

Ms Golightly—The short answer is yes. All job seekers who have an activity-tested payment have—

Senator CASH—the requirements.

Ms Golightly—Yes. What this part of the exposure draft is trying to explain is what the provider’s role is in monitoring the compliance requirements.

Senator CASH—Where would I find the recipients’ compliance requirements?

Ms Golightly—They are explained on page 21—that is, the actions that might be taken if they do not meet their requirements.

Senator CASH—Are they actions to be taken by the provider?

Ms Golightly—No. This will be action taken by Centrelink in relation to the job seeker. What happens is that the provider notifies Centrelink if they believe there has been non-compliance without any reasonable excuse. Centrelink investigate it, and then they decide whether there needs to be any action taken or indeed whether the person in Job Services Australia, for example, might have a comprehensive capacity assessment, which we were talking about before. Obviously there are also people in the disability employment services who are not on activity-tested payments—for example, DSP is not activity tested so, for those job seekers, there is no requirement. If you are in the Disability and Employment Network and you are on Newstart, for example, there would be compliance arrangements. They are usually around a certain level of activity that the job seeker has to demonstrate they have done. We can table the requirements.

Senator CASH—If you could table them, that would be great. In terms of page 5 of the exposure draft under 2.5, how did the department determine that there would be a 30 per cent tolerance for business share?

Ms Golightly—This has been developed—and, again, it is just a proposal—based on our experience of business share arrangements and how they have operated in other programs, mainly Job Network, where the concept of business share has been around for many years. What we have found is that, in order to allow job seekers greater choice and also for providers to continue servicing job seekers, giving the provider the ability to exceed or go under their business share by a certain tolerance creates the desired flexibility in the system. In Job

Network, for a number of years that tolerance level has been 120 per cent and 80 per cent and, going forward, we have increased that to 130 per cent and 70 per cent to allow greater continuity for job seekers from the current system into the new system and greater stability in the market. We have proposed that the same arrangements be put in place for disability employment services where we are introducing the concept of business share for the first time.

Senator CASH—Is the 30 per cent tolerance level an increase on previous tolerance levels?

Ms Golightly—In the disability employment services they have not had the concept of business share, so there have been no tolerance levels. In fact, for the capped programs there is absolutely no tolerance. You have a certain number of places and it does not matter how many job seekers knock on your door; you cannot offer more places. So that concept of market share just has not existed for that part of the DEN program. For the other part, the DEN uncapped—which is fairly new; I think it only came in in 2006—there has been this concept, but it is a smaller part of the program.

Senator CASH—Why was, say, 20 per cent considered to be too low?

Ms Golightly—It was based on our experience with Job Network. We found in relation to that ability to have a fair bit of flexibility, as I mentioned, that job seekers like to choose their provider by locality—

Senator CASH—In their local area.

Ms Golightly—because of the transport issues, and it just allows us to offer that better service to job seekers. As well, the Productivity Commission, in its report, suggested that we not have such tight limits. There were a number of things that fed into that decision.

Senator CASH—Turning to the vocational rehabilitation services, page 6 of the exposure draft of the new Disability Employment Services and Employer Incentives Scheme 2010–2012 indicates that CRS Australia will be allocated approximately 50 to 60 per cent of the total program A business nationally. Is this the same business share as CRS currently holds with the vocational rehabilitation services contract?

Mr Waslin—The roll forward for CRS is based on their current income stream. They are being guaranteed an equivalent income stream into the future. It is the revenue that they have earned in the last 12 months which will determine their business share into the future. What we are trying to achieve is a transition from an income stream to a business share that will be equal over time.

Senator CASH—So how does that compare to what they currently have?

Mr Waslin—Of the VRS program, they average around 70 per cent, but the percentage that we have calculated would be the equivalent in dollar terms.

Senator CASH—When does their guarantee of business share expire?

Ms Golightly—The business share that a tenderer wins or is offered in an ITT process is for the life of the contract.

Senator CASH—Can the department guarantee that all CRS sites that retain their business as a result of their guaranteed business share will be three-star-plus providers?

Mr Waslin—For CRS, it is the total organisation rolled over.

Senator CASH—Sorry, could you explain that to me?

Mr Waslin—CRS maintain their current footprint, so if they have an outlet or a site, that site follows forward. There is no consideration of star ratings for CRS.

Senator CASH—Is there any possibility that a high performing provider will lose business share or cease operating in an ESA as a result of the need for the department to allocate a certain business share to CRS?

Mr Waslin—No, that should not be the case because they are just maintaining their current position into the future. There will still be capacity for high performing organisations to—

Senator CASH—When you say ‘that should not be the case’, does that mean that there is a possibility?

Mr Waslin—No, there is no possibility.

Senator CASH—There is no possibility that that will not be the case?

Ms Golightly—Bearing in mind that all of this is what is proposed. It is still in the consultation phase.

Senator CASH—Are VRS providers assessed against the star rating?

Mr Waslin—Yes.

Senator CASH—On that basis, why will high performing VRS providers not be offered an invitation to treat?

Ms Golightly—At the moment the proposal—and this is a question that is being explored with industry at the moment—is that the DEN-capped program, which is for the most highly disadvantaged or the people with the highest barriers, is the one that is rolled over, if you like. That is about ensuring more continuity for those very, very vulnerable people. But whether the ITT should not be extended to the other programs as well is something that is subject to consultation.

Senator FIFIELD—Golden Gurus falls under 4.1, so I can talk to you about that here?

Ms Paul—Yes.

Senator FIFIELD—The first question is: where does the name Golden Gurus emanate from?

Senator Ludwig—From the 2020 Summit, by an individual who made the submission, if my recollection is correct.

Senator FIFIELD—So the name was coined by someone at the 2020 Summit?

Senator Ludwig—It was. I just forget his name. It was by an individual.

Ms Paul—It was Ernie Peralta of Queensland.

Senator Ludwig—That's right.

Ms Paul—It was his proposal and his name that he brought to the summit.

Senator FIFIELD—So Golden Gurus was not the name of any pre-existing community activity?

Ms Paul—Not unless it was his. That was the name he brought to the summit.

Dr Morehead—There is a state program in Queensland where they are developing a smaller program. Ernie, coming from that state, thought that it would be a good idea to have a national initiative. So the government has taken that 2020 Summit idea forward.

