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Professor Michael Woods
Commissioner
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Dear Professor Woods

PRODUCTIVITY COMMISSION REVIEW OF THE JOB NETWORK

I am writing to you regarding the Commission's Independent Review of the Job Network. In light of the Review's timetable and other constraints, and after discussions with relevant Commission officers, we have decided to provide two submissions to the Review.

The initial submission, which is attached, principally provides information on DETYA's main portfolio objectives and the key links between DETYA programmes and Job Network arrangements. A subsequent submission will consider some of the broader issues the Review is expected to address and will provide DETYA's experience in managing a number of sophisticated purchaser-provider relationships.

I would welcome the opportunity to provide any further information which may assist you in the course of this Review. The contact person is Richard Bridge, Assistant Secretary, Research and Evaluation Branch, who can be contacted on 02-6240 8670 or at richard.bridge@detya.gov.au.

Yours sincerely

S T Sedgwick

9 November 2001



Centenary of Federation

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DEPARTMENT OF EDUCATION, TRAINING AND YOUTH AFFAIRS

DETYA RESPONSIBILITIES AND JOB NETWORK ARRANGEMENTS

A SUBMISSION TO
THE PRODUCTIVITY COMMISSION'S
INDEPENDENT REVIEW OF THE JOB NETWORK

NOVEMBER 2001

Introduction

This Submission provides information on DETYA's main portfolio objectives and the key links between DETYA programmes and Job Network (JN) arrangements. It is intended that a subsequent submission will provide further information on the broader issues to be addressed by the Review.

DETYA responsibilities

2. DETYA's vision is excellence in helping all Australians achieve in a learning society. DETYA has portfolio responsibility for Commonwealth issues relating to education, training and youth affairs. Reflecting this responsibility DETYA provides policy advice that reflects the objectives, directions, and priorities of government in order to give effect to the education and training needs of all Australians, especially youth. This role includes the school, higher education, and vocational education and training sectors, and is reflected in the Department's functions, as set out in our Corporate Plan. These functions include developing and implementing policies for government and non-government schools and administering programmes of financial assistance; administering programmes to support the teaching and research activities of higher education institutions; and lastly, taking a leadership role in developing and implementing national training reform.

3. The Department also has cross sectoral functions, including the provision of policy advice, analysing education and training, and evaluating programme effectiveness and policy coherence. The Department recognises the importance of policy solutions that are equitable and responsive to the needs of those Australians that face disadvantage to ensure that they have opportunities to learn and gain skills. It manages policy and programmes to support government agendas in regard to education of Indigenous Australians and young people, and promotes interaction between the education and training sectors to provide pathways from education to employment for all Australians and to contribute to the development of a learning society. Finally, DETYA develops the policy and legislative framework to support the internationalisation and export of Australian education and training services.

4. Within these broad functions, DETYA responsibilities of relevance to the Review fall into two main areas. First, the Department is responsible for Commonwealth funding for and policy responsibilities towards the national Vocational Education and Training (VET) system. The Commonwealth provides around one third of the Government funding which is available for

the VET system, including funding for institutes of Technical and Further Education (TAFE) and other VET providers. This funding is provided to the States and Territories via the Australian National Training Authority (ANTA), which is also partly funded by the Commonwealth and acts as the focus for national arrangements to coordinate policy toward the VET sector, reporting to an industry led Board and to the ANTA Ministerial Council.

5. These national arrangements include the Australian Quality Training Framework (AQTF), which is explained in detail at the ANTA website, <http://www.anta.gov.au/aqtfWhat.asp>. It sets out arrangements which are aimed at providing national consistency and quality for the VET system. While DETYA has no direct involvement in the purchase of training by Job Network providers, these arrangements underpin the regulation by the States and Territories of training providers, and thereby the scope and quality of accredited courses purchased by Job Network members.

6. Secondly, DETYA has a cross portfolio responsibility for youth affairs. It therefore works closely with the Department of Employment, Workplace Relations and Small Business (DEWRSB), and the Department of Family and Community Services, as well as other relevant Commonwealth agencies in relation to the servicing of young people by Job Network providers.

