



Mr Mike Woods
Commissioner
Job Network Review
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

9th November 2001

Mr John Bateup
General Manager - Job Network
WISE Employment
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Dear Mike,

WISE Employment is a not-for-profit organisation that prides itself on providing excellent service both to employers and job seekers. There are nine offices around Melbourne, eight of the nine sites provide Intensive Assistance and five of the nine sites also provide Job Search Training and all nine sites provide Job Matching.

Thank you for allowing WISE Employment to make a submission to the Independent Review of Job Network. We believe this is a great opportunity to give feedback about Job Networks' strengths and weaknesses. Attached we have provided anecdotal evidence from a number of staff including Senior Managers, Site Managers, Intensive Assistance Consultants, Job Search Training Consultants and a participant.

The comments by staff that have submitted responses do not necessarily reflect all staffs' experiences and are not necessarily the view of WISE management. If you require further information or clarification on any of the points that have been raised please do not hesitate to contact me on the above phone number.

Yours faithfully,

A handwritten signature in black ink, appearing to read "John Bateup", is written over a white background.

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EXECUTIVE SUMMARY

A number of staff from WISE Employment provided feedback to the attached questions. It is hoped that these responses not only point out the perceived existing and potential problems of the Job Network system but also look at ways of solving some of the issues. WISE Employment is an organisation that takes pride in their role as a Job Network provider and the work we do with disadvantaged jobseekers. If we as an organisation can have some influence in providing the system with solutions then it will not only benefit the jobseeker, it will benefit WISE Employment.

There have been a number of responses to the questions raised in the Issues Paper including: comparing the CES to Job Network and looking at how providers can improve the quality of assistance provided to jobseekers. Other issues that have been addressed in this submission include critiquing the outcomes that are provided by the Government, the referral process by Centrelink and how jobseekers use their 'choice' of providers. This submission responds to both the review questions and to the face to face meeting with the Commission panel that visited WISE Employment recently. As encouraged, our responses are honest and where possible provide solutions to any areas where we believed there was an issue.

RESPONSES

What were the problems in the CES and associated arrangements that motivated change?

The implication of the question is that the services offered in the Job Network are better delivered in the current framework. This of course leads to the problems associated with comparing apples and oranges. While the CES delivered similar services to the Job Network, it also had a significant role in the direct delivery of Government policy in a consistent manner across the country. This feature is not available to the Government now – except through Centrelink. A consistent “one size fits all” entity has been replaced with the flexibility provided by the current contractual arrangements.

The major problem of the CES was that its employees were public servants with the associated employee entitlements. By changing the employment conditions of employees of the Job Network, there is little doubt that the Government has achieved savings.

Unfortunately, analysis of the performance of the Job Network focuses almost entirely on the assertion that the Job Network is doing more with less. By delivering other services that used to be provided in some sense by the CES (such as CSP) in a separate contractual arrangement, accurate comparisons between the two methods of delivery are at best an educated guess. The Job Network is certainly doing different things, but whether the most common measure of success (average cost per outcome) is an accurate reflection of the value of the Job Network compared to the CES is not clear.

How should ‘quality of assistance’ be defined and measured?

This is a perennial issue and will remain so while the payment arrangements are so strongly skewed towards measurable outcomes. Underlying the problem is the assumption that achieving an employment outcome will result in a payment that is sufficient to deliver the quality and range of services that a jobseeker might legitimately expect from the Job Network in order to achieve the outcome.

If the expectation was that Job Network providers provide training to up skill their caseloads and improve employment prospects, then the performance of the Job Network is falling short of expectations. In addition, the inability of the Government to look at the books of providers (Commercial-in confidence) means that there is no way of determining how much of the funding is actually spent on delivering services to the jobseekers.

The payment arrangements, Star ratings (i.e. comparative performance), are the prime business drivers. Quality of assistance is very much a second order issue if only because a quality service with low outcomes is on borrowed time.

The Department runs a range of surveys to determine the perception of quality from the perspective of jobseekers and employers. However, there are inherent problems in validly interpreting the information that is provided; for

example, it is an accepted expectation that the Job Network is required to “shake the trees” – more accurately described as making jobseekers who have employment own up to the fact. Cash in hand / Black economy employment is still alive and well. Some of the questions in the Departmental surveys ask whether Job Network’s respected jobseekers’ views and needs. If we have found and reported an instance where a jobseeker was inappropriately claiming an allowance, it unlikely that their response to the question of whether their views were respected would be positive. So the quality measurement of the Job Network is poor as a result of recording an outcome.

