

**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_W3

Senator Siewert provided in writing.

Question

The Department's submission talks about social inclusion requiring 'strong partnerships' ... and ES redesign was part of the government's social inclusion agenda
Professor Mulligan's paper calls the tender a classic contract model, not a partnership model. Providers report not treated like partners. There is no mention of wrap-around services, or integration with other government programs, or the need for a joined-up whole-of-govt approach.

The process allows no acknowledgement of the manner in which surpluses are used by not-for -profits to provide other complementary services to disadvantaged jobseekers.

There is no mention of the importance of staff relationships and continuity of case management for disadvantaged jobseekers

Please explain how this process addresses the social inclusion agenda?

Answer

The Australian Government believes that all Australians need to be able to play a full role in all aspects of Australian life. To be socially included, all Australians must be given the opportunity to:

- secure a job
- access services
- connect with family, friends, work, personal interests and local community
- deal with personal crisis
- have their voices heard.

The review of Job Network and re-design of the Government's employment services was a part of the Government's agenda for social inclusion and commitment to boosting the skills and productive capacity of the workforce. Its aims and outcomes are consistent with the social inclusion agenda:

- early intervention to minimise the number of long-term, welfare-dependent Australians of working age
- providing services that are relevant to the circumstances and needs of the job seeker
- ensuring job seekers who are struggling the most get the most intensive assistance
- providing meaningful incentives for training and ensuring there are means for job seekers who are in need of training to get that training
- meeting skill shortages
- providing the greatest rewards when employment service providers find sustainable jobs for job seekers as fast as possible

- ensuring there is a performance management and tendering system that properly accounts for quality performance
- minimising the amount of time and money spent on administration.

Partnerships

As part of the Social Inclusion Agenda the Australian Government is committed to strengthening the relationship with the non profit sector. The agenda recognises the critical role the non profit sector plays in delivering services, advising and developing social policy and advocating on behalf of marginalised groups. It is recognised that a strong relationship between the government and the sector will be crucial to the success of the agenda and related reforms.

An agreement is being developed between the Australian Government and the non profit sector outlining how the two will work together to improve and strengthen their relationship.

The challenges of the Global Recession saw the Australian Government establish the Community Response Task Force on 3 March 2009. The Task Force provides the non profit sector and the Government the opportunity to work together to make sure Australians affected by the Global Recession get the support and assistance they need.

On 17 March 2009 the Australian Government announced that the Productivity Commission will examine the contribution of the non profit sector to Australian society.

The Commission has been asked to assess the extent to which the non profit sector's contributions to Australian society are currently measured and to consider improvements of such measures. The Commission has also been asked to identify any unnecessary impediments to the effective operation of community organisations and to consider options for improving the delivery of government funded services by these organisations. The Commission is required to provide a final report by the end of 2009.

Consultation

In January 2008, the Hon Brendan O'Connor MP, the then Minister for Employment Participation, wrote to employment services providers, employers, non profit organisations and other stakeholders, seeking their views on the future direction of employment services. The Minister asked stakeholders for suggestions on how to improve assistance to the unemployed. More than 260 submissions were received.

Through a range of meetings and further consultation, the Minister sought the views of employment services providers, employers and employer associations, Unions, State and Federal Parliamentarians and program participants. Job seeker satisfaction surveys, program evaluations and reports of the Auditor-General have also informed the review.

This process formed the basis of the development of the new employment services system.

The extensive consultation in the development of the design of the new Employment Services systems reflects the Government's commitment to working in partnership with the sector. The Government will continue to work with and consult the sector to improve services for job seekers especially those who are most disadvantaged.

Agency Adjustment Fund

In addition the Government has introduced the Agency Adjustment Fund, this is a temporary fund of \$3.5 million established to provide transitional support for employment services providers (including non profit organisations) who were not awarded business, or were awarded a reduced level of business, under the Job Services Australia tender. The Agency Adjustment Fund will support organisations to reposition themselves and identify new revenue opportunities.

Wrap around services

The new employment services model requires providers to deliver services holistically. Job seekers will no longer be moving in and out of different programs or from one provider to another. Job seekers will be linked to a provider of their choice who will develop an individually tailored plan, known as the Employment Pathway Plan to assist job seekers to obtain employment. This plan will bring together the various types of assistance, vocational and non-vocational needed to address the barriers faced by that individual.

In bidding to deliver employment services, tenderers were specifically required to address a number of selection criteria. This included:

- Demonstrating their understanding of Stream Services (detailed in the Request for Tender), including how they would provide a holistic, integrated service that achieves outcomes for job seekers. Tenderers were asked to describe their organisation-wide strategies for providing an integrated service including how they would integrate with other service providers, including other Australian, State, territory, local government and community services;
- Detailing local strategies and collaborative arrangements to achieve outcomes for job seekers and employers, including the strategies that they would adopt to develop links and collaborative arrangements with local service providers, community and support organisations to assist with the delivery of flexible individualised and tailored Stream Services for job seekers.

In addition, as part of the Request for Tender an Innovation Fund Panel was established to deliver projects under the \$41 million Innovation Fund, to be expended over three years. Projects under the Innovation fund will provide innovative place-based solutions for highly disadvantaged job seekers. This may include trialing different service delivery models. Best Practice will be promulgated and findings will be shared with a view to wider application.

Panel members were required to detail their understanding of social inclusion concepts in their tender documentation. They were also required to describe their experience and capacity to work collaboratively with other organisations such as employers, employer bodies, employment service providers, unions, community organisations, training organisations, research bodies and government agencies.

Continuity of Case management

Tenderers had to demonstrate how they would engage and maintain job seekers continued engagement and participation throughout the duration of their activities.

In addition, transition arrangements have been worked out in partnership and collaboration with stakeholders, using past experiences, feedback from stakeholders and open channels of communication to ensure a smooth transition for job seekers, Providers, employers and other industry stakeholders into Job Services Australia.