Senator FIFIELD—Was that a state government program or was it something that members of the community got together and started?

Dr Morehead—Yes, it was something that Ernie himself developed and got a run with.

Senator FIFIELD—Did he do that off his own bat or was it something under the auspices of Volunteering Australia?

Ms Rose—We understand that this was Mr Peralta's own idea.

Senator FIFIELD—So he is the author of the phrase.

Ms Rose—Yes.

Senator FIFIELD—Could someone give me in shorthand what constitutes a golden guru?

Dr Morehead—Golden gurus, as we are thinking about the program now from a national perspective, would be people who are retired and who are 55 years or older. The idea is for them to try and use their skills to mentor, for example, small businesses and, with their wisdom as a golden guru, for them to pass on to other people who are trying to start small businesses or other people generally how to grow their business or make sure their business remains effective.

Senator FIFIELD—You mentioned Queensland. Are there any similar schemes operating at the moment under state or local government auspices or just through members of the community who have decided to engage in that sort of activity?

Dr Morehead—Yes, there are some matching volunteer services where retired people might be matched to organisations or to assist others. The aim of the Golden Gurus program at the national level is to provide a national scheme to which these other schemes may wish to join.

Senator FIFIELD—Have any existing schemes been invited to join to date?

Dr Morehead—Yes. We are in the process now of consulting with a range of interested stakeholders and are well advanced on that. So far, the idea of having a national program has got a lot of support.

Senator FIFIELD—Can you indicate which stakeholders or groups have indicated an interest or a desire to join?

Dr Morehead—So far we have spoken to Volunteering Australia, Volunteering ACT, Business Mentor Services Tasmania, all state and territory governments except the Northern Territory at this stage—we are still continuing there—the National Seniors Association and the National NEIS Association.

Senator FIFIELD—Is there any particular difficulty with the Northern Territory, or are they just the last on the list of calls?

Dr Morehead—No. We are just going through the process of consulting with everyone, and that is happening now.

Senator FIFIELD—Have any organisations declined to join or take part?

Dr Morehead—No. We are in the development stage of the program. The program is being developed this year, so at this stage it is consulting on the shape of the program to make sure that the eventual program is what the current stakeholders believe would suit them and would further the idea.

Senator FIFIELD—So at the moment you would not have criteria that an existing scheme or organisation would have to meet to join?

Dr Morehead—We are still in the development stage of the program.

Senator FIFIELD—What would be the public sector equivalent of a golden guru, I wonder?

Ms Paul—The concept is a retired person mentoring someone coming on, although it is hard to draw a parallel, isn't it, because a small business—

Senator FIFIELD—I know, but perhaps a golden mandarin! We will not even go to what a political equivalent might be.

Ms Paul—I had not put any thought to that question, I must admit.

Senator FIFIELD—It is a long way off for you, Ms Paul, I am sure.

Ms Paul—Thank you, Senator.

Senator FIFIELD—You are welcome.

Senator Ludwig—Did you have to work on that?

Senator FIFIELD—No, it just came to me then and there!

Senator Ludwig—Because it was terrible!

Senator FIFIELD—Dr Morehead, before we were interrupted, you mentioned the NEIS scheme, and the Deputy Prime Minister, in her press release of 23 April said:

A key component of the program will be its connection to the Australian Government's New Enterprise Incentive Scheme (NEIS).

Could you explain how the two fit together?

Dr Morehead—At the moment under NEIS someone who is unemployed or has a business plan and is accepted into the NEIS program gets 12 months worth of support to nurture their

business idea and to bring it along. After that 12-month period, if their business is going well, they then continue on to run their business. So the idea is that we could use golden gurus to step in at that stage and give the NEIS small business continued support.

Senator FIFIELD—Small business is the focus of the golden gurus scheme. Has any consideration been given to expanding the concept of golden gurus into other spheres, such as schools, to encourage students to think of a small business career? Is that part of the scheme?

Dr Morehead—It has as its core a small business focus, but as we are consulting with stakeholders, we are considering what the boundaries of the scheme would be and how far its reach should be.

Senator FIFIELD—Would a golden guru have to have any sort of a security check or police records check before they could be charged with their guru activities?

Dr Morehead—We are talking to organisations like Volunteering Australia and schemes that already exist around the states and thinking about what they do and what sorts of checks are required if people are to, say, enter someone's premises or go to someone's place of work, such as a small business. We are investigating that along with the development of the program.

Senator FIFIELD—Who would fund those sorts of security checks? Would that be the guru themselves, or would that be part of the department's responsibility?

Dr Morehead—Depending on how the design of the program is finalised, it could come from a number of sources. That is still in development and depends on how the final program is designed.

Senator FIFIELD—The funding is, I think, \$400,000 initially?

Dr Morehead—That is correct.

Senator FIFIELD—Where is that money coming from?

Dr Morehead—The money is coming from within the portfolio of DEEWR. It starts on 1 July and goes for three years.

Senator FIFIELD—So it is being funded from savings within the department?

Dr Morehead—Yes, it is absorbed.

Senator FIFIELD—Absorbed. 'Absorption' is a nicer word than 'savings'. How many people in DEEWR are working on the Golden Gurus program? Are there any people who are specifically dedicated to the guru task?

Dr Morehead—It sits within my area and at various times we have people doing it. It has really got one person at the moment who is leading a small team.

Senator FIFIELD—So there is one person and others as required?

Dr Morehead—Yes.

Senator FIFIELD—So you have not established a golden guru unit or anything of that nature?

Dr Morehead—No.

Senator FIFIELD—It is within the capacity of a person, with help from time to time?

Dr Morehead—Yes.

Senator FIFIELD—If there are existing guru arrangements and those groups come on board, would those groups receive any particular funding to help them be part of this? Would there be funding for particular community organisations? I am just trying to get a handle on how exactly it would work. Would it be funding for an individual?

Dr Morehead—At this stage, because we are in the development of the program stage, all of these sorts of issues are being canvassed and the existing resources that are available to volunteers through programs such as those that family and community services run for volunteers are all being fed into the program design.

Senator FIFIELD—Did I read somewhere that there would be an amount of \$100 or \$150 or something per day for a set period for a guru?

Dr Morehead—At this stage there is no plan to pay golden gurus for their participation in the scheme.

Senator FIFIELD—They are volunteers.

Dr Morehead—That is correct.