Codes of Conduct come low in the list of when compared with achieving payable outcomes. There is clearly a commercial advantage to be obtained by offering a high quality service. The payment and monitoring arrangements are not sufficiently robust to promote quality that does not have a direct relationship to achieving outcomes. This is a significant structural problem with the Job Network.

Payable or measurable outcomes skew the sorts of assistance on offer from the Job Network. For example the Job Match “scandal” earlier in the year was – in some sense – a commercially appropriate response to the Star Ratings. We will find a significant number of “eligible” educational outcomes being created (e.g. Austudy approvable English Courses) with the aim of improving Star Ratings. Other clever schemes will no doubt develop over time.

Without commenting on whether these options are the most appropriate for the individuals involved, it is clear that the forms of assistance are developed primarily to ensure that that activity improves the number of outcomes measured by the contract. The drivers are clearly financial and contractual.

Clearly the Government needs to be confident that the quality measurements are integrated into the contract to ensure that Job Network resources are appropriately directed. If funding arrangements influence behaviour, then unless Quality, however defined, is a payable outcome, it will inevitably be regarded as less important than a payable outcome – however contrived. The Job Network framework makes this an issue that the Government can have little influence over except in determining whether contracts are offered to providers at all. There is a long history of contract variations in both this and the last Job Network contract. While this can be regarded as fine-tuning, it is clear that most variations are designed to prevent discovered or potential excesses from continuing.

The issue of the one provider (DEWRSB) offering contract variations – which generally have the effect of making compliance more difficult – and the fact that invariably these are signed (willingly), may not be evidence that the Job Network is committed to quality, but more that the providers will do what it takes to remain in the game.

Does Job Network deliver ‘better quality of assistance’ to unemployed people compared with previous arrangements?

This is a loaded but important issue, the answer to which depends entirely on your perspective. From a jobseeker’s perspective, there are more sites, but not all services are offered from each. The focus on outcomes makes it difficult to receive assistance from Job Network’s that may not result in an immediate outcome. Most businesses would regard the expenditure of anything above the up-front fee as expenditure of potential revenue only – an unacceptable risk. Where access to any job in the CES was available from any office, there is much more ownership of jobs associated with the Job Network resulting in waste of jobseekers time and resources and does not allow jobseekers to ‘prosper’ in the future. The alleged benefits of freedom of choice are not asserted by jobseekers, and are also countered by the difficulty in changing from one provider to another as well as accessing assistance from other programs while participating in another.

From the Government’s perspective, there has been a significant downsizing of its employees. The Department has changed to a Contract Manager, with the associated difficulties of sanctioning yet to be discovered excesses. The contracts promise little, and can be ended at the Government’s discretion. A network has been created that can be used to trial other policy settings – similar to the CES. The Government only pays for outcomes, can define the outcomes, and has been able to spend significantly less on this disadvantaged group of people and describe this feature as a success of competition. It might be, but it might be Public Relations too.

The downside of the arrangement for Government is that it has very little access to information on how the Job Network payments are spent. The issue of training provision improving employment prospects has been “contracted out” along with the valuable information. While best practice information is shared when it can be, it would be surprising whether organisations would willingly give up a trade secret.

In the Information Age, it is extraordinary that Government would limit its access to information by contracting out services in their current format and being limited by Commercial-in-Confidence. It is understandable that there is a Business-based aversion to collecting information for the Government, but they should not weigh as heavily as they apparently do. In the Job Network two contract round the “Declaration of Intent” was included as part of the contract. WISE is not aware that anyone is being compared against the claims.

Has its performance varied significantly for different groups of unemployed people, for different Job Network providers, by type of assistance or by region?

There is sufficient research to show that the most disadvantaged are not receiving the levels of assistance hoped for. This is hardly surprising given that the funding arrangements actively work against long-term strategies to assist significantly disadvantaged groups.

The term “parking” is well understood and consistently denied. There would be no doubt though that the level of assistance offered to the “unsuccessful” jobseeker cohort (no outcome after IA assistance) would be significantly less than that offered and provided to jobseekers regarded as easily placed in employment. A policy framework that offers more to those who need it relatively less is not unheard of, but is not the most effective use of taxpayers money.

