

Advisory Panel on Employment Services Administration and Accountability – Final Report Feedback

Topic	Findings	Recommendations
1. Reducing regulatory burden across the Programs as a whole.	1.1. The Australian Government has demonstrated a commitment to reducing regulatory burden in the Programs and has already taken steps to simplify administration while driving better outcomes for jobseekers and maintaining appropriate accountability.	
	1.2. Nevertheless, the Panel found that the Programs are complex and red tape can be further reduced without jeopardising the Program outcomes and appropriate accountability. Most of the excessive red tape arises from the design and administration of the Programs, but some of the providers' own systems are another source of unnecessary red tape. The complexity of the Programs is likely to have weakened accountability for performance and outcomes, and to have constricted innovation.	<p>1.1. That a new Industry Consultation Forum be established, comprising representatives of jobseekers, employers, providers and the Government. The role of the new forum would be to identify administrative improvements and other opportunities to simplify, streamline and enhance the Programs. The forum would facilitate cooperation and information sharing.</p> <p>1.2. That DEEWR review each of the administrative controls in the Programs by applying the Panel's review framework, outlined in Appendix 1. The framework involves a fine-grained review to identify and address those administrative controls that are redundant or poorly designed.</p> <p>1.3. That providers apply the same framework to review their own 'shadow' systems for data management, to ensure that the systems do not unnecessarily duplicate those of DEEWR, and to identify and remove unnecessary administration and red tape.</p>
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<p>2. A jobseeker-centred approach</p>	<p>2.1. The Panel concluded that, with sufficient support, most people can participate in work, and all aspects of the Programs should reflect a strong focus on jobseekers. With this focus in mind, the Panel concluded that the Programs’ goals would desirably be re-expressed in terms of achieving social inclusion and economic participation for jobseekers.</p>	<p>2.1. That the Government define the Programs’ goals in terms of achieving economic participation and social inclusion for jobseekers.</p> <p>2.2. That DEEWR identify and pursue further opportunities to empower jobseekers as the key participants in, and the immediate beneficiaries of, the Programs. The opportunities include improved information provision, improved complaints processes, and greater tailoring of services to better meet the needs of jobseekers with special needs. This work would be informed by independent research on the experiences of jobseekers.</p>
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<p>3. Simplifying the JSA Stream structure</p>	<p>3.1. JSA features four Streams. Stream 1 services the most work-ready jobseekers, and Streams 2 and 3 service jobseekers with moderate barriers to employment. Jobseekers in Stream 4 have been assessed as having complex or multiple non-vocational barriers. The current Stream structure is an important source of JSA’s complexity and has the effect of increasing the number of Outcome types.</p>	<p>3.1. That the JSA Stream structure be simplified by combining Streams 2 and 3. This would be done in a way that reduces significantly the number of Outcome types, and has regard to how jobseekers would best be served with regard to their needs and the goal of sustainable employment.</p>
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4. Provider Assisted vs Provider Brokered Outcomes	4.1. Within JSA there are 144 Outcome payment types. These are determined by: the jobseeker’s employment services Stream and period of unemployment; whether the payment is a Full Outcome or a Pathway Outcome; whether the Outcome was Provider Brokered (that is – through contact with the employer) or Provider Assisted (including Full Outcome Employment); and whether the Outcome attracts a bonus. The current Outcome structure is an important source of complexity in the Program.	
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5. Sustainable employment	5.1. The ultimate outcome being sought by the Programs is sustainable employment for jobseekers. The structuring of Outcome payments affects whether this goal is achieved. Outcome payments are currently available for 13 week and 26 week Outcomes. The panel concluded that 26 weeks is too short a timeframe to know if an employment outcome is sustainable.	5.1. That the definition of sustainable employment outcomes be extended to 52 weeks. Outcome payments would then occur at 13, 26 and 52 weeks. The new definition of sustainable employment would take account of the number of job changes that is accepted as the norm in certain vocations, e.g. the hospitality industry.
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6. Increased scope for innovation	6.1. The Programs’ high-level architecture is designed to encourage innovation, leading to improved outcomes and better value for money. In practice, however, providers’ scope to innovate in the provision of services is significantly constrained by the Programs’ administrative and compliance arrangements. Benefits would be expected to flow from encouraging a more innovative approach to practice.	6.1. That DEEWR encourage greater service innovation among providers, and reflect this in the design of contracts and other features of the employment services model. This would include encouraging providers to innovate in the design and administration of services, and to identify more efficient ways to tailor services and to achieve the Programs’ objectives.
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7. Contract length and certainty	7.1. Employment services contracts are currently for three years with a three-year renewal period. The Panel concluded that longer employment services contracts would improve providers' ability to plan and invest adequately, and to attract and retain high-quality staff.	7.1. That DEEWR introduce longer employment services contracts in the Programs. The longer contracts would be subject to renewed safeguards including for changes in ownership and significant changes in direction.
