

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Outcome 4 - Employment & Participation Policy

DEEWR Question No. EW0449_11

Senator Abetz provided in writing.

Question

JSA STREAM RATING

What action is the Department taking for the 646 sites that only had a '1' star rating for stream '1' job seekers? Why does the Department believe that so many providers performed poorly in their servicing of this cohort? What percentage of the Stream 1 caseload is currently 'suspended'? Does the Department acknowledge that providers believe the funding model does not adequately reward them for placing these job seekers? How much is paid for a stream 1 job seeker who has been unemployed for just under a year, if they are placed in a job.

Answer

The Department is committed to the provision of employment services to assist Australians to participate in the employment market. The Department uses a risk management approach for monitoring the delivery of Job Services Australia services to job seekers.

The Department may, adjust the business share of the Job Services Australia provider depending on the outcome of its assessed performance.

The mid-term business reallocation for Job Services Australia providers is a means of driving performance improvement also ensuring we have the best providers delivering employment services to job seekers and employers.

Job Services Australia providers who are rated as 1-star, either at the Employment Service Area or site level, at the end of Performance Period 3 (31 December 2010) will be considered "in-scope" for the midterm business reallocation. In addition, the department may require some providers to enter into a performance improvement plan to increase their performance during the term of the contract.

The 31 December 2010 JSA Star Ratings were publicly released on 9 February 2011. For Stream 1 of the 2,297 sites listed, 342 achieved 1-Star, 968 achieved higher than 1-Star and 987 had insufficient data to calculate ratings for them. The number of 1-Star sites is significantly lower than the 647 sites which achieved 1-Star in the 30 June 2010 Star Ratings. These results suggest that the rollout of the new program has been accompanied a progressive improvement in performance by providers for Stream 1 job seekers.

As at 31 December 2010, there were 23,272 suspended Stream 1 job seekers accounting for 14.8% of the Stream 1 caseload.

The main reasons for a job seeker being suspended include:

- job seeker undertaking part-time work (26%);
- temporary medical incapacity exemption (17%);
- Approved absence overseas exemption (14%);
- Provisional Exit, which includes when a job seeker is placed in a job (9%);
and
- temporary reduced work capacity (7%).

Some providers have expressed the view that funding and servicing arrangement for Stream 1 be changed or increased.

Current incentives for JSA providers for a Stream 1 job seeker are Service Fees and Placement Fees of up to \$1221, depending on the job seeker's capacity to work, comprised of:

- a maximum Service Fee of \$781; and
- a Placement Fee of \$385 or \$440 (between 15 and 49 hours, or over 50 hours on 10 consecutive days, respectively).