Footprints to the Future

7. As part of its responsibilities in the youth affairs area, the Department shared responsibility with the Department of Family and Community Services for the Prime Minister's Youth Pathways Action Plan Taskforce, chaired by Captain David Eldridge of the Salvation Army. The Task Force reported earlier in 2001, and its report, entitled *Footprints to the Future*, makes a number of recommendations relevant to the Job Network. The report can be found on the DETYA web site at <http://www.youthpathways.gov.au/report.htm>.

8. The Ministers for Education, Training and Youth Affairs and Family and Community services announced on 22 May 2001 a number of measures taken as part of an immediate response to the report. These included the allocation of \$3.7 million in 2002 for around 18 innovative pilots which will test ways to achieve successful integrated community support, including through government agencies, for young people in transition. It is anticipated that Job Network providers could play a part in these pilots. It was also announced that a comprehensive response to the report would be considered in the context of the 2002 -2003 Budget.

DETYA programmes and the Job Network

9. DETYA is responsible for a number of programmes available to job seekers, particularly those in the younger age group. An overview to DETYA's programmes is available at http://www.detya.gov.au/publications/prog_pamphlet/pamphlet.htm. while further details of individual programmes and eligibility can be found at <http://www.youth.gov.au/index.htm>, and <http://www.centrelink.gov.au/internet/internet.nsf/services>.

10. There are a number of ways to enter to DETYA programmes, including, among others, referral from Centrelink, and referral from Job Network members. However, restrictions may apply to simultaneous participation in Job Network and DETYA programmes where simultaneous participation is not considered appropriate or cost effective. Attachment A provides information regarding entry to DETYA programmes, and the restrictions that apply to simultaneous participation in programmes and the services offered by the Job Network. For the most part DETYA programmes draw referrals from Centrelink, including referrals under Mutual Obligation arrangements, from direct advertising, or from cross referrals from other agencies or programmes. These will sometimes include Job Network agencies, although there are in general no formal arrangements for such referrals and no central records kept of referrals from Job Network agencies.

11. A partial exception will exist from 1 July 2002 in the case of the recently revised Literacy and Numeracy Training programme (see <http://www.centrelink.gov.au/internet/internet.nsf/publications/ltn.htm>). Under new assessment arrangements being introduced for Intensive Assistance (IA), IA providers who identify a literacy/numeracy training need from that date will be able to exit their client from IA and refer him or her to a Literacy/Numeracy provider (amongst other programmes available for referral).

12. As mentioned above, the restrictions that may apply to simultaneous participation in Job Network and key DETYA programmes are also provided at Attachment A. For example, participants are not able to participate simultaneously in IA and the New Apprenticeships Access Programme (NAAP) (see <http://naap.detya.gov.au/default.asp>), while clients are allowed a dual participation in Jobs Placement, Employment and Training (JPET) (<http://jpet2000.detya.gov.au/>) and IA only for the first thirteen weeks, following which a choice must be made as to the more suitable programme. Some DETYA programmes, such as the Career Counselling Programme (CCP) (http://www.centrelink.gov.au/internet/internet.nsf/services/career_counselling.htm), are on the other hand widely available to classes of job seekers who may also be receiving assistance from Job

Network providers, although jobseekers who are receiving IA are not eligible for CCP.

13. Finally, special mention should be made of the Commonwealth New Apprenticeships programme, which provides employers with financial incentives to engage and train New Apprentices, and provides certain disabled and away-from-home New Apprentices with personal benefits. As part of this programme, New Apprenticeship Centres (NACs) are located in over 300 sites across Australia with some 200 sites in rural and regional locations. NACs are contracted by the Commonwealth to provide New Apprenticeships information and services to employers and people interested in becoming a New Apprentice. NACs are required by the terms of their contract to assist employers with their recruitment processes by referring them to appropriate JN members; and to establish an effective relationship with JN members, Registered Training organisations, schools and other organisations to help people obtain new apprenticeships. NACs do not form part of the Job Network, although twelve organisations are both NACs and JN providers. No separate records are kept by DETYA of New Apprenticeship vacancies filled by reference from JN members, nor of references by NACs of employers to JN members. Advice given by DETYA to Job Seekers looking for New Apprenticeship opportunities can be found at http://www.newapprenticeships.gov.au/job_seeker/find_position.asp.