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8. Professionalising the employment services workforce	8.1. Turnover in the employment services workforce is high (around 35% nationally). Peak body and provider analyses of the reasons for this high turnover include uncompetitive wages, high administrative requirements of staff, the emotional toll of the work, and inadequate training. Professionalising the workforce (i) would help lift and solidify standards and improve retention and (ii) requires that there are sufficient resources and capability in providers so they can make the necessary investment in training in an acceptable timeframe.	8.1. That DEEWR and the provider sector jointly pursue the professionalisation of the employment services workforce in a manner that is cost-neutral for Government and improves service flexibility and quality whilst reducing red tape. This would include developing agreed knowledge, skills and competency standards for provider staff, and removing Program controls rendered unnecessary by the introduction of competency standards. The professional standards would include recommended minimum qualifications, Recognition of Prior Learning (RPL), Recognition of Current Competency (RCC), explicit recognition of on-the-job learning and a range of pathways to acquire the necessary skills and knowledge.
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<p>9. Accreditation of providers</p>	<p>9.1. The Panel concluded that establishing an accreditation scheme for providers would help ensure that services are delivered at or above a consistent standard of quality. The accreditation scheme would:</p> <ul style="list-style-type: none"> • involve independent accreditation of providers, based on an agreed set of industry standards for JSA and DES providers; and • require providers to establish appropriate internal assurance systems, and would be linked to the audit and assurance framework for the employment services model (discussed further below). <p>The proposed industry standards would be developed by building upon existing standards (such as the Disability Service Standards), other relevant requirements (including ASIC requirements) and identifying and addressing gaps. DEEWR in consultation with industry would develop the standards.</p> <p>9.2. The Panel notes the risk that an accreditation system would increase complexity and administrative burden. It is important, therefore, that the accreditation scheme would only be implemented if there were offsetting reductions in the compliance burden and red tape.</p>	<p>9.1. That the provider sector, with support from DEEWR, establish a new accreditation scheme to help assure the performance and capability of providers. The scheme would be based on new standards for the delivery of employment services and would be linked to the audit and assurance framework for providers and the red tape burden reduction agenda.</p>
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<p>10. Job Seeker Classification Instrument (JSCI)</p>	<p>10.1. The JSCI serves multiple purposes for Centrelink, providers and DEEWR, with different expectations across the sector regarding the instrument’s value and how it is to be used. The Panel does not consider that providers should have the power to reclassify jobseekers across Streams in JSA. The Panel notes that reducing the number of Streams, as proposed by the Panel, would help address concerns about the classification of jobseekers. The Panel further notes that more could be done to explain the JSCI’s purpose and utility to case workers.</p>	
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<p>11. A new risk-based assurance framework</p>	<p>11.1. Various arrangements are currently in place to provide assurance about the performance and compliance of providers. This includes audits of providers’ adherence to their contractual obligations. The Panel concluded that a new assurance framework is required for the Programs. The new framework would:</p> <ul style="list-style-type: none"> • involve a more risk-based approach, including better targeting of the audit program, with more frequent and extensive audits of providers that lack a positive track record of performance, compliance and honesty. For providers whose program delivery outcomes and administration were found to be of a consistently high standard, audits could be less frequent, of narrower scope, or targeted at internal systems rather than transactions; • have regard to providers’ own audit arrangements (including the use of independent auditors) and internal systems (including the quality of corporate governance) as potential sources of assurance about the providers’ compliance and performance. For example, providers with robust and independent assurance arrangements in place could be subject to more light handed oversight, such as less frequent audits; • review providers’ performance against the proposed industry standards; and • in the longer term, potentially allow application of the ‘Star Rating’ system to become less frequent, and, ultimately, unnecessary. <p>Further details of the proposed risk-based framework are provided in Appendix 3.</p>	<p>11.1. That DEEWR implement the Panel’s proposed risk-based assurance framework, as detailed in this report. The framework features a more risk-based approach to the scheduling and conduct of audits. This would involve random audits for providers, plus targeted and more frequent audits for higher risk providers, such as those with a poor track record of compliance and performance, and potentially narrower and less frequent audits for providers whose program delivery outcomes, governance and administration are of a consistently high standard.</p>

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<p>12. Implementation of the Panel’s recommendations</p>	<p>12.1 The Panel’s recommendations in relation to contract length, simplifying the JSA Streams, the risk-based assurance framework, and Provider Assisted and Provider Brokered Outcomes, are intended for implementation for the 2015 contract period.</p>	<p>12.1. That the Panel’s recommendations be implemented according to the timeline set out in the report, with suitable arrangements in place for implementation planning; DEEWR-led consultation with jobseekers and employers occurring during 2012; and reporting of progress in implementing the recommendations.</p>
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