Senator FIFIELD—Has a golden guru website been established as yet?

Dr Morehead—Not as yet, no.

Ms Rose—We have put up a holding page on the DEEWR website because we have had lots of interest from various volunteering groups, and we have given people the capacity on that website to send us their name and address and what organisation they are from, and have advised that we will be releasing further information when, as Dr Morehead said, the guidelines and other pieces of information can be released.

Senator FIFIELD—So it essentially says, 'If you are interested in being a golden guru or finding out more, please leave your details here'.

Ms Rose—Yes, that is right.

Senator FIFIELD—Is there an intention that there will be a Golden Gurus website?

Dr Morehead—It is very likely that there will be a Golden Gurus website as we finalise the development of the program.

Senator FIFIELD—You have not reserved an address for that yet?

Dr Morehead—We are considering all those options at the moment.

Senator FIFIELD—That website would be funded from within the \$400,000. The whole budget would be within that \$400,000?

Dr Morehead—Yes.

Senator FIFIELD—Is it proposed that there be ambassadors for the gurus program?

Dr Morehead—That is one idea that we are considering at the moment, amongst others.

Senator FIFIELD—What would the role of an ambassador be?

Dr Morehead—At the moment the potential to have ambassadors is just one thing in the mix that we are discussing with stakeholders. It is a bit early to say yet what that finally would end up looking like.

Senator FIFIELD—Is it too early to ask if they would receive any particular training, how they would be recruited and who would choose them?

Dr Morehead—We are investigating things like the possibility of having gurus receive information and training. Once again, this is something we are keenly discussing with stakeholders at the moment and no decisions have been finally taken.

Senator FIFIELD—I am wondering whether the proposed lifting of the age at which you are eligible to receive the aged pension to 67 and the current economic situation have been taken into account in the design of the Golden Gurus scheme and the likelihood of it being a successful venture.

Dr Morehead—This scheme is to run over the next three years. It is something that we will be rolling out over the next three years at this stage.

Senator FIFIELD—What is the time frame? When would you see the first golden guru being in the field?

Dr Morehead—The program will be finalised in the second half of this year.

Senator FIFIELD—So the first guru would hit the streets when?

Dr Morehead—Once we have finalised the program, the government would make an announcement as to when the program will commence.

Senator FIFIELD—Is the scheme intended to have any particular focus on rural and regional businesses?

Dr Morehead—That has been included in the design stages. We are ensuring that we cover those sorts of issues and in particular the way technology might be harnessed to incorporate that into the scheme. This stage of course is a discussion stage.

Senator FIFIELD—Perhaps you will have virtual gurus or online gurus.

Dr Morehead—There will be golden gurus around the country.

Senator FIFIELD—I appreciate you are still in the development phase, but have you given any thought to how you actually measure the success of the Golden Gurus program?

Dr Morehead—Once again, we are in discussions about that with stakeholders and are looking at other programs and how that is done.

Senator FIFIELD—You do not want to hazard a guess as to what the elements of the assessment of the effectiveness of the scheme might be?

Dr Morehead—I imagine it would be measured on a number of fronts. There will not be one single measure.

Senator FIFIELD—No, I am sure there would not. Do you have any idea what some of those fronts might be or is it too early?

Dr Morehead—A successful mentoring relationship would be at the core of it.

Senator FIFIELD—So satisfaction on the part of the person being mentored?

Dr Morehead—That would probably be in the mix of the design for how to assess it, yes.

Senator FIFIELD—And as part of that ongoing assessment of the program the government itself would have criteria to determine whether the Golden Gurus scheme had been a success as a whole and should be continued?

Dr Morehead—The scheme will be evaluated as we go, yes.

Senator FIFIELD—Thank you for that. There is nothing else on the Golden Gurus. I have some questions on the Get Communities Working program. The Get Communities Working program is, I understand, one of three streams that form the Jobs Fund—

Ms Kidd—That is correct.

Senator FIFIELD—which is part of the Jobs and Training Compact to build on the \$42 billion Nation Building Economic Stimulus Plan. It must get confusing for the department sometimes when you have got streams as part of compacts as part of strategies as part of packages. Anyway, I think you do well to track it all. With Get Communities Working, in 2008-09 \$11 million was allocated. Is that right?

Ms Kidd—That is correct, yes.

Senator FIFIELD—What was that initial \$11 million allocated for? What was it spent on?

Ms Kidd—The Get Communities Working stream is a \$200 million stream of the Jobs Fund. Within that there is a component called temporary financial assistance, and \$11 million has been set aside in 2008-09 for that component.

Senator FIFIELD—How is temporary financial assistance accessed?

Ms Kidd—It is a grants program. The whole Jobs Fund is a grants program. We have put out a call for proposals for the first \$100 million under the Jobs Fund, which is funding from the Local Jobs stream and the Get Communities Working stream. As part of that call for proposals we will have proposals for temporary financial assistance which we will consider.

Senator FIFIELD—Is that what you call the first round?

Ms Kidd—That is right.

Senator FIFIELD—That closed on 22 May; is that correct?

Ms Kidd—Correct.

Senator FIFIELD—How much funding is available overall in the first round?

Ms Kidd—We have set \$100 million for the first call.

Senator FIFIELD—As 22 May has passed, are you able to advise how many applications have been received?

Ms Kidd—We have in the order of 3,000 applications under those two streams.

Senator FIFIELD—Those two streams are the Get Communities Working—

Ms Kidd—Yes, and the Local Jobs stream.

Senator FIFIELD—Are you also able to break down that 3,000 into subgroups such as how many applications are received from not-for-profit organisations?

Ms Kidd—We are starting to get our stats together on that. I do not have anything specific on not-for-profit organisations.

Senator FIFIELD—Are you able to take that on notice?

Ms Kidd—Yes, and we will be able to answer it in a week or so.

Senator FIFIELD—That would be great. Thank you for that. For the Get Communities Working scheme, what criteria did the applicants have to meet?

Ms Kidd—There is a range of criteria in our guidelines. Basically, there are three gateway criteria that have to be met.

Senator FIFIELD—I love this language—‘gateway criteria’.

Ms Kidd—Yes. We have two lots of criteria. The gateway criteria projects need to be in areas experiencing high unemployment or a significant rise in unemployment or vulnerability. The second criterion is that projects must be viable and ready to start and the third criterion is that funding will not extend past 2010-11 and projects will be expected to be self-sufficient and not require Australian government funding beyond 30 June 2011.

