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Job Network Review
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Quest Solutions is a relatively small for-profit provider based in the ACT with some sites in Southern NSW. We have been delivering labour market programs since 1987 including Training Programs, JobSkills, New Work Opportunities ESRA and Job network. We have a 4.5 star rating for IA in the ACT.

Our Response to this Issues paper is based on long experience in a relatively small geographic area as well as communication with other JNM's nationally. We have chosen issues where we believe we can contribute to the debate

Price

When tenders were based on price and many JNM's went bankrupt the bad publicity was very hard to overcome. There should be a predetermined floor price below which bids will not be accepted for all services, not just IAS. This will then allow providers to concentrate on offering quality services rather than the anxiety of second guessing the effect of price on the outcome of the tenders. Our organisation has no problem with the IA funding level, however JM and JST are being cross subsidised by IA and other programs we deliver.

Star Ratings

The current round of star ratings advantages some labour market regions or ESA's, where all providers have a high rating, and disadvantage other LMR's or ESA's where all providers have a low rating.

This destroys the face validity of the star ratings. All we see is the results or the 'face' of the statistical regression model, rather than the figures, which go into the model. Providers therefore, currently have little faith in the model being a fair and transparent method of measuring apples with apples.

Star ratings should relate to the ESA's and compare performance on standard criteria within those LMR's or ESA's which are visible and understood by providers. Performance of other providers in the LMR or ESA should also be taken into account when producing start ratings.

The first 6 to 12 months of a contract should be excluded from the star ratings to account for unproductive set up time. Quest's established sites are performing much better now than they were at the beginning of the contract and significantly better than our than new sites established at the beginning of this contract.

Length of time a site has been operating needs to be factored into the regression model. New sites should be compared with other new sites not established sites, as it takes more than 2 years to reach peak productivity. An assessment of the productivity of new sites verses established sites should be done to test this hypothesis.

Ensuring Quality

Qualitative KPI's need to be set, monitored and measured. Currently audits focus on compliance to filing and record keeping requirements, with scant attention to quality measures such as outcomes, level of service to difficult clients, number of contacts, types of services being delivered to each client, amount of expenditure per client.

There should be effective research into the relative effects services delivered such as amounts spent on clients (and the types of services purchased) and the correlation to outcomes.

The flexibility of the current JN contract to provide a variety of services should be maintained

Different types of programs

In our experience one of the most successful programs in retaining people into work was New Work Opportunities (NWO's) which combined 6 months of paid work experience and 6 weeks of off the job training. Our organisation specialised in placing Job Seekers into for-profit businesses rather than community groups, government agencies or projects. The reason for this specialisation was that the injection of another person into a small business allows that business to grow, enabling opportunity to employ the person at the end of the work experience placement. We had a 70% retention rate into jobs in the ACT and 50% in depressed labour market regions such as the South coast of NSW.

We were very disappointed when the evaluations of the program which was ramped up before an election, showed that many providers parked people into projects, community groups or government departments which had no outcomes.

The lessons we learnt were that training combined with regular on going work experience is the best way to assist long term unemployed people to overcome barriers in skill shortages and expose them to potential employers. We also maintain that growth in employment opportunities is in the private sector.

We are concerned that unions often allow paid work experience into the not for-profit or government sectors put barriers between paid work experience and the for-profit sector as with the JobSkills program. We noticed a recent draft ACOSS paper was advocating paid traineeships into the community sector for IA clients. While paid traineeships would in our opinion be successful I we would doubt the likely success of targeting the community sector.

For-profit Verses Not for-profit Organisations

Not for-profit organisations have benefited from favourable fringe benefit tax rulings, which mean they can attract staff with packages unavailable to for-profit organisations with whom they are competing.

Many for-profit organisations are excluded from applying for other government tenders which are put out exclusively to be accessed by not for-profit organisations.

Religious organisations should play down their religious beliefs when dealing with Job Network which should be attractive to all groups.

We are unaware of any differences detected in the quality of for-profit verses not for-profit organisations. However for-profit organisation are often referred to as different or not quite as ethical or moral as not for-profit organisations.

Research needs to be done to test the hypothesis 'that there are fundamental differences between not for-profit and for-profit organisations'.

Competition and Choice

Many job seekers would rather not be involved with job network, which is underpinned by mutual obligation and the perception coercion. Therefore if they are forced into JN they will put little effort into learning about providers or choosing a provider. JNM's need to market their benefits to Job seekers.

There has also been variable pre referral access to clients by JNM's through Centre link. If we have more direct access to potential clients at information sessions, we have more effective marketing success.

Role of Players

In the ACT the local TAFE (CIT) gives a discount of 50% of fees to unemployed disadvantaged clients. **However this has been withdrawn for IA clients who are sponsored by their Job Network member.** This is a disincentive for JNM's to sponsor TAFE courses for their clients. In NSW TAFE (and probably other states) courses are free for all unemployed clients. In the ACT disadvantaged clients are even more disadvantaged because CIT has the policy of charging fees to unemployed clients and withdrawing the discount of 50% for IA clients.

Currently there is a controversy over educational places and the weight they have in the star ratings. It was reported at a recent NESAs forum that this has been caused by unscrupulous JNM's who are purchasing very expensive courses specifically to boost their star rating. DEWR is canvassing to change the whole system of weighting on star ratings to counteract this problem. We believe DEWR should have the ability to tackle the problem, by sanctioning those providers who are proved to be cynically manipulating the system against the spirit of Job Network, rather than alter the whole methodology of measurement less than 3 months before the final star rating.

Changes to Australian Job Search

The Resume Builder on the Workplace Internet site produces a resume which can be used to automatically match job seekers against jobs lodged in the AJS. It can also be sent to employers or JNM's who lodge jobs on the AJS. However the resume is of poor quality unable to be used as a marketing tool. If the resume builder could produce a decently formatted resume on the web then job seekers could create this as their own resume to be printed out.

This would also improve services to JNM's who would receive a quality resume to market their JM clients.

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