

Job Seeker Account Expenditure Principles March 2005

The following set of principles should be carefully considered before making any purchase using the Job Seeker Account. Job Network members should be mindful that job seekers also have a responsibility in relation to securing employment, and it is not appropriate to purchase every day items that a job seeker should reasonably be expected to make themselves. *As a general rule, if there is any doubt that an expenditure does not satisfy one or more principle, that purchase should not be made without consultation with your Contract Manager.*

1. **Goods and services purchased using the Job Seeker Account must withstand scrutiny, and must not bring Job Network or the Commonwealth into disrepute.**
2. **Assistance purchased using the Job Seeker Account must be directly related to a job seeker securing an employment outcome relevant to the labour market.**
3. **Goods and services purchased using the Job Seeker Account must represent value for money for the Commonwealth and taxpayer, and payment rates should be fair and in accordance with industry standards.**
4. **Services, products and programmes must be sufficiently different to and/or over and above those which providers are required to deliver as part of their contractual obligations.**
5. **Use of Job Seeker Account must reflect a job seeker's individual needs.**
6. **An appropriate mix of services, products, and programmes must be funded from the Job Seeker Account to reflect the range of barriers job seekers face.**

Further guidance on the expenditure principles is at **Attachment A**.

A list of specific purchases which will not be reimbursed from the Job Seeker Account is at **Attachment B**.

**Job Seeker Account
Expenditure Principles
March 2005**

The following provides further information on the principles governing decisions about Job Seeker Account purchases. In addition to the provisions of Part B, Clause 7.10 of the Employment Services Contract 2003-2006, Job Network members are required to carefully consider the principles before making any purchase using the Job Seeker Account. *As a general rule, if there is any doubt that an expenditure does not satisfy one or more principle, that purchase should not be made without consultation with your Contract Manager.*

1. Goods and services purchased using the Job Seeker Account must withstand scrutiny, and must not bring Job Network or the Commonwealth into disrepute.

Purchases which are likely to withstand scrutiny are those which are:

- Directly employment related, that is, they are required to enable a job seeker to accept employment, or they are directly related to improving the likelihood of a job seeker being able to secure employment relevant to the labour market (refer to principle 2).

Items which will not withstand scrutiny and are not appropriate to purchase using the Job Seeker Account include:

- Goods or services which a job seeker can reasonably be expected to purchase to visit their Job Network member, to access assistance or take up employment including:
 - goods or equipment that are not directly related to a job seeker securing or maintaining employment such as personal or hygiene products (including shavers, hairdryers, make up etc).
- Cash payments to job seekers (except in exceptional circumstances such as to reimburse a job seeker for a specific item), gift vouchers or vouchers that can be redeemed for cash;
- Incentives to job seekers (including providing transport assistance as an incentive rather than as a result of genuine need);
- Rent and bond (except as part of relocation assistance to take up employment);
- Food and household bills;
- Individual items for job seekers to own and from which they would accrue ongoing personal benefit such as:
 - cars and bicycles where the job seeker has reasonable access to suitable public transport ;
 - mobile phones (unless purchased under the Loan Phone Scheme), mobile phone credits/accounts, alarm clocks, and watches;
- Equipment or tools (except where required to enable a job seeker to undertake employment related training or secure employment and where these items are not normally provided by the employer);
- Items which an employer would generally supply as a standard condition of employment;
- Assets or grants for self employed job seekers which a person setting up a business would be reasonably expected to purchase themselves;
- Incentives, rewards and gifts to employers such as club memberships.

A list of items which will not be reimbursed from the Job Seeker Account under Part B, Clause 7.10(h) of the Employment Services Contract 2003-2006 is at Attachment C.

2. Assistance purchased using the Job Seeker Account must be directly related to a job seeker securing an employment outcome relevant to the labour market.