Inherent in the new Job Network structure is the assumption that potential placement fees are sufficient incentive to devote time and resources to disadvantaged and difficult job seekers. This is clearly not the case, and perhaps the limited measures of success (ie placement only) are contributing to this “failure in performance”, structural or financial.

There is no incentive to provide assistance to the group of clients who are unlikely to find employment within 12 months. This equates to about 60% of the IA cohort based on current levels of performance.

There ought to be a review of a structure that:

1. has such a limited range of ‘outcomes’,
2. has a built in disincentive to assist ‘hard to place’ job seekers, and
3. has an in built incentive to ‘churn’ difficult job seekers to increase up front payments.

How should the term ‘employment outcomes’ be defined and measured?

Perhaps begging the question. As does only paying on employment outcomes. We can assume that employment outcomes / economic independence are the key drivers of all Government intervention. The contracts are clearly designed that way.

What needs to be established is a coordinated set of measurable outcomes, always aiming at financial independence that are appropriate to an individuals circumstances. Employment will be one of these options. Different payment arrangements could apply to different outcomes, but should be integrated into one framework.

Compared with previous arrangements, does Job Network offer better and more sustainable outcomes?

As a Labour Market Intermediary, the Job Network doesn’t create more sustainable outcomes. However, a substantial number of placements are made in jobs not sourced by the Job Network. This should be regarded as a strength rather than an obstacle to receiving payment.

Despite the outcomes provided by Job Network, over 60% of clients after 12 months of Intensive Assistance have still not found employment. Clearly the proposed increased resourcing of CSP/PSP is an indication that all the settings may not be right. When 60% of a cohort in a service does not achieve

an outcome, it could be an indication that the referral process is not as effective as it should be.

Do short term outcomes endure into the longer term?

Current policy options inhibit a meaningful analysis of the issues the policy is meant to address. Whether by design, administrative convenience or accident, this issue needs to be recognised and more appropriate options designed. Clearly, for example, a 10-hour per week job for one client may realistically be the extent of their capabilities, but cannot be rewarded in the Job Network however; 15 hours over the Spring Carnival is a payable outcome. The Job Network structure makes it difficult to determine any meaningful answer to this question.

What, if any, has been the effect of Job Network on overall unemployment?

It is not clear to WISE that the Job Network can claim a huge impact on unemployment. Being an intermediary in the labour market would suggest that any improvement in its efficiency would be restricted to that portion of unemployed people that could be regarded as structural. Jobseekers recall the older style “SkillShares” and “Job Clubs” experiences and they tend to equate them to the Job Network. However, there are significant differences between the models, which is not necessarily understood by the jobseeker.

How can the influences of Job Network on outcomes be distinguished from the plethora of economic and social factors that continually interact to affect employment outcomes?

It can't and the question assumes that the Job Network is the key, where it may not of itself be the main player. If employment outcomes are the aim, then include payment for employment as an option at each level of government assistance.

The best performance in service delivery will leverage outcomes from one set of programs to another. Program design should include this as an aim, rather than something to be quarantined. Under current arrangements this would not be equitable, but as part of an integrated suite of assistance a better range of services could be offered.

What economic and social factors indicate that the measured outcomes of Job Network either understate or overstate its 'true' impact? How well would Job Network perform in different phases of the economic cycle?

The success of the Job Network has been in a time of sustainable growth in the economy. Moving into times of less robust growth, and with the restrictive outcome definitions, it is likely that providers (without Intensive Assistance) will find it hard going.

It is not coincidental that there has been an outcry over the number of breaches applied. There is a cash-flow pressure on organisations to maintain

a turnover in their caseloads as well as possibly picking up some easy outcomes. This balancing act has an effect on the average cost per outcome but could be skewed depending on the stage of the contract a provider finds themselves in.

What have been the effects of the Job Network referral process on the incentives of unemployed people to seek work prior to actually utilising Job Network services?

Once on benefit, the “system” requires a form of engagement with the Job Network that Providers find most time consuming and least rewarding.

Much of the effort associated with Job Match is focused on the need to be able to satisfy Commonwealth guidelines that apply to ensure appropriate management of taxpayers’ funds.

Has Job Network encouraged, or discouraged, unemployed people to seek work, compared with previous arrangements?

It is not clear that it has had the slightest impact on jobseeker intentions. The Job Network itself can be credited with the changing circumstances that occur in an individual’s life that enable them to undertake employment.

