

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

**2007-2008 BUDGET SENATE ESTIMATES HEARING
28 and 29 MAY 2007
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

Outcome 1: Efficient and effective labour market assistance

Output Group 1.2: Labour market programme management and delivery

Output 1.2.2: Employment Services

Question Number: W329-08

Question:

Can you provide me with a description of the process around the business allocation process and the criteria used in that decision making?

Answer:

The Department of Employment and Workplace Relations (the department) provides regular, ongoing feedback to Job Network members (JNMs). In addition, the department conducts a formal Performance Review of JNMs at the end of each six month performance period, as required by Clause 18 of Part A and Clause 12 of Part B of the Employment Service Contract 2006-2009 (ESC3). These regular performance reviews significantly contribute to improving an already high performing employment services market that is achieving record results.

The most recent Performance Review covered the performance period 1 July 2006 to 31 December 2006.

At the end of each performance period the department analyses the performance of each JNM. Star Ratings are the key, but not sole, indicator of performance, with performance reviewed and monitored against all aspects of the contract. Specifically, clause 12.8 and 12.9 of Part B of ESC3 identify providers who have a Star Rating at the Employment Services Area (ESA) or site level of 2.5 Stars or below, or two Stars or lower than any other provider at the site or ESA level, as in scope for business reallocation.

Clause 12.7 identifies other specific factors that may be taken into account when assessing a JNM's performance:

- (a) the Provider's degree of compliance with the Site Business Shares;
- (b) the number and value of invalid claims made by the Provider;
- (c) the proportion of employment outcomes in respect of FJNE Job Seekers that give rise to Intensive Support Outcome Payments that do not result

in ongoing employment of FJNE Job Seekers beyond the period of employment that gave rise to the Intensive Support Outcome Payments;

- (d) the efficiency and effectiveness of Job Seeker Account expenditure by the Provider in achieving outcomes for JSKA Job Seekers;
- (e) the Provider's performance against the KPIs;
- (f) the Provider's performance against any Performance Benchmarks;
- (g) the Provider's performance in assisting particular client groups such as parents, people with disabilities and Indigenous Australians;
- (h) delays in commencing Eligible Job Seekers in any of the stages of the continuum of Services described in clauses 3 and 4;
- (i) the Provider's participation in initiatives aimed at improving the local labour market, including addressing labour and skills in demand through industries strategies and other local activities; and
- (j) the Provider's compliance with this Contract.

A Review Committee of senior departmental staff consider each provider's performance, including information provided by state-based Account and Contract Managers, and make recommendations to the Delegate, (the Deputy Secretary), on particular areas of performance feedback each JNM should receive and any reallocation of business from low performing to higher performing JNMs or business that should be put to tender. The delegate makes the final decisions on business to be reallocated and/or put to open tender.

A Senior Executive Lawyer from the department's Corporate Legal Branch undertakes the role of probity advisor and is present throughout the process to ensure transparency and defensibility of the decisions made during the Performance Review. The Probity Adviser observes the Review Committee's consideration of recommendations made by State and Account Managers and of performance information; reviewed sample justification statements and provided probity advice when requested.

Estimates costs: Using the FOI calculator, to prepare this answer it has taken approximately 1.5 hours at the cost of \$45.25.