Assistance which falls within this principles and may be purchased using the Job Seeker Account includes:

- employment related training and associated books and equipment;
- pre-vocational or preparatory support for disadvantaged job seekers such as pre-apprenticeship training or pre-tertiary course;
- literacy or numeracy assistance where places in other government funded programmes are unavailable;
- clothing to attend an interview where the job seeker has no suitable clothes and is not in a position to purchase such clothes;
- clothing and equipment to enable a job seeker to accept an offer of employment that an employer would not otherwise normally provide as a condition of employment;
- clothing and equipment to enable a job seeker to participate in employment related training;
- work tools to enable a job seeker to accept an offer of employment (except where the employer would normally provide this as a standard condition of employment);
- wage subsidies for employment which is sustainable and ongoing after the wage subsidy has ceased;
 - the value must be commensurate with the job seeker's level of disadvantage, that is, wage subsidies may be expected to increase for the most highly disadvantaged job seekers;
 - to demonstrate their commitment to ongoing employment, the employer must also generally make a significant contribution to the cost of the job seeker's wage;
 - JNMs should not generally offer wage subsidies of 100% (or more) of wage costs without the agreement of their Contract Manager and only in isolated instances. Where a JNM has an opportunity for a particularly disadvantaged individual (such as over 5 years unemployed or with multiple disabilities) additional supplementation to an employer may be appropriate;
 - the wage subsidy may cover costs such as on the job training but should not include items such as employer incentives or rewards;
- Assistance with short term transport costs where the JNM has carefully assessed the need for such assistance on an individual basis, including taking into account that job seekers have a responsibility themselves with regard to their job search. This might include:
 - fares assistance to access public transport where such assistance will help the job seeker improve his or her employment prospects;
 - fuel and petrol vouchers where this represents the best value for money in assisting a job seeker attend employment related assistance, interviews, and to maintain employment;
 - where a job seeker does not have reasonable access to public transport, or public transport is not suitable, JNMs may consider assisting with

alternative transport options. In doing this, JNMs must assess the job seeker's need and the option which represents the best value for money.

- relocation assistance to enable a job seeker to accept employment;
- support (such as small business training or mentoring) to assist a person establish their own business;
- employment costs such as medical and licence checks required by an employer before a job offer will be made;
- dental costs (only in exceptional circumstances where this is a significant barrier to employment);
- medical costs and rehabilitation counselling or services such as for pain and anger management;
- work place assistance and modifications for people with a disability;
- work related licensing;
- interpreter services;
- the provision of outreach services to locationally disadvantaged job seekers.

3. Goods and services purchased using the Job Seeker Account must represent value for money for the Commonwealth and taxpayer, and payment rates should be fair and in accordance with industry standards.

Best endeavours should be made to ensure and to demonstrate that payment rates for goods and services are in accordance with industry standards, and that a number of suppliers have been considered to ensure that the best value for money is achieved.

While related entity expenditure is not prohibited, Contract Managers will closely monitor this type of expenditure. Where assistance is provided by a related entity, Job Network members should be able to demonstrate that other options have been considered and that the assistance provided by a related entity better addresses the job seeker's barriers to employment, represents best value for money, and the payment rates are in accordance with industry standards.

4. Services, products and programmes must be sufficiently different to and/or over and above those which providers are required to deliver as part of their contractual obligations.

The services that JNMs are obliged to provide are clearly stated in the Employment Services Contract 2003-2006. Examples of services that are already provided and, therefore, would not be reimbursed from the Job Seeker Account include:

- provision of Job Search Training (except where the job seeker is highly disadvantaged and has received early access to Intensive Support customised assistance);
- provision of any service for which a Job Network member has already received a fee (such as where a job seeker does not complete the full 100 hours of Intensive Support job search training);
- specified contacts with job seekers, eg fortnightly contacts during Intensive Support customised assistance;
- assistance with resume and job application preparation (except in exceptional circumstances for a highly specialised position);

- undertaking an assessment of the job seeker's employment needs and barriers (including for the purposes of reverse marketing) unless it is an additional assessment provided by an appropriately qualified specialist;
- Job Placement services;
- Contacts with job seekers solely to verify employment/education for the purpose of an Intensive Support Outcome claim.

Job Network members must ensure, and be able to substantiate, that additional contacts are:

- tailored to the individual needs of each job seeker and are in the interest of the job seeker;
- not used as a one size fits all approach;
- focussed on more disadvantaged or long term unemployed job seekers with a view to achieving job outcomes;
- for a significant period of time, as a guide, a minimum of 15 minutes duration for each contact.

Contract Managers will monitor the use of the Job Seeker Account for this purpose closely.