The purchaser-provider model in the delivery of DETYA programmes

14. As the Commission points out in its *Competitive Tendering and Contracting by Public Sector Agencies*, competitive tendering and contracting places the focus on service delivery, and on outputs and outcomes. It can release public sector management from day to day operations, thereby enabling them to concentrate on strategic issues, and it can also encourage suppliers to provide innovative solutions and savings in the cost of providing services. The benefits of separating the purchaser of services from the provider stem from enhanced accountability through better specification of both the outcomes sought by the Department and the requirements on the service provider, and from competition that allows greater choice of suppliers and ways of providing services.

15. The terms of reference for the Productivity Commission study require the Commission, inter alia, to consider the possible scope for the purchaser-provider model to apply in full or in part to other types of Commonwealth government service delivery. The Commission will wish to note that most DETYA programmes now apply the purchaser-provider model. A majority of programme delivery is contracted directly to locally or regionally-based providers, while in other cases (Green Corps, Career Counselling) provision is contracted on a national basis to a single

provider.

Conclusion

16. DETYA welcomes the opportunity provided by the Review to provide input on Job Network arrangements as they relate to our portfolio responsibilities and programmes. DETYA would welcome the opportunity to provide any further information which may assist the Productivity Commission in the course of its enquiry. DETYA proposes to make a supplementary submission shortly outlining the experience of this portfolio in managing sophisticated purchaser provider relationships.

For key DETYA programmes, participation numbers and funding levels, entry and restrictions on simultaneous participation in JN and DETYA programmes

Programme	Participant numbers and funding	Entry	Restrictions
Job Placement and Employment Programme (JPET)	<ul style="list-style-type: none"> • 15,984 clients in 2000-01 (10,380 of which were seeking work at entry to the programme; 8,555 (86.3%) had been seeking work for up to 12 months; 1,149 (11.1%) had been seeking work for 12 months or more; and the remaining 276 (0.3%) had unknown duration) • total funding of \$20.081m in 2000-01 and \$19.637 in 2001-02 	<ul style="list-style-type: none"> • JPET clients may be referred to JPET from a wide range of sources including self referral, family and friends, community agencies, school staff, Centrelink and police. • JPET is a Mutual Obligation option for 15-21 year olds. 	<ul style="list-style-type: none"> • Participation in JPET and IA only permitted for the first thirteen weeks of IA participation.
Job Pathways Programme (JPP)	<ul style="list-style-type: none"> • More than 72,000 young people received assistance from JPP providers in 2000-01, and it is expected that up to 70,000 young people will access JPP services in 2001-02. • Direct funding of around \$95 m over the next four years from 2001-02 • The majority of JPP participants are students at risk of making an unsuccessful transition from school in the near future. Figures on numbers of unemployed young people accessing JPP services are not available. 	<ul style="list-style-type: none"> • JPP participants can be referred to the programme from a wide range of sources including self referral, parents, school staff, other community and government agencies and services including Centrelink 	<ul style="list-style-type: none"> • JPP participants cannot participate in IA or Job Search Training (JST) JPP participant is referred to and commences IA the provider must exit the participant from JPP

