

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

**SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE
2008-09 BUDGET ESTIMATES HEARING**

Outcome 7

DEEWR Question No. EW272_09

Senator Abetz provided in writing.

Question

Program Service Fees

- i. How are service fees currently paid to providers for:
 - a. Job Network
 - b. DEN
 - c. VRS
 - d. Work for the Dole
 - e. Green Corp
 - f. NEIS
 - g. Personal Support Program
 - h. JPET
 - i. Harvest Labour

- ii. Are they [*service fees*] paid on an upfront basis and what is the frequency of payment?

- iii. If paid in advance, what is the process used to determine the amount and how frequently/much does the Department recover on an annual basis?

Answer

- i. All service fees for providers of employment services are paid by electronic funds transfer following lodgement of claims and approval through the Department's IT and associated banking systems.

- ii & iii. Please refer to table at attachment A.

Program	ii: Are they paid on an upfront basis and what is the frequency of payment?	iii: If paid in advance, what is the process used to determine the amount and how frequently/ much does the Department recover on an annual basis?
Job Network (JN)	<p>Job Network service fees are paid upfront by a combination of two methods:</p> <ol style="list-style-type: none"> 1. On an individual basis when a job seeker commences in Job Search Training or Job Search Training Refresher, and the first and second periods of Intensive Support Customised Assistance. 2. Service fees for registration and contact interviews are included in the Quarterly Service Fee paid to JN providers at the beginning of each quarter. (January, April, July, October) 	<p>Commencement fees are dependant on services as set in the Employment Services contract.</p> <p>Quarterly service fees are calculated on the basis of anticipated numbers of job seekers flowing through various contact points and the provider's market share.</p> <p>Between 1 July 2007 and 30 June 2008, \$1,449,519 was recovered for Job Network service fees.</p>
Disability Employment Network (DEN)	DEN fees are not paid in advance.	Not applicable.
Vocational Rehabilitation Services (VRS)	Fees are not paid upfront	Not applicable.
Work for the Dole	<p>Service fees are paid in advance at the start of each Performance Period. Service fees based on the provision of Additional Places can be paid at any time during a performance period.</p> <p>Service fees are paid twice yearly, and when additional places are awarded.</p>	<p>The amount paid is equal to the provider's tendered service fee multiplied by the number of Allocated Places and any Additional Places.</p> <p>It is not possible to extract the amount recovered specifically for service fees paid in advance for Work for the Dole.</p>
Green Corps	Both the administration and participation fees are paid upfront.	The administration fee is the amount tendered by providers in the 2006 - 2009 Employment Services purchasing process.

Program	ii: Are they paid on an upfront basis and what is the frequency of payment?	iii: If paid in advance, what is the process used to determine the amount and how frequently/ much does the Department recover on an annual basis?
	<p>The administration fee is paid in instalments in July and January of each financial year.</p> <p>The participant allowance is paid prior to the commencement of a round of Green Corps projects. There are three rounds of Green Corps projects each financial year.</p>	<p>The participant allowance is an amount determined by DEEWR and aligned to the National Training Wage with an increase of approximately three per cent per financial year.</p> <p>DEEWR has not recovered any funding for the Green Corps program to date.</p>
New Enterprise Incentive Scheme (NEIS)	Fees are not paid upfront.	Not applicable.
Personal Support Program (PSP)	PSP service fees are a combination of advance payments and payments on completion of certain milestones.	<p>All payments made in advance are based on an amount prescribed in the Employment Services Funding Deed, 2006-2009.</p> <p>It is not possible to extract the amount recovered specifically for service fees paid in advance for the Personal Support Program.</p>
Job Placement Employment and Training Program (JPET)	Providers are paid quarterly with up to 80% of fees paid in advance.	<p>The advance payment is paid at the beginning of the quarter and is linked to the achievement of year to date commencement targets.</p> <p>JPET providers are required to acquit their funding at the end of each financial year.</p> <p>Between 1 July 2007 and 30 June 2008, some \$742,734 was recovered from JPET providers. It is not possible to separate the amount recovered specifically for service fees paid in advance.</p>
Harvest Labour Services (HLS)	Service fees are paid upfront. Providers claim the service fee in advance for each 3 month period, starting on day one of the contract.	<p>The amount paid in advance at the 3 month interval is determined as per a schedule in the contract.</p> <p>There have been no recoveries for Harvest Labour service fees in the 2007 - 2008 Financial Year.</p>

Program	ii: Are they paid on an upfront basis and what is the frequency of payment?	iii: If paid in advance, what is the process used to determine the amount and how frequently/ much does the Department recover on an annual basis?
Remote Services ¹	Service fees are paid in advance with payments made on a six monthly basis.	<p>Advance service fee payments are calculated on the basis of the number of anticipated placements within the performance period as set out in the Remote Services Deed.</p> <p>Between 1 July 2007 and 30 June 2008, some \$416,366 was recovered in advance payments made under the Remote Services Deed.</p>

¹ Note: The Remote Services Deed ‘bundles’ services delivered in areas designated remote. ‘Bundled’ services include Job Network, Work for the Dole, DEN, JPET, PSP and NEIS..