5. Use of Job Seeker Account must reflect the job seeker's individual needs.

Job Network members are required to undertake a proper assessment of a job seeker's individual needs and use a range of assistance options under the Job Seeker Account to address those needs. This assessment should specify the assistance required under the Job Seeker Account.

It is not expected that Job Network members will provide a "one size fits all" type of assistance to all job seekers and they must be able to substantiate that the assistance will benefit an individual job seeker. For example, JNMs must ensure that:

- an additional contact is necessary to assist the job seeker increase his or her employment prospects (eg. because the job seeker has initiated the contact or because the job seeker is disadvantaged or long term unemployed);
- a particular training course is appropriate for their specific needs and not just part of a group or internally delivered course;
- a particular item of clothing or equipment is directly related to that job seeker's employment needs and not part of a bulk purchase handed out to all job seekers;
- where transport or fares assistance is provided, there is a genuine need and the type of assistance provided reflects the job seeker's needs and represents the best value for money.

6. An appropriate mix of services, products, and programmes is funded from the Job Seeker Account to reflect the range of barriers job seekers face.

Job Network members are expected to provide a range of assistance to job seekers. It is not appropriate, for example, for the majority of Job Seeker Account expenditure to be directed only to assistance provided by a related entity. Where Job Network members spend a substantial portion of Job Seeker Account funds on assistance provided by a related entity, they must be able to substantiate that the assistance is individually tailored, is value for money for the Commonwealth, and is securing, or likely to secure, outcomes for job seekers.

It is recognised that some job seekers may only require limited assistance while others will require assistance from a range of these categories. JNMs should carefully assess what is appropriate on an individual basis.

Prohibited Items

The following items are notified in accordance with Part B, Clause 7.10(h) of the Employment Services Contract 2003-2006 as items which will not be reimbursed from the Job Seeker Account, in addition to Part B, Clause 7.10 of the Employment Services Contract 2003-2006:

- Goods and services which would not withstand scrutiny;
- Assets* for job seekers to own and gain personal benefit from retaining, and for which it is reasonable to expect a job seeker to purchase, and/or expenditure relating to upkeep of assets such as:
 - mobile phones (unless purchased under the Loan Phone Scheme), mobile phone credits or accounts;
 - watches, alarm clocks, hand bags, and personal hygiene products such as shavers, hair dryers, make up, toiletries, soap;
 - computers, printers, facsimiles, photocopiers;
 - bikes, accessories and repairs, cars, car registration and insurance, car repairs, except in exceptional circumstances where public transport is not available or is not suitable and the JNM has assessed the job seeker's needs and determined that this assistance is the best value for money to meet those needs.
- * *Except tools and equipment where they are required for the job seeker to participate in employment related training or to secure employment.*
- Services which are not directly employment related such as:
 - personal hygiene products such as hair colouring, beautician visits, 'makeovers', pamper packs;
 - gym membership, weight reduction services;
 - nicotine patches.
- Expenditure that job seekers would be expected to meet including:
 - rent and bond monies (except where a job seeker is relocating to take up employment), food and household bills, internet connections;
 - fines, court fees;
 - pay out of loans or credit cards; and
 - union dues.
- Expenditure that JNMs should meet including:
 - JNM legal costs;
 - work experience with a JNM or a related entity;
 - the hire of security guards for a JNM's premises;
 - costs associated with administering the Job Seeker Account; and
 - contacts with the job seeker or employer that are solely for the purpose of verifying employment or tracking an outcome.
- Items which employers could be expected to contribute as a standard condition of work such as non portable work goods.
- wage subsidies of 100% or more of wage costs without the agreement of their Contract Manager and only in isolated instances. Where a JNM has an opportunity for a particularly disadvantaged individual (such as over 5 years unemployed or with multiple disabilities) additional supplementation to an employer may be appropriate;

- Employer incentives, rewards, and gifts
- Goods and services that do not represent value for money for the Commonwealth and taxpayer or where payment rates are not fair and in accordance with industry standards;
- Incentives or cash payments to job seekers (except in exceptional circumstances such as to reimburse a job seeker for a specific item), gift vouchers or vouchers that can be redeemed for cash;
- Relocation costs for job seekers relocating overseas;
- Wage subsidies for job seekers who become self employed, and assets or grants for self employed job seekers which a person setting up a business would be expected to purchase themselves;
- Wage subsidies to Commonwealth or State Government departments or agencies.