



Australian Government

**Department of Employment and
Workplace Relations**

National Office

GPO Box 9879 CANBERRA ACT 2601

Dear Chief Executive Officer

I have had the opportunity to meet some of our Job Network members. For those whom I have not yet met, I would like to introduce myself as the Department's recently appointed Deputy Secretary, Employment.

I am very pleased to be closely involved in Job Network and assisting unemployed people into jobs. Having worked in the Department for a number of years, more recently leading the Group with responsibility for Community Development Employment Projects, and prior to that as Chief Financial Officer, I am committed to continuing Job Network's performance to record levels.

On this note, I am writing to you about the Job Seeker Account. The Minister for Workforce Participation, the Hon Peter Dutton MP, has asked the Department to ensure that use of the Job Seeker Account continues to clearly reflect the principles underlying this tool. These include that use of the Account be clearly linked to assisting job seekers into sustainable employment and able to withstand rigorous public scrutiny.

The Job Seeker Account is and will remain one of the key tools of the Active Participation Model for Job Network. The purpose of this letter is to provide an update to the Job Seeker Account principles and to update the notice under Part B, Clause 7.10(h) of the Employment Services Contract 2003-2006 concerning items that will not be reimbursed from the Job Seeker Account, as approved by the Minister.

First, the update to the Job Seeker Account Expenditure Principles aims to highlight the importance of public accountability for goods and services reimbursed under the Job Seeker Account, and to clarify the existing requirement for a fair market price for purchases, thereby ensuring value for money. For example, new arrangements have been developed to allow job seekers to continue to have access to mobile phones while ensuring accountability. Details of the Job Seeker Loan Phone Scheme are attached. Further information on purchasing arrangements for mobile phones will be provided in early April 2005.

Second, the changes to the notice have regard to the principles and are informed by experience with the Job Seeker Account since its introduction in July 2003. In particular, the changes deal with the provision of personal items that a job seeker could be reasonably expected to furnish for themselves as part of their job search efforts and obligations and gives greater clarity around some items where the link to employment is not clear cut.

In essence, however, the principles underpinning the Job Seeker Account remain unchanged.

Job Network members have until Friday, 29 April 2005 to finalise any commitments and claims which have been made for items listed in the enclosed notice. However, the enclosed notice precludes Job Network members from making new commitments for items listed and for similar items. Provision will be made for exceptional circumstances which prevent a claim being finalised within this timeframe (including acquitting bulk claims).

In ensuring that the use of the Job Seeker Account continues to reflect the expenditure principles, we are also keen to keep a streamlined approach to Job Seeker Account functionality in EA3000. In this context, the value of items which can be acquitted using the "Quick Acquit" function for bulk purchases in EA3000 has been increased to \$100 or less per item in metropolitan areas, and \$200 or less per item in non-metropolitan areas. Job Network members do not need to acquit these items against individual job seekers in EA3000 but, consistent with current practice, Job Network members are required to keep a record of expenditure. The facility to acquit individual items in EA3000 for these amounts remains optional and can be used if preferred.

Should you have any queries regarding the operation of the Job Seeker Account, please contact your Contract Manager, or the Job Seeker Account Hotline on 02 6121 7888.

Yours sincerely


Malisa Golightly
Deputy Secretary, Employment

30 March 2005

Attachment A**Job Seeker Account
Expenditure Principles
March 2005**

The following set of principles should be carefully considered before making any purchase using the Job Seeker Account. Job Network members should be mindful that job seekers also have a responsibility in relation to securing employment, and it is not appropriate to purchase every day items that a job seeker should reasonably be expected to make themselves. *As a general rule, if there is any doubt that an expenditure does not satisfy one or more principle, that purchase should not be made without consultation with your Contract Manager.*

1. **Goods and services purchased using the Job Seeker Account must withstand scrutiny, and must not bring Job Network or the Commonwealth into disrepute.**
2. **Assistance purchased using the Job Seeker Account must be directly related to a job seeker securing an employment outcome relevant to the labour market.**
3. **Goods and services purchased using the Job Seeker Account must represent value for money for the Commonwealth and taxpayer, and payment rates should be fair and in accordance with industry standards.**
4. **Services, products and programmes must be sufficiently different to and/or over and above those which providers are required to deliver as part of their contractual obligations.**
5. **Use of Job Seeker Account must reflect a job seeker's individual needs.**
6. **An appropriate mix of services, products, and programmes must be funded from the Job Seeker Account to reflect the range of barriers job seekers face.**

Further guidance on the expenditure principles is at **Attachment B**.

A list of specific purchases which will not be reimbursed from the Job Seeker Account is at **Attachment C**.

Attachment B

**Job Seeker Account
Expenditure Principles
March 2005**

The following provides further information on the principles governing decisions about Job Seeker Account purchases. In addition to the provisions of Part B, Clause 7.10 of the Employment Services Contract 2003-2006, Job Network members are required to carefully consider the principles before making any purchase using the Job Seeker Account. *As a general rule, if there is any doubt that an expenditure does not satisfy one or more principle, that purchase should not be made without consultation with your Contract Manager.*

1. Goods and services purchased using the Job Seeker Account must withstand scrutiny, and must not bring Job Network or the Commonwealth into disrepute.

