

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

**2005-2006 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2 and 3 NOVEMBER 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

- Outcome 1:** Efficient and effective labour market assistance
- Output Group 2:** Labour market programme management and delivery
- Output 1.2.2:** Employment Services

Question Number: W428-06

Question:

Senator Wong asked at *Hansard* page 12:

Can you please advise what actions the department has taken in relation to Recommendation No 4 of the Audit Office Report on the DEWR oversight of Job Network services?

Answer:

Recommendation 4 states that:

‘The ANAO recommends that, in order to provide assurance that DEWR’s monitoring effort is appropriately aligned with its assessments of risk and that monitoring activity covers all service risks, DEWR establish:

- minimum requirements for monitoring visits in relation to different types and levels of risk exposure; and
- targets for monitoring activity, including site monitoring visits, required to meet corporate priorities, such as complaints handling, with a view to complementing the professional judgement of local contract managers

DEWR agreed with the recommendation, noting that minimum standards were set in early 2004. DEWR acknowledged that these could be better reflected in the Contract Manager’s Risk Management documentation.

During the period of the audit, the department was already developing a new risk management tool to support contract managers. The development of this tool was acknowledged in the audit report by the ANAO who noted that the department’s improvement of the risk management process for contract managers was timely. The risk management tool was implemented in October 2004 (ie. after the field work for the ANAO review). Accompanying the implementation of the risk tool was training for contract managers and enhanced monitoring guidelines to guide greater consistency of actions taken to mitigate identified risks. All guidelines are available to contract managers through the Contract Managers’ Portal.

The risk management tool provides prompts to contract managers on the action that should be undertaken depending on the level of risk, including site monitoring where appropriate.

An annual review is undertaken of the risks identified by the risk management tool to ensure that they continue to reflect the market environment. For example, an assessment of complaints handling forms part of the analysis in the risk tool and analysis of Job Network complaints registers is a priority for contract management for 2005-06.

Each risk assessment is reviewed at least annually and generally aligns with an annual site monitoring visit. It should also be noted that site monitoring is only one of several ways which the department monitors provider performance.

This risk management framework complies with the Australian and New Zealand Standard on Risk Management (AS/NZS 4360:2004) and the Standard Companion Handbook on Risk Management (HB 4360).