Senator FIFIELD—With the first of the gateway criteria—to be in an area of high or significantly rising unemployment—do you have a list of those areas which are deemed to be areas of high or significantly rising unemployment?

Ms Kidd—Not specifically. We have asked proponents to demonstrate in their applications how their area might meet that criteria.

Senator FIFIELD—Okay. Does the department itself have a list of areas which it deems to be high unemployment areas or areas experiencing a significant increase in unemployment?

Ms Kidd—Certainly, we are aware of areas that have high unemployment and the government has also announced a range of priority areas, which are areas most likely to be impacted by the global economic recession.

Senator FIFIELD—When did the government announce that list of areas?

Ms Kidd—On 5 April the government announced the first seven priority areas. Since then, they have announced two additional areas.

Senator FIFIELD—On what basis are those areas defined? Do they use a pre-existing local employment region definition?

Ms Kidd—We are looking at quite large regions. We look at a range of economic and social indicators to determine the likely impact and likely outcomes as a result of economic recession. The factors go to things like labour market disadvantage, which of course includes

the unemployment rate; we look at Centrelink beneficiaries and whether they are increasing and we look at the current proportion of Centrelink beneficiaries. But we also look at other factors such as educational attainment at the average level in the region and also how that region might have fared in past downturns. So there are quite a range of factors and industry diversity is another one. There is quite a complex picture there that we put together to try and look at where the impact is going to hit.

Senator FIFIELD—It does sound quite complex. Who makes the determination and how is the determination made as to successful applicants?

Ms Kidd—We have an assessment panel set up. At the moment, with the Jobs Fund we have a range of assessment teams both here and in our state offices that are going through the process of registering and then assessing Jobs Fund applications. They will be assessed—there will be a moderator that makes sure we have got consistency—and then that will come forward to a panel in our national office who will make the final recommendations.

Senator FIFIELD—The final recommendations go to?

Ms Kidd—The Minister for Employment Participation.

Senator FIFIELD—The sole decision maker, ultimately, in relation to the successful applicants is the minister?

Ms Kidd—Yes, the minister is the delegate.

Senator FIFIELD—Is there any provision for publication of the rationale of the minister in relation to successful applicants?

Ms Kidd—It will go to the assessment criteria. Each of the applicants will be assessed against that to determine relative merits and then it will also go to the budget that is available, and we will put that picture together to make recommendations to the minister.

Senator FIFIELD—But the minister is in no way bound to accept the recommendations of the department?

Ms Kidd—The minister is the delegate, so he could overturn the recommendations of the department and then would have to follow the reporting requirements under the Commonwealth Procurement Guidelines.

Senator FIFIELD—Which are?

Ms Kidd—I think that any decision that is different from that recommended by the department needs to be published on the website.

Senator FIFIELD—It does not apply in all regards. I do not think that Infrastructure Australia's recommendations, when Mr Albanese differs, are published on a website. I know that that is not your portfolio, but I am pleased if that is the practice. So for any situation where the minister does not accept the advice of the department in relation to a successful applicant it will be listed on the department's website that in this case the minister took a decision contrary to the advice of the department. I appreciate the words would not say 'contrary to the advice' but it would be clear that the minister had taken his own decision.

Ms Kidd—Indeed, yes.

Senator FIFIELD—Okay. That is great. Whereabouts on the website will it say that? Is there a particular section that we can keep our eye out for?

Ms Kidd—I will take that one on notice.

Senator FIFIELD—I am assuming that no decisions have been made in relation to any successful applicants as yet, that it is too early in the process.

Ms Kidd—Not at this stage.

Senator FIFIELD—As part of the criteria, does it include the number of jobs likely to be supported or assisted?

Ms Kidd—Yes. The criteria were those that I stated earlier. But we do have four key areas that we want organisations to focus on. We also have a number of areas that we are interested in and say that we will show preference towards applications that demonstrate those things. Obviously jobs creation is a key one of those.

Senator FIFIELD—When do you expect that the successful applicants in the first round will be notified?

Ms Kidd—It is a bit early to say. Because of the extremely large volume of interest and applications for the Jobs Fund, it is a bit early to say. But certainly with the temporary financial assistance, we will need to make decisions and advise people in June so that the money is spent this financial year.

Senator FIFIELD—Do you have a time frame for when the second round—

Ms Kidd—Not at this stage.

Senator FIFIELD—And the quantum of the funds that will be available in the second round—

Ms Kidd—There are no decisions at this stage.

Senator FIFIELD—Will a successful applicant from the first round be able to apply in the second round, or is it the case that once you have been successful you cannot apply again?

Ms Kidd—There would be nothing to preclude a successful applicant reapplying for a different project or an enhancement on the project.

Senator FIFIELD—In terms of potential applicants, how are they communicated with? How were they advised that the round had opened?

Ms Kidd—We had ads in the press, in quite a number of newspapers, and there was also information on our website.

Senator FIFIELD—Was there any direct contact by email or letter with prospective applicants?

Ms Kidd—No, none that I know of.

Ms Golightly—Senator, by way of general information, whenever we meet with any of our providers, for example, we always mention the Jobs Fund and the time the applications were open. Just by way of general information, it was whenever we were talking to anybody.

Senator FIFIELD—Is there a Get Communities Working website or is that a subset of the department website?

Ms Kidd—Yes, that is a subset of our website.

Senator FIFIELD—If you google ‘Get Communities Working’ the first thing that comes up is a referral to Senator Fielding’s website.

Ms Paul—Probably the key link for ours is ‘Jobs Fund’, because it is the overall envelope. So that does not surprise me so much.

Senator FIFIELD—Has the department received any feedback about the availability of information about the Get Communities Working program or the Jobs Fund? Is it something where you have had feedback such as, ‘Gee, we would like to have known about the first round but we have not heard about it’? Have you had any feedback at all or has it been fairly widely disseminated?

Ms Kidd—There has been no feedback that I am aware of, but we have had several thousand emails to our hotline and our information service, so there could be something in that. I think the enormous response we got to the Jobs Fund suggests that it is widely known.

Ms Paul—We have basically been inundated.

Senator FIFIELD—Chair, are we moving around program 4, so 4.3 is—

CHAIR—Yes, you can move around. That sounds good.