Programme	Participant numbers and funding	Entry	Restrictions
New Apprenticeship Access Programme (NAAP)	<ul style="list-style-type: none"> In 2000-01 there were 6,650 commencements and it is expected that there will be in the order of 8,800 commencements in 2001-02 Actual expenditure in 2000-01 was \$4.284 m and budgeted funding stands at \$19.729m for 2001-02. 	<ul style="list-style-type: none"> Participants must be registered for employment assistance and/or in receipt on income support with Centrelink. They must also meet at least one of a range of eligibility criteria which confirms potential disadvantage in the labour force, eg “at risk” school leavers; Indigenous; disabled or a sole parent or unemployed for one year or more (and registered with Centrelink). revised NAAP guidelines are being finalised, and will underpin a tender process for NAAP5 (2002-03). 	<ul style="list-style-type: none"> NAAP participants cannot participate in any other Commonwealth funded programme at the same time as the NAAP course
Career Counselling Programme (CCP)	<ul style="list-style-type: none"> 8,000 participants in 2000-01 and 8,000 target for 2001-02 Expenditure in 2000-01 was \$1.906m and funding for 2001-02 is \$1.661m All participants are unemployed but data on distribution of duration is not available 	<ul style="list-style-type: none"> CCP is available to all jobseekers receiving activity tested income support payments through Centrelink. And young people between 15 and 20 years of age who are registered with Centrelink as jobseekers but are not eligible for income support. It is also available to participants of the Return to Work Programme. Participants of Job Search training can be referred to CCP through Centrelink 	<ul style="list-style-type: none"> Jobseekers in IA are not eligible for CCP
Career Information Centres (CICs)		<ul style="list-style-type: none"> The service is free and is available to the general public. Job Network members can refer their clients to CICs 	<ul style="list-style-type: none"> No restrictions
Green Corps	<ul style="list-style-type: none"> In 2001-02 total funding of around \$22 m and about 1,800 young people are expected to be assisted 	<ul style="list-style-type: none"> Green Corps is a voluntary programme advertised nationally. Participants can be referred to the programme from a wide range of sources including self referral, family and friends, Centrelink, and community and government agencies. 	<ul style="list-style-type: none"> Green Corps participants are not eligible to receive the Youth Allowance.

Programme	Participant numbers and funding	Entry	Restrictions
Literacy and Numeracy Training	<ul style="list-style-type: none"> In 2000-01 10,213 job seekers commenced training under the Literacy and Numeracy Programme, and payments totalling \$18.5m were made to contracted training providers Funding of \$35.2m is available for 2001-02 for the new language literacy and numeracy programme 	<ul style="list-style-type: none"> Literacy and Numeracy participants must be referred through Centrelink. To be eligible for assistance, a job seeker must be in one of the following categories and then be assessed as suitable for training: <ul style="list-style-type: none"> job seekers subject to Mutual Obligation arrangements; job seekers required to comply with an activity test (eg those on Youth or Newstart Allowance); sole parents participating in the Jobs, Education and Training (JET) Strategy; 15-20 year old job seekers registered with Centrelink; participants in the Job Placement, Employment and Training (JPET) Programme; 16-34 year olds in receipt of Disability Support Pension; participants in the Community Support Programme; participants in a Community Development Employment Project. 	<ul style="list-style-type: none"> Job seekers participating in JST or IA under JN are not eligible to participate in the Literacy and Numeracy Programme.
<p>Note: It is expected that a new language, literacy and numeracy programme (LLNP) will commence in January 2002, replacing the Literacy and Numeracy Programme and the Advanced English for Migrants Programme. A tender process is currently underway. Eligible job seekers will still have to be referred through Centrelink, but LLNP and other providers (for example JPET providers) will be encouraged to identify potential clients and direct them to Centrelink for eligibility checking and formal referral. Eligibility will be slightly different under the new programme, particularly for the advanced English language training stream. From July 2002, as part of the <i>Australians Working Together</i> arrangements job seekers referred to Intensive Support may be subjected to a specialist assessment.</p>			
Rural Youth Information Service (RYIS)	<ul style="list-style-type: none"> In 2001-02 total funding is in the order of \$0.8 m The number of interventions between February 2000 and June 2001 included 9,381 individual information sessions, 6,882 referrals, and 1,171 group information sessions and 1,246 group training sessions. It is estimated that these interventions equate to around 3000 young people receiving RYIS services each year from individual information sessions. 	<ul style="list-style-type: none"> Young people between the ages of 15-25 can be referred to RYIS from a variety of sources, including self referral, or referral from community or government organisations (such as Centrelink), police, schools and parents. RYIS also makes many referrals to other organisations, including to Centrelink. 	<ul style="list-style-type: none"> RYIS is an information, referral and follow-up support service. One of its main roles is to provide appropriate referral to relevant services, such as Centrelink. However, there is no restriction on clients seeking on-going assistance from RYIS whilst participating in IA, JST or Job Matching