The whole issue of client choice is a marginal consideration in a system that allegedly offers consistent minimum services. Given that in Intensive Assistance at least, 12 months unemployed would suggest that jobseekers are unlikely to have the skills, understanding or interest to make considered choices.

In any case, the Department is under immense pressure to keep providers up to their contract capacity, and these issues override any impact that freedom of choice has on the process.

What are the key success factors of Job Network? Are there examples of innovative practices put in place by Job Network providers? What have been its major pitfalls?

Success comes with the highest levels of innovation that are possible. The innovation is usually dependent on other services offered by the organisations where leveraging off their strengths enables a higher level of risk to be undertaken.

Its major shortcomings are the fact that the Government removes itself from significant amounts of qualitative information in this important social area.

There is an inevitable pushing of contractual boundaries that is becoming apparent. There is no evidence that current performance measures are able to anticipate or detect – let alone prevent instances where contractual compliance or maximization of measured performance results in activities that are not in the best interests of jobseekers or the spirit of the contract.

What changes would improve the quality of assistance and the outcomes of the Job Network?

The main one would be its integration into the range of other assistance on offer.

What elements of 'assistance' should the Government be purchasing on behalf of the unemployed — eg training, preparation for employment, job search, referral to educational institutions?

Much of the assistance detail could be left to the practitioners – as is currently the intention. Clearly though the impression is that much of this activity was going to be purchased by Intensive Assistance providers.

Some examples include more assistance for job trials eg: assistance with insurance etc and more emphasis on Job Network Member's spending money on relevant training for job seekers. Another example of the Government purchasing on behalf of clients could be training centres similar to what SkillShare offered.

Solution:

More information should be made available to job seekers regarding government-funded courses provided by TAFE's particularly for people not eligible for Intensive Assistance

Short courses and updating/increasing the skills of job seekers is a very important step in restoring confidence to these people.

What elements should most emphasis be given to?

Some elements that could benefit from more emphasis include: economic independence, education and training options for youth and social engagement.

To what extent does training and intensive assistance improve the quality of assistance and of outcomes? What improvements to such arrangements should be made?

The need to ask these questions rather than derive the answer from recorded information suggests that throwing lots of money at a problem and picking the best strategies after a time is not the best approach in this policy framework.

It is most appropriate that nominal amounts of money for training be accessed from the Government by providers consistent with the need to be able to show value for money. The efficiency of the use of this resource could be monitored and tuned with very little extra resourcing.

Training and Intensive Assistance are of enormous help to job seekers provided it is appropriate and directed to positive long-term outcomes for the client and not just to assist with numbers for DEWRSB. The referral

procedures need to be improved by the sorting out of appropriate referrals at Centrelink. The system now is 'clogged' up with the automatic referral.

Training enables job seekers to get back on track. The majority of job seekers are still motivated when they come to undertake Job Search Training, they may require a boost or a reminder that they have skills, abilities and their great experience. The program is more of a motivational exercise to raise their self-confidence levels. The actual group training is good on a part/time voluntary basis, mixed with individual case management and independent job search. It is not always effective to place 15 jobseekers from all different job backgrounds in the one room and expect them to be at the same level. It could be seen as patronizing. It perpetuates the feeling of inadequacy and humiliation that some job seekers have said they feel from Centrelink. WISE Employment runs Job Search Training programs as a flexible delivery approach. This method is extremely successful and it could be viewed as the benchmark for other providers.

Are current arrangements flexible enough to meet the varying needs of the unemployed, including those of clients with low job search motivation?

There is a problem associated with the timelines of assistance. Language and literacy issues are unlikely to be resolved to any meaningful level within 12 months of Intensive Assistance. 'Parking' clients raises its ugly head again; unless custom designed eligible English courses can lead to technical outcomes in a cost-effective way.

Once again, the recorded outcomes may not provide what is needed, but they are consistent with the contractual requirements.

Some Job match job seekers are registering for the first time after being in a job for a long time and they are not sure where to go and what to do and often ask many questions and want advice (services that are offered to Intensive Assistance clients). They also show signs of low self-esteem and confidence, again because they may not have been out of work before. There is no fee attached to these people unless they are placed in a Job Match job, therefore it is up to the individual Job Network to determine the level of assistance they provide these jobseekers.