Senator FIFIELD—Thank you. Colleagues here may have already touched on the National Mental Health and Disability Employment Strategy. Has that—

Ms Paul—Not in detail.

Senator FIFIELD—I would like an update as to where we are at with the National Mental Health and Disability Employment Strategy.

Dr Morehead—On 22 December last year the government released a *Setting the directions* paper on the website that set out an update and provided six themes that came out of the consultations that were held during 2008. The strategy has several elements to it. The centrepiece of the strategy is the Disability Employment Services, the new funding model that has been discussed today, uncapping of places so that people with disabilities can access support now without having to go on waiting lists.

The strategy also has a number of other elements that have already been announced, including that if someone on disability support pension would like to try paid employment they now no longer get assessed for their work capacity and potentially lose access to the disability support pension. They can have a go at finding paid work while still being sure that they can stay on the pension.

Senator FIFIELD—Is that the DSP Employment Incentive Pilot?

Dr Morehead—No, this is something that was done back in September 2008. We have 10,000 people on disability support pension who have subsequently been able to ask for help to find paid work without having their pension in jeopardy. In the budget another strand of the strategy was announced, which is the disability employment incentive pilot. That is a \$6.8 million pilot that will commence on 1 March next year and run for two years. That pilot is about getting 1,000 jobs for people who are on the disability support pension and it involves paying a wage subsidy to the employer once a job of at least eight hours a week has run for 26 weeks.

Senator FIFIELD—With the pilot, how far advanced is the planning for it?

Dr Morehead—As I said, it starts on 1 March 2010, which aligns with the introduction of the new Disability Employment Services, and in terms of planning, there are discussions with various employers. At this stage it is informal, but we are going ahead and setting up, ready for this pilot.

Senator FIFIELD—The consultations on the design of the pilot are in their infancy at the moment?

Dr Morehead—Yes. The pilot is already designed.

Senator FIFIELD—Sorry—the pilot is designed?

Dr Morehead—Yes.

Senator FIFIELD—So are you now going to start consulting with stakeholder groups about the design or did that happen before, while you were doing the design?

Dr Morehead—Yes. The pilot is designed and so by 1 March we hope to commence putting people into the jobs so that we can reach the 1,000 jobs for people on disability support pension over the two years.

Senator FIFIELD—What performance outcome will be used to measure the success of the pilot?

Dr Morehead—People on disability support pension who get a job under the pilot will be counted, obviously. The department will have an IT system that monitors the payments of the subsidies and the people who get a job under the pilot.

Senator FIFIELD—By its nature it is a pilot; it is not at this stage envisaged to be a permanent feature. How long is the pilot intended to go for?

Dr Morehead—The pilot starts on 1 March 2010 and then finishes on 29 February 2012 at this stage. It will be evaluated along the way.

Senator FIFIELD—You mentioned the objective is to assist 1,000 people on the DSP. How will those 1,000 people be selected?

Dr Morehead—If an employer would like to be part of the pilot and have someone working in their organisation under this pilot they would approach the disability employment services provider—their local provider—who would then be able to match someone suitable

and do the recruiting, screening and assessment of the person on the disability support pension and refer them to the employer.

Senator FIFIELD—How will the employers themselves be selected? Or is it a matter of the employers expressing an interest to be part of the scheme?

Dr Morehead—The disability employment services providers will be actively liaising with employers—as they do—and so employers will hear about the pilot. It will be something that is offered to employers.

Senator FIFIELD—How will you decide if there is an excess of interest? How will you decide who gets to participate in the pilot?

Dr Morehead—Prior to the disability employment services provider placing someone into a place under this pilot they do check with the department first. We keep the IT system running so that we know exactly how many people are being placed into jobs, and where the cap on the pilot is near to being reached.

Senator FIFIELD—But it is essentially first come, first served?

Dr Morehead—We have 1,000 job placements that are funded, yes.

Senator FIFIELD—So it is the first however many employers and the first 1,000 people who are on the DSP who come together?

Dr Morehead—Yes, that is correct.

Senator FIFIELD—What would you do if an employer said, ‘Look, I think I would like to try and place 500 people on the DSP.’—let us say that it was a very large employer—is that a theoretical possibility?

Dr Morehead—Yes.

Senator FIFIELD—It is?

Dr Morehead—Yes.

Senator FIFIELD—You do not have any preconceptions as to how those 1,000 people may be spread across Australia? Just by the nature of how things pan out, they could be predominately in a particular state, they could be predominately in one, two or three businesses or they could be scattered across Australia and across 1,000 businesses?

Dr Morehead—That is correct.

Mr Carters—Just to clarify that, the new Disability Employment Services start in March 2010 and will deliver this pilot. They have numerous other facilities available to them in which to place people on DSP into employment. This would be just one of the options that they have to do that.

Senator FIFIELD—Sure.

Mr Carters—For example, they already have access to a wage subsidy fund which goes for 13 weeks instead of 26. So the sort of expectation we would have would be that they would utilise this one to place some of the harder-to-place job seekers. They have their own

services available. A lot of employers will take people on DSP without needing any form of subsidy, and the Disability Employment Network providers do have very good links with some employers. That is why it is being delivered through those providers, so that they can sensibly decide who is best placed to go on this pilot program.

Senator FIFIELD—Thank you. The \$3,000 employment incentive—is that something which is received at the start of the 26 weeks or in instalments throughout? How is that paid?

Mr Carters—The general intention is that it would be paid at the end.

Senator FIFIELD—At the end.

Mr Carters—We would expect the employer to employ the person for the 26 weeks, and then the employer would receive that incentive payment.

Senator FIFIELD—Now, it is a minimum of eight hours per week.

Mr Carters—Yes.

Senator FIFIELD—If the minimum of eight hours per week for the 26 weeks was not completed, would the employer receive any funding—would they receive partial funding or no funding?

Dr Morehead—That would be considered on a case-by-case basis. The intention, as Mr Carters says, is that this be for the harder-to-place people who require 26 weeks to show that they can do the job and stay in employment. So if that did not last for some reason then it would be considered on a case-by-case basis.

Senator FIFIELD—Okay. So the efforts and bona fides of the employer would be taken into account?

Dr Morehead—Yes. Throughout the placement, the Disability Employment Services provider is providing support to the person in the job.

Senator FIFIELD—Now, the funding for the pilot is \$6.8 million over the four years?