Purchases which are likely to withstand scrutiny are those which are:

- Directly employment related, that is, they are required to enable a job seeker to accept employment, or they are directly related to improving the likelihood of a job seeker being able to secure employment relevant to the labour market (refer to principle 2).

Items which will not withstand scrutiny and are not appropriate to purchase using the Job Seeker Account include:

- Goods or services which a job seeker can reasonably be expected to purchase to visit their Job Network member, to access assistance or take up employment including:
 - fares, taxi or hire car usage and petrol assistance where the job seeker lives within a reasonable distance from the JNM or a job (as a guide, travel which is less than 90 minutes each way in duration or where the cost of the travel is less than 10% of the job seeker's income¹), except in exceptional circumstances such as where suitable public transport is not available and this type of assistance represents the best value for money;
 - Goods or equipment that are not directly related to a job seeker securing or maintaining employment such as personal or hygiene products (including shavers, hairdryers, make up etc);
- Cash payments to job seekers (except in exceptional circumstances such as to reimburse a job seeker for a specific item), gift vouchers or vouchers that can be redeemed for cash;
- Rent and bond (except as part of relocation assistance to take up employment);
- Food and household bills;
- Individual items for job seekers to own and from which they would accrue ongoing personal benefit such as:
 - cars and bicycles where the job seeker lives within a reasonable distance from the JNM or a job (as a guide, travel which is less than 90 minutes each way in duration or where the cost of the travel is less than 10% of the job seeker's income⁽¹⁾), except in exceptional circumstances such as where suitable public transport is not available and this type of assistance represents the best value for money;

¹ Centrelink definition

- mobile phones (unless purchased under the Loan Phone Scheme), mobile phone credits/accounts, alarm clocks, and watches;
- Equipment or tools (except where required to enable a job seeker to undertake employment related training or secure employment and where these items are not normally provided by the employer);
- Items which an employer would generally supply as a standard condition of employment;
- Assets or grants for self employed job seekers which a person setting up a business would be reasonably expected to purchase themselves;
- Incentives, rewards and gifts to employers such as club memberships.

A list of items which will not be reimbursed from the Job Seeker Account under Part B, Clause 7.10(h) of the Employment Services Contract 2003-2006 is at Attachment C.

2. Assistance purchased using the Job Seeker Account must be directly related to a job seeker securing an employment outcome relevant to the labour market.

Assistance which falls within this principles and may be purchased using the Job Seeker Account includes:

- employment related training and associated books and equipment;
- pre-vocational or preparatory support for disadvantaged job seekers such as pre-apprenticeship training or pre-tertiary course;
- literacy or numeracy assistance where places in other government funded programmes are unavailable;
- clothing to attend an interview where the job seeker has no suitable clothes and is not in a position to purchase such clothes;
- clothing and equipment to enable a job seeker to accept an offer of employment that an employer would not otherwise normally provide as a condition of employment;
- clothing and equipment to enable a job seeker to participate in employment related training;
- work tools to enable a job seeker to accept an offer of employment (except where the employer would normally provide this as a standard condition of employment);
- wage subsidies for employment which is sustainable and ongoing after the wage subsidy has ceased;
 - the value must be commensurate with the job seeker's level of disadvantage, that is, wage subsidies may be expected to increase for the most highly disadvantaged job seekers;
 - to demonstrate their commitment to ongoing employment, the employer must also generally make a significant contribution to the cost of the job seeker's wage;
 - JNMs should not generally offer wage subsidies of 100% (or more) of wage costs without the agreement of their Contract Manager and only in isolated instances. Where a JNM has an opportunity for a particularly disadvantaged individual (such as over 5 years unemployed or with multiple disabilities) additional supplementation to an employer may be appropriate;
 - the wage subsidy may cover costs such as on the job training but should not include items such as employer incentives or rewards;

- relocation assistance to enable a job seeker to accept employment;
- support (such as small business training or mentoring) to assist a person establish their own business;
- short term assistance for transport to assist job seekers attend interviews where the job seeker does not live within a reasonable distance from the JNM or a job (as a guide, travel which is more than 90 minutes each way in duration or where the cost of the travel is greater than 10% of the job seeker's income⁽¹⁾), except in exceptional circumstances such as where suitable public transport is not available and this type of assistance represents the best value for money;
- employment costs such as medical and licence checks required by an employer before a job offer will be made;
- dental costs (only in exceptional circumstances where this is a significant barrier to employment);
- medical costs and rehabilitation counselling or services such as for pain and anger management;
- work place assistance and modifications for people with a disability;
- work related licensing;
- interpreter services;
- the provision of outreach services to locationally disadvantaged job seekers.

3. Goods and services purchased using the Job Seeker Account must represent value for money for the Commonwealth and taxpayer, and