The current general set up of Job Search Training does not necessarily take in to account people who do not fit the mainstream mould of a job seeker; eg; artists, musicians etc. If the program is set up for flexible delivery then it's ok, but there does not seem to be a benefit in these people attending compulsory block training. Also, unless you pitch the training at the right level you lose people because it does not take in to account adult learning principles. It's vital that people's Job Search Training experience be relevant, interesting and worthwhile, otherwise people become resentful and do not become champions of your organisation or the system.

The Job Seeker Classification Instrument is used by Centrelink to categorise people according to need before they are referred to Job Network providers.

Does this instrument perform well in categorising people appropriately? What changes, if any, should be made to the instrument or its utilisation to improve the efficiency of allocating Job Network clients?

There will never be a perfect Instrument, especially where subjective judgements are required. There has been a lot of work on the JSCI, and I would defer to this analysis.

The real problems with assessment of jobseekers only rears its head where funding is directly attached. Perhaps funding could be based on the changes evident in the classification instrument. I.e. removing homelessness as an indicator should be worth something to an organisation.

Perhaps, given the work associated with developing the JSCI, policy settings or outcomes could relate more directly to the JSCI.

As with many programs, Job Network may provide assistance to some jobless people who may not need it. To what extent, if any, does Job Network help those who do not need assistance to find work? Can the assistance provided by Job Network be better targeted?

It would be rare for ineligible jobseekers to be knocked over in the rush to provide assistance. The point is important though – particularly in relation to Job Matching. Speed is of the essence when a clearly job ready individual is between jobs. There is a clear incentive to focus resources where there is likely to be a quick return.

Perhaps the payments could be scaled depending on the amount of benefits the jobseeker has received. I.e. higher payment for someone who has been unemployed for 10 months than for a person placed after 4 days.

Purchaser rather than provider

The Job Network arrangements have transformed the Commonwealth Government into a purchaser of employment assistance rather than a provider. This section of the Issues Paper raises a number of issues relating to the purchaser-provider model.

Tendering arrangements can have an important impact on the success of contracting out. Another tendering round is expected to conclude early in 2003.

Participants are invited to comment on the tendering arrangements for Job Network, and discuss areas for improvement. The particular areas covered could include:

- how often tendering should be undertaken;***
- who should be eligible to tender;***

- ***the role, if any, for pre-registration;***
- ***tender selection criteria;***
- ***the administrative and compliance burdens raised by the process;***
- ***which services should providers be required to provide, and which should be optional;***
- ***how many providers should be selected? Is there an optimum size for a provider? Should preference be given to providers that can offer service in many different regions? Or local groups? ensuring probity in tendering and selection.***

Tender processes are to an extent inevitable. The idea of rolling over a significant portion of contracts to providers demonstrating appropriate levels of service is a valid way of providing tenders.

Resources devoted to long term unemployed have decreased, and of the money contracted to the private sector it is fair to assume that 10-20% are diverted to shareholders. If a requirement of the delivery of Government services were that they be delivered in a not-for-profit framework, then by definition, any surpluses would eventually be redirected into the community.

This is neither an ideological statement nor a comment on efficiency. It is more a reflection that resources could be better targeted in this delivery framework. There would be no loss of competition – competition in the not-for-profit sector is just as fierce as anywhere else, however the money would all be spent in the area intended.

To what extent should tender assessment be based on price? And on quality?

Should prices be nominated by government in advance of tendering, at least to some extent? If so, how should these prices be initially determined, and how should they be updated over time?

What changes to present tendering arrangements are needed? What are the advantages and disadvantages of ‘rolling over’ at least some existing contracts?

It is important for the Government to set minimum process – especially in relatively new areas of service delivery. As a general rule, Government’s would say it is for the improvements in service delivery that services are contracted out rather than for the savings.

Government will always have providers prepared to deliver services for a wide range of prices. It is incumbent on Government to ensure that the tendered prices enable delivery of a minimum level of service.

An important area in ensuring quality and value for money relates to contract specification and monitoring.

How can contracts best be specified to ensure providers meet their commitments?

What quantitative and qualitative performance measures should be included in Job Network contracts?

The structure of the contract is essentially one that leaves the detail till later. Guidelines are developed on the fly; notices to clarify issues are regular occurrences – as are contract variations. The difficulty arises not in complying with the contract, but in complying with the interpretations.