Dr Morehead—Yes, for the two-year pilot—to run the pilot for two years.

Senator FIFIELD—Are you able to provide a breakdown of how that will be used? If you have got 1,000 individuals whose employers receive \$3,000 each, that is \$3 million; what will the balance of the funds be spent on?

Dr Morehead—The Disability Employment Services providers are supporting the people in the jobs and mentoring them as they go, so some of the funding is to pay for that support.

Senator FIFIELD—Sure. Do you have a breakdown for that?

Dr Morehead—There is the \$3 million for the wage subsidies that go to the employer and \$2.6 million for the additional places in the Disability Employment Services program.

Mr Carters—Senator, just to clarify that, although it would be expected that the new disability employment services would be demand driven—in other words, uncapped—we still need to cost the estimates of the numbers are likely to take that up, and this estimate takes into

account the fact that these people probably would not have gone into that employment without the opportunity to go through the pilot.

Dr Morehead—That is correct.

Senator FIFIELD—Thank you for that. Just back to the overall strategy, has a date been set for its finalisation?

Dr Morehead—The strategy will be finalised in 2009.

Senator FIFIELD—Sometime this year?

Dr Morehead—That is correct, yes.

Senator FIFIELD—No problem. In relation to the broader strategy, what is the plan for stakeholder consultation?

Dr Morehead—We consulted extensively last year with stakeholders, and that resulted in the Setting the Direction paper on 22 December. We are receiving feedback on that paper and, as I mentioned, we have several strands of the strategy that have already been announced, so we are just furthering the strategy work this year.

Senator FIFIELD—Okay. Thank you for that. Chair, that is all I have in 4.1 and 4.3.

CHAIR—We might suspend briefly at this point.

Proceedings suspended from 5.05 pm to 5.32 pm

CHAIR—The committee will now resume. We are still in outcome 4. Senator Humphries.

Senator HUMPHRIES—I have questions on 4.3, Disability Employment Services, and there may be some overlap with questions previously asked because I have been in and out of the room, but bear with me. I want to ask about some of the information in table 2.4.3. We have a figure for the number of places that are targeted for delivery of services under the Disability Employment Network in 2008-09 and 2009-10 for capped places, but there is only a figure for uncapped places for 2009-10. What is the reason that there is no figure for uncapped places?

Ms Golightly—The uncapped places are demand driven, whereas of course the capped places are capped so we have that figure for them. I have the table. I am just trying to find the bit that you are referring to.

Senator HUMPHRIES—If they are demand driven, how are we able to provide a figure for 2009-10? This presumably is an estimate of what we anticipate will be the number of uncapped places for that year.

Ms Golightly—Yes, just bear with me for a second. My information here is that historically we have not provided estimates, but we have commenced doing that because of the new way we are doing the PBSs from next year onwards. The capped has never been a problem because the number of places is fixed. Apparently, historically we have not provided estimates on uncapped, but we have commenced that in accordance with the new way of doing PBSs from next year onwards. Of course, remember that next year, for both of these programs, is only a part-year because the new services come into effect on 1 March 2010.

Senator HUMPHRIES—Okay. Can we have a figure for the number of uncapped places that have actually been delivered to date in this financial year?

Ms Golightly—Yes. We will just check if we have got it here, but otherwise I will take it on notice for you. In the uncapped program, the commencements in the year to date in that program are 13,373 and that is to 30 April 2009—from the beginning of the financial year on 1 July 08 to 30 April 2009.

Senator HUMPHRIES—The concern that I have then about that table is that it seems to demonstrate a reduction in the number of places between this financial year and next financial year, even taking into account that next financial year is only a part-year. Sorry, to what date next financial year?

Ms Golightly—The new services start on 1 March 2010. So this is based on eight months to the end of February 2010.

Senator HUMPHRIES—It does look like there is a substantial reduction, certainly as far as uncapped places are concerned. I will go and do the maths, but you understand that, approximately, the levels of people assisted are the same between these two years?

Ms Golightly—That is right. I am not aware of any decrease, but we can look into that and provide any further information for you.

Senator HUMPHRIES—Sorry, I did not catch that.

Ms Golightly—We can look into that to see if there is any further information I can provide on that.

Ms Paul—We have not built in any assumptions about decreases, as far as we know it here. But we will double check. That is basically what we are saying.

Senator HUMPHRIES—Then the question arises of the out years. Presumably, you will supply in next year's budget an estimation of the number of places you anticipate offering under these new arrangements.

Ms Golightly—In the new arrangements it is actually completely demand driven, so there will not be any number of places, as such. But, as the note on that same table indicates, we are working through the development of the new programs as to what the right KPIs are, and we will have KPIs in next year's PBS for the new program.

Senator HUMPHRIES—All right. The totality of the spending in the out years falls from this year's spending and next year's spending, according to this table. You have got \$587 million this financial year, \$580 million next financial year, \$534 million the year after that, and \$571 million the year after that. So it falls for two years and then rises in the third out year. Would it be reasonable to extrapolate from that that you are looking at providing services to a smaller number of people in those out years?

Ms Golightly—No. In fact, being demand driven, it could be a larger number of people. Others can correct me if I get this incorrect, but the third line in that table, disability employment services, shows what will be invested in the new system. The top two lines show the old programs being retired out. There are some residual payments in the old programs

because there will be people on continuing support from the current contract that have residual payments. That is part of transitioning out of that contract.

Senator HUMPHRIES—I take that point but—

Ms Golightly—If you look at the bottom line, in total by the end of the three years we are spending \$609 million, compared to \$587 million this year.

Senator HUMPHRIES—That sounds good. Actually it sounds like adjustment for inflation. I think we can anticipate that, after three years, it would have risen from \$587 million to \$609 million. But it is the drop in the two intervening years that concerns me. We are spending \$45 million less in that first out year and yet there is no reason to anticipate a fall in the number of people who are likely to need the services that the programs offer.

Ms Golightly—I think it is an issue of the overlap here, where we have got payments going out related to the old programs as well as introducing the new program, but in terms of the numbers of people anticipated to be assisted there is no plan to decrease them. In fact, making it demand driven means we are going to remove any caps on assistance.

Senator HUMPHRIES—We will see when the figures are produced in next year's budget, I suppose.

Ms Golightly—Yes.

