

8 April 2002

Mr Ralph Lattimore  
Assistant Commissioner  
Productivity Commission  
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Via Facsimile: (02) 6240 3399

Dear Mr Lattimore

#### INDEPENDENT REVIEW OF JOB NETWORK – DRAFT REPORT

At the NESA CEO Forum held in Melbourne on 27 March 2002, we were invited to submit further issues that could be considered as part of your findings in relation to the above.

Please find attached our further submission.

We would be pleased to provide further input if required. In this regard, please do not hesitate to contact me on 07 32214000.

Yours sincerely

**GREG ASHMEAD**  
General Manager  
Employment Services & Training

## **Productivity Commission Report Submission on IT&T from Work Directions Australia**

Work Directions Australia (WDA) agrees with the following excerpt from the Overview of the Productivity Commissions' Independent Review of the Job Network

“the Department of Employment and Workplace Relations is imposing too many compliance burdens on, and providing excessive direction to, Job Network providers — undermining the desirable flexibility of the system.”

### **Limitations on use of data and information**

Job Network outcomes depend on quality information. While the Government provides initial information there is additional information collected by Job Network Managers (JNMs) that is crucial to their business. The Department does not currently make provision for this information and we see that an amount of additional information needs to be collected and managed by the provider. This information which is particularly used to manage the relationship between WDA and the potential employee is the source of our competitive advantage..

It appears from descriptions and presentations by DEWR that a restrictive definition of information that can be held locally, if at all, is to be introduced under the requirement for privacy protection.

WDA submits that there are other ways to protect privacy including:

- Implementation of privacy standards with which each provider must comply to retain accreditation
- Specification of data which must be held centrally (for DEWR purposes)

### **Process Focus**

It appears that the technology able to be used for provision of IT services by the Job Network Members (JNMs) is to be prescribed by DEWR. Elements include:

- The specification of bandwidth required
- The limitations of the Corporate Interface for integrating third party products

Specifying the Information Technology to be used by JNMs restricts any competitive advantage they can achieve through their determination and implementation of technology to meet required outcomes.

WDA submits that the most important issue is the employment outcome, not the process.

It further suggests that:

- DEWR should specify the outcomes required, not the technology
- Interfaces to DEWR should be based on OPEN standards
- DEWR should stipulate the format for delivery of its core data needs

- The technology used should be decided by the JNM, on the basis of that JNMs capability to service the contract requirements
- Bandwidth and technology decisions should be made by JNMs, to give each provider the ability to minimise cost.

Examples of the above include:

- Policy at the start of the current contract indicated strong support for the use by JNMs of third party products through the Corporate Interface(CI).
- The move of the CI to an XML platform was also anticipated.

Both of these seem to have shifted significantly.

Significant investments by many JNMs in implementing a third party product are now under threat due to the policy shifts by the Department.

### **Creating World's Best Practice**

WDA contends that over a period of time diversity of method will lead to competitive advantage, generating (world's) best practices and overall improvements in the total operation of employment services in Australia. It further contends that there are differences between larger and smaller providers and a one-size-fits-all approach through mandated technologies should be avoided.

Finally, successful change management would suggest involvement of the JNMs in the development of the system (rather than mandating the processes) would produce more desirable results.

WDA contends that JNMs should be treated as stakeholders by DEWR and positively and actively involved in the development of the overall programme in a win-win environment.

April 3, 2002