I don't think there is a way out without replacing existing contracts with huge documents that would inevitably also have to be altered. The "Spirit" of the contract is referred to regularly.

At the moment the Star ratings system (measure of comparative performance / quality) is very blunt. The performance evaluation conducted by the Department monitors significantly more performance areas than are described in the contract or measured in the Star Ratings.

There is an implied difficulty in developing contracts that offer the flexibility demanded by the providers yet will prevent unintended consequences such as Job Match scandals.

It is very difficult promoting the maximization of performance in a framework where profit targets can influence the interpretation of the contract and not expect there to be dysfunctionality.

The obvious solution is for DEWRSB to weigh every conceivable payable outcome so that the financial rewards become the drivers

Are there undesirable incentive effects associated with the pricing arrangements of the Job Network and how are these manifested? How can any such effects be best overcome?

There is clear evidence of such impacts, some of which have received quite some publicity. They are inherent in a system that tries to provide flexibility in a framework where the purchaser has to be able to deal with any queries in the same way it would if it were delivering the service.

It is traditional to look at unintended effects from the purchasers' perspective, however the contract structure provides its own set of problems for providers. Moving goal posts, retrospective interpretations of policy and contract variations.

Up-front payment in the Job Network

There is a financial incentive to create a constant flow of early finishers of job seekers. There were occasions (particularly in the first contract) where older or more difficult jobseekers were encouraged to look for alternatives – to provide more capacity and up front revenue. This incentive would seem to be contrary to the intention of Intensive Assistance.

The introduction of CSP was one strategy to find a home for jobseekers unable to be assisted by Intensive Assistance. Given the increased numbers of CSP places, this incentive to Job Network providers could be open to abuse – particularly nearing the end of the contract and with offers of continued Job Network involvements likely to have been made.

Up-front payments could be made (up-front progressively) without the need to link the payments to individual jobseekers (consistent with how they are now made). Adjustments for average early exits could be made progressively, but based on Regional averages rather than organisational work practices. This approach should cost no more, will remove some unintended consequences, and will allow the Job Network to focus on outcomes. It will also relieve some of the pressure felt by DEWRSB when eligible Intensive Assistance referrals are drying up.

Funding

This inquiry is focusing on the policy framework rather than on the adequacy of overall funding for employment services. Nevertheless, the issue of whether any reallocation of funding can improve outcomes is relevant.

Structurally, this issue of commercial imperatives driving the level of assistance appears to be being dealt with, the issue now is engagement with the community. The focus could be on more disadvantaged job seekers with presumably a wider range of issues but with a much narrower definition of success – i.e. placements to 13 weeks. This begs the questions associated with disadvantage. It would be interesting to see whether unemployed people, compared to the rest of the community, mirror the proportion of use of services.

Employment as an end result is the one measurable outcome in Job Network, but viewed in isolation becomes perverted. If the issue is that problems are solved by employment, then shouldn't all deliverers of services be in line to benefit from an employment outcome.

Are there other improvements in pricing structures that should be made (such as the distribution across the various staged payments)? Would a change in emphasis between the various assistance elements be desirable?

The Job Match contract is a marginal business in its own right. It is much better to require that all deliverers of Government services have the ultimate aim of employment as their focus, and enable them all to claim Job Match fees.

Providing access to and support for the Australian Job Search is a significant contribution to a free employment service by the Government.

Why do so few clients exercise their choice? Is the information provided to them to make the choice adequate: for example, the 'success rates' of various providers for people with particular needs?

Feedback from jobseekers indicates there is confusion regarding the role of the Job Network and the referral process; some people do not differentiate between Centrelink and Job Network. Some of those jobseekers who are highly motivated may see Intensive Assistance as an invasion into what they are already doing in their own job searching rather than an adjunct.

Language barriers and literacy skills may hinder people who need to make a choice of Job Network providers. A person may be automatically referred to an Intensive Assistance provider after not responding to the time frame given for them to make a choice. The job seeker receives a letter and a list of providers with contact details and nothing more, it is not surprising that they may leave it up to Centrelink to make the decision for them.

Job seekers need to be “empowered,” to make the kinds of choices mentioned here. According to some unemployed people who are registered with Centrelink they feel disempowered in a number of ways. When job seekers first register there is a great deal for them to think about and take in, for many this is at a time of great stress. Vulnerable job seekers, (CSP, mature aged, NESB are particularly disempowered.) Job seekers are not given information about success rates of Job Networks; they are given a piece of paper with a number of names and addresses of Job Networks and told they can make a choice if they want to. Centrelink staff are reluctant, (and most say they won't) recommend one service over another, presumably this includes talking about success.