Senator HUMPHRIES—Can I ask more generally about the disability employment programs that you are offering now and will be offering under the new arrangements, to identify first of all the extent to which these services will be tailored for particular areas of job seeker need. I am looking particularly for information you can provide to me about identifying and servicing the needs of job seekers with mental illness. Will there be programs specifically for them as part of the disability employment services reforms?

Ms Golightly—I think there are two key things. Program A and program B are there to assist anybody with disability, and that includes, of course, mental health issues. The severity of the disability or combination of disabilities will determine which program those people are in. Within the programs, there is much more flexibility in the new services on the sorts of interventions that can be provided for people. Some of those flexibilities specifically go to catering better for people with mental illness. For example, we currently have a scheme called the workplace modifications scheme, which allows, as the name would suggest, modifications to the workplace to help somebody that might have disability. In the new world, that will be expanded so that it might not be a physical modification that has to be made; it could go to support in the workplace from a counsellor or training in the workplace for surrounding employees to help with supporting that person in the workplace. Those are the sorts of interventions that are more likely so that people with mental illnesses or mental health issues are catered for. The third thing is that what is proposed in the exposure draft is that providers who tender for the new services can elect to be mental health specialists or specialists in any other cohort of disability. There might be a particular type of disability they want to specialise in and they can nominate to do that, in which case, if they were successful in the tender, then job seekers could choose to go to that specialist.

Senator HUMPHRIES—So the workplace modification stream is not just about physical changes; it can be about other supports within or attached to a workplace.

Ms Golightly—Yes, in the proposed new services that is correct.

Senator HUMPHRIES—What is there about the design of the new service that will ensure that people with those particular needs are going to have their needs met? If you, for argument's sake, identified that there are particular high-level skills required to place and support a person with a mental illness in the workplace, and providers have the choice of identifying different areas of the marketplace to address, why should any of those providers, or any reasonable proportion of them, come forward and say, 'Yes, we'll provide services to people with mental illness,' if there are no KPIs, if you like, to identify a target of reaching a certain number of people with mental illness placed into jobs?

Ms Golightly—I think we approach it from a different angle. What we are saying is that the disability employment services are specialised employment services by their nature, and to be successful the providers need to demonstrate that they can tailor the services to whatever the needs of the individual are. In the new system, the payment regime is even more focused on outcomes and getting education and job outcomes for people, so there are incentives to make sure that the interventions that a particular provider is putting in place for any individual are tailored to the needs of that individual. That is the basic, fundamental premise of the disability employment services as a whole. If someone wants to nominate that they would like to specialise in a particular cohort—and that is totally up to the tenderer; we do not force that on them—what they need to do is to demonstrate that there is a need for such a specialisation in a particular area and then demonstrate that they have strategies that cater to that particular specialisation. Again, the incentive is that, if they do not have good interventions that assist the individuals on their caseload, a certain proportion of their payment—the outcome fees—probably will not eventuate because they probably will not get the person a job if their interventions are not right. So the incentive is to make sure that those interventions are a pathway to education or employment for each individual.

Senator HUMPHRIES—So when you say the service is demand driven you are saying that a person who qualifies for the disability employment services can rock into a provider and say, 'I qualify for this service; here are my needs, and I want you to answer those needs.'

Ms Golightly—Yes, that is exactly right.

Senator HUMPHRIES—Is there a weighting or loading in the payments made to the provider based on the complexity of that person's needs?

Ms Golightly—Yes, in program B there are different payments associated with higher levels of disability. I will hand over to my colleague Ms Stuart to take you through that. They are outlined in the exposure draft.

Ms Stuart—For program B, which is the program that is proposed for people who are likely to need some long-term ongoing support in the workplace once they have got a job, the proposal is that there be two funding levels. Funding level 1 is the lower of the two funding levels and funding level 2 is the higher. Clients will be streamed into either of those two

funding levels based on their level of disadvantage and the level of their needs, so more funds will be made available to clients who have more significant barriers.

Senator HUMPHRIES—So level B is the higher level of payment?

Ms Golightly—There are two programs, program A and program B. Program B is for the higher need clients. Within program B, there are two levels of funding and one is for the highest level of need.

Senator HUMPHRIES—Are you saying there are three levels of payment: level A, lower level B and higher level B?

Ms Golightly—That is correct.

Senator HUMPHRIES—But they are flat amounts for each of those three levels? If you have a highly complex case, you do not get any more for that case?

Ms Golightly—No. That is partly true. You may get more in terms of ongoing support for a longer period depending on the assessed need at certain milestones throughout the service period for that job seeker.

Senator HUMPHRIES—What I am getting at with these questions is to see whether there is any tendency for providers to say, ‘We’ve got a certain number of people to provide services for; we will satisfy those needs which are easier to satisfy and which are cheaper to satisfy. We will also tend not to put resources into the more complex cases.’ I want an assurance that the way the system has been designed does not allow that to occur.

Ms Golightly—That is right. That is entirely why the higher payments are associated with people with higher need. It is so that there is an incentive there for the provider to help those people because there are more resources available.

Senator HUMPHRIES—It may be too early to offer this kind of information, but it seems to me that employers who take on employees with a mental illness most particularly need access to good quality advice and support for dealing with day-to-day issues that may arise with their employees. They are happy to give them a go if they know that, if something goes wrong or there is an episode, they have someone to turn to for advice on how to deal with that, someone who knows what that particular mental illness means in terms of behaviour of the employee. Is that going to be on offer?

Ms Golightly—Yes, it is. It is the fundamental basis of that ongoing support part of the service that is offered and the payments are made to providers to do that. Indeed, the new service introduces a new level of ongoing postplacement support, which is called intermittent postplacement support, and it is designed specifically for people who may have episodic type illnesses. It is there so that the employee, employer or provider can step in quickly if there is some day-to-day extra support needed in a particular week or month or if something has happened that needs to be addressed immediately. That is a new level of service that has been introduced with this new program.

Senator HUMPHRIES—It is quite likely that people with disabilities in general are going to be either members of or represented by organisations advocating for people with

disabilities in the community. Is there a role for those organisations in monitoring the ongoing general performance of the service providers in these areas?

Ms Golightly—As part of the service, the provider should meet regularly with the employee and employer. I was confirming that, certainly, the employee can have an advocate or family member or somebody else there if they choose. Those regular meetings would be the avenue for such support people to provide feedback on behalf of the employee.

