

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

QUESTIONS ON NOTICE

Inquiry into the DEEWR Tender Process to award employment services contracts

EEWR_SIH_W14

Senator Siewert provided in writing.

Question

Did the assessment of viability take into account the impacts of labour markets on the likely decrease in outcomes for jobseekers – particularly in streams 3 & 4?

Answer

In accordance with section 3.8 of the Request for Tender (RFT) the objective of the financial viability process was to determine, on the basis of information provided with the tender whether the tendering organisation may be considered financially viable to meet the service requirements of the RFT, and whether there are any circumstances that may adversely affect the tenderer's ability to meet its contractual obligations to supply services for at least the Contract period. This process is used to minimise risk to the Australian Government. The process was not used to measure the profitability of an organisation or its potential for success in the Employment Services market.

Further, within the Job Services Australia business model, both provider service fees and outcome payments for Stream 3 and 4 are higher than Streams 1 and 2 in recognition that providers will need to work more intensively with job seekers to address their vocational and non-vocational barriers to employment. In many cases a provider will need to address these barriers first before they consider the person ready and able to move into employment. Importantly, Job Services Australia is a demand driven model so disadvantaged clients will no longer have to wait in a queue for many months for assistance, they will enter the intensive service from day one.

The Employment Pathway Fund (EPF) will enable providers to purchase a range of support for job seekers, specific to their needs. The amount of funding available in the EPF increases relative to a job seeker's level of disadvantage and can be used to purchase services such as counselling and rehabilitation as well as personal development, self-esteem and anger management courses. The EPF can also be used to fund wage subsidies, travel assistance and training courses.

A key feature of Job Services Australia is its flexibility to provide job seekers with the right mix of training, work experience and other support to help job seekers find and keep a job.