Solution:

One possible strategy - job seekers can be given a checklist of possible questions to ask the providers and are actively encouraged to visit or ring some providers and ask about the service they provide and what they can expect. Publishing the success rates of each Job Network provider would assist job seekers make an informed choice.

What are the advantages and disadvantages of competition and choice in relation to improving the quality of assistance to unemployed people?

It would be ideal if Job Network providers all worked towards the common goal of finding jobs for the unemployed, however they are less likely to work together because they are in direct competition with each other.

If job seekers were actively encouraged to make real choices about the best service for them and understood that different providers provided different services, the services who were losing job seekers would be encouraged to improve their service or be dropped in the next tender round.

An advantage Job Network providers who were high performers, is that if this fact were advertised to job seekers and Centrelink. There is then potential for more job seekers to approach Job Network providers to register and join their programs, whether it is Job Search Training or Intensive Assistance. If the Job Network provider advertised their Job Search Training program structure they would be able to target their job seekers in a more appropriate way, especially

if the structure is a flexible delivery model. It would also give DEWRSB a clear indication of the preferred service delivery model for the Job Search Training program, thus allowing it to change other Job Network providers program structure to meet demand. The disadvantage of this approach could be that it becomes a self-perpetuating problem. If the Job Network does not have a good performance rating then people may not pick them and then their numbers will go down and they may lose their contract. If job seekers choose higher performing Job Network providers there may be long delays because a lot of people may want to go there and this could cause frustration at having to wait. One point to remember is that a lot of people who do exercise choice do so through word of mouth or through proximity to home eg: time and cost.

Once a person is on Intensive Assistance and is with a Job Network provider they cannot change even though they are not happy with the support or quality of service.

Solution:

A possible solution to the problem of job seekers not being able to choose to leave a Job Network provider if they are not satisfied with the service could be to change the fee structure and allow a trial period of 1 – 3 months on Intensive Assistance. If the job seeker does not believe they are benefiting from the program then they could have the ability to research and choose another provider. The Job Network provider could receive an up front fee and then the balance after a set trial period. This would ensure that the Job Network provider is doing everything in their power to skill, train and match their job seekers to appropriate positions.

What additional costs, if any, do current arrangements impose on unemployed people? For example, do clients incur additional costs in 'shopping around' for assistance? Is there any wasteful duplication of service?

There is duplication of service, but isn't that the idea of having a range of providers? Centrelink should provide everyone with a brochure that explains that all Job Network providers are different; some are community organisations, some profit making organisations, some work with particular communities or groups of people. This will allow job seekers to be more informed and it will encourage them to make a choice before they are automatically referred to a provider.

One of the additional costs for Job Search Training participants are the travel costs. This does not seem to affect the majority of the job seekers but there have been occasions when financial hardship has demanded WISE Employment reimburse the job seeker for their public transport tickets for the 15 days of attendance. Most job seekers don't seem to shop around; in the Western area there is only the one Job Search Training provider within a 15-minute radius.

Solution:

A possible solution to encourage job seekers to make more informed choices could be to have a checklist of possible questions for job seekers to be included in a pamphlet, such as:

Which is the Job Network provider for you?

Read through the following list of providers and choose the 4 most convenient to you, then read the following questions, put a mark beside those most important to you, ring your 4 providers and ask them your important questions Does any one in the office speak Arabic or another appropriate language? What will I learn in Job Search Training? And other relevant questions. Phones at Centrelink should be made available for job seekers to ring the providers

What scope is there for diffusing 'best practice' among Job Network providers and what are the impediments to such diffusion? Would 'sharing the secrets of success' result in competitive disadvantage?

Ideally it would be great for Job Network providers to share their best practices, however Job Network providers are in direct competition with each other and rely on funding for their income. There are no financial incentives for sharing best practices especially when those same best practices could determine the success of the next contract.

The right of the job seeker to choose the best provider for them falls short of expectations when someone chooses a Job Network provider and signs a Mutual Obligation form and then is not happy with the quality of service and is therefore stuck for the duration of the obligation.

Has cost effectiveness and value for money been improved? To what extent, if any, have cost savings been at the expense of 'quality'?