Senator HUMPHRIES—What I had in mind was a reference group. Sometimes people with disabilities are not assertive about their needs and sometimes those groups are quite valuable in saying, ‘Without naming X, Y or Z, we feel that the services here are not giving people a chance to do whatever, and they need some input into the way the service is provided.’

Ms Golightly—We certainly meet with all of the key groups fairly regularly, so there is that avenue for them to discuss any issues with us directly. They can name the provider, if they wish, or they may not. But that is another avenue of feedback for them.

Ms Paul—And that is who we are out with now in the consultations on the draft.

Senator HUMPHRIES—I am sure that point will be made in the consultation..

Ms Paul—I am sure.

Senator HUMPHRIES—We can deal with it as appropriate that when it occurs. Those are all the questions I have for disability employment. I understand that Senator Boyce has some questions.

Senator BOYCE—I have a few questions on the Disability Employment Network and how that is feeding into the new employment network contracts. Could I have some background information on how you have amalgamated open and disability employment network providers?

Ms Golightly—We have not. There are two programs. Currently one is administered by the Department of Families, Housing, Community Services and Indigenous Affairs. We administer the Disability Employment Network, which is a separate program. It is that program, together with the vocational rehabilitation services, that has been reviewed. That in turn is quite separate to the Job Services Australia review. They are all completely separate programs.

Senator BOYCE—The reason for the question is that I am getting information from people who work in the Disability Employment Network area that other employment providers are saying to them: ‘We’ve just got this contract. We’ve never provided support for people in disability employment before. What should we do?’ How is that coming about?

Ms Golightly—Job Services Australia can help people with disabilities. But, depending upon the assessment at Centrelink/the job capacity assessment, people will be streamed. Depending on their need for ongoing support to—

Senator BOYCE—Have there been changes to the job capacity assessment?

Ms Golightly—There will be changes to the job capacity assessment to make it even simpler. But, even under the current rules, it is used to stream people to either Job Network, as it currently is—or Job Services Australia in the future—or the Disability Employment Network. The eligibility criteria for the two are quite different. In Job Services Australia they are required to make linkages with anybody who can provide support to them for their interventions for their job seekers. It may well be that they are seeking to make such linkages with people who regularly provide support for people with disability, albeit more intensive disabilities, if you like. There is a difference in eligibility between the two, but certainly the sorts of interventions may be similar to a certain extent. We would expect those linkages to be made and the right assistance to be sought.

Senator BOYCE—You were making the point before that there is a separation. I would be quite excited if we were seeing a lot more people with disabilities going to open employment services seeking employment. When you say the open employment Job Services Australia would seek help from a disability employer, they would not need to right now, would they?

Ms Golightly—There is nothing stopping them right now but certainly the new Job Services Australia encourages linkages with any organisation that may be able to provide assistance with interventions. It might be a counselling service. It might be a local youth service, for example, if it is a young person. It might be the local CDEP if it is an Indigenous person. There was a lot of emphasis on a Job Services Australia tender and ensuing contract to have those local linkages to provide the full suite of interventions that might be needed. There is a difference; somebody, depending on their eligibility criteria, might actually go straight into the Disability Employment Network if they meet those criteria. But that is not to say that there are not people in the Job Services Australia system that have a disability of some sort—it might be less severe—and require some specialist help.

Senator BOYCE—I am presuming the committee has spent some time looking at the employment provider tender and the like. Issues are being brought to me where people who have tenders to offer employment services are calling people who are in the Disability Employment Network area saying, ‘How do I go about doing disability employment?’ Might the explanation be in who won tenders and who did not?

Ms Golightly—Without being privy to the actual query I can’t say for sure, but I think it is more likely to be the fact that we are encouraging providers to make connections, as I said, with anybody that can assist them with specialised interventions, whatever they might be. That is part of the design of the program.

Ms Paul—Without knowing the specifics it is a bit hard to tell, but my guess is it might have something to do with the new model and it might have something to do with the way the new model was expressed through the RFT through Job Services Australia—that is, the new model brings together seven programs into one and each successful tenderer must cover four streams, and the fourth stream of assistance is much more intensive and could well offer services of quite an intensive and personalised nature to a person with a disability under the broad employment services. One of the ways in which that fundamental reform to the model, which we have talked about here before, has been effected through the RFT is to really force

tenderers to focus on their local linkages. So one of the four criteria was on local linkages, which we talked about a bit this morning too. It could be that what you are seeing is someone who is a service provider now reaching into all four streams and making those local links, on the basis for which they put in a tender, in effect, if you like. But that is a speculation, because I do not know the specifics of the case.

Senator Ludwig—Senator Boyce, I am sure that Bill Shorten or Brendan O'Connor would be interested in some of that feedback. Is it worth while suggesting a private meeting with the committee to deal with some of those issues, perhaps at a roundtable, where we might be able to exchange some information to make sure that the transition, particularly around the employment disability area, is seamless?

Senator BOYCE—That sounds like an excellent idea.

Senator Ludwig—Clearly I am offering that on behalf of Mr Shorten, but I am sure the department would be keen to explore some of those issues. It is always difficult in an estimates process where it might not be possible to explore all of those things in confidence. But certainly in a private committee meeting arranged through the chair we may be able to deal with that more effectively at some stage.

Senator BOYCE—That sounds fine. It sounds excellent.

CHAIR—Ms Paul, I think you wanted to correct the record from a question earlier?

Ms Paul—Yes, I wanted to correct a response I gave earlier to a question from Senator Fifield. We were talking about the reporting arrangements for grants and I think I gave an incorrect answer to that question. I would like to take that on notice and consult properly.

CHAIR—Can you identify the question for us?

Ms Paul—It was in the questions relating to the Jobs Fund and the reporting requirements. It was particularly about where a minister overturns a recommendation of the department.

CHAIR—You will now take that on notice?

Ms Paul—I will.

CHAIR—In effect, you are withdrawing the answer to that question?

Ms Paul—Yes.

CHAIR—All right. Thank you. Is there anything else?

Ms Paul—I am sure someone else is making progress on them, but I do not have an answer yet on some other matters. They are still being progressed.

Senator CASH—I have another issue in relation to another question that has just been corrected and forwarded to us. I will provide that information to Ms Paul.

Committee adjourned at 6.16 pm