Cost effectiveness has been improved – far fewer staff, smaller premises. Some feedback received believes there is also a reduction of quality, such as no provision for careers counseling and jobs advice is virtually non existent to those without a fee attached.

Does competition and choice lead to better and more sustainable outcomes? Could it be expected that outcomes would improve further if a greater proportion of the unemployed exercised their right of choice, rather than being 'randomly' allocated to a Job Network provider?

This is an issue particularly if a client has alcohol &/or drug problems or other issues and would be better suited to a specialist provider or CSP. Intensive Assistance and Job Search Training consultants tend to find this out usually at the first interview, which means the jobseeker then needs to be referred back to Centrelink.

It could mean that Job Network providers become more specialised in whom they market too. This would increase their success rate, but it would also leave those harder to place occupations, ages and ethnicities without a place

to go or feel comfortable. Organisations would presumably specialise in the easier to place groups.

Many times when replying to a question about what sort of job they want that jobseekers reply with “anything”. To provide these jobseekers with a long list of specialised providers and expect them to take the time to register at every employment agency (even if they could), and assume this is a better service seems to be a view that comes from the wrong perspective.

As a disenfranchised long term unemployed person, the best option would be the equivalent of a one-stop-shop. Add this to the range of personal circumstances that contribute to the problem of unemployment, and the idea that what are now fairly traditional specializations will contribute to an improvements in outcomes is a real leap of faith which is not justified.

In the current contractual structure it is unlikely that most Job Network members will have the economies of scale to specialize within their service delivery models. This is one option that the system works against.

Most Specialist providers need to leverage their “specialist” operations off their generalist contracts, unless the specialization is an area where the disability has a marginal impact on employment prospects. There is a fine line between specializing for groups that have a measurable disadvantage in finding employment, and cherry picking.

***Are current IT arrangements effective? How can they be improved?
What are the cost implications?***

IT is affectionately referred to as a Black hole. You just can't fill it however much money is poured in. Having said that let me complement DEWRSB on its approach to the need for bandwidth that has developed over the course of the contracts. Where changes have been required they have generally been funded – a welcome administrative approach.

The approach to IT generates images of a dog chasing its tail. I'm not sure whether we are the dog or the tail though. WISE Employment uses a third party piece of software which interfaces with IES – till the end of this contract. It would be a close run thing to assess whether its not more trouble than it is worth. This judgement is likely to be influenced by the impending Privacy requirements, which will clearly impact the Department's approach to third party systems.

The difficult line the Department is required to tread is between providing secure claim and information systems to all providers, and not adding value to this system because of the fear that activity along this line would be seen as “telling us providers how to do our jobs”.

Job Network is competitively based and DEWRSB produces immensely involved analysis at monitoring times. There is no predictive capacity at all. This level of analysis is not available from the system we access. The alleged value of third party systems (among other claims) is that they are able to

match the sophistication in analysis. Frankly, this ability relates to a systems ability to store information that by definition Providers probably shouldn't store. This issue will become more pressing, and the obvious solution would be to improve the interface between EA2000 and other software.

The interface could be as simple as access to a database of our own clients. Our needs are historical as well as predictive however it is really difficult to access useful management information in a timely manner. I really think this has an impact on operations and priorities in the Job Network.

The obvious – if unpalatable solution - is to require deliverers of services to use EA2000 or its equivalent. It is important to understand why it is regarded as so unpalatable.

I think that – to use another canine euphemism – the current structure of the Job Network is a case of the tail wagging the dog. The preferences of the competitive / private sector have outweighed the appropriate administrative requirements of delivering government policy.

This submission referred earlier to the substantial loss of information about what works in relation to training and support because of Commercial in Confidence issues. Delivery of services to disadvantaged groups of citizens in a competitive framework seems fraught. With the best will in the world, relying on Codes of Conduct and the like is likely to be insufficient as is relying on peoples good intentions.

To cover concerns, the contracts would need to be even more substantial, and in all probability unworkable. As mentioned earlier, the approach of offering these services through the Non- Profit sector really deserves deeper consideration.

Job Network was not a business 5 years ago. It is loosely related to the existing recruitment industry – but much more strongly related to the need for the Govt to ensure it spends taxpayers money efficiently. The balance is right.

What changes, if any, would improve the benefits arising from Australian Job Search?

AJS should be more available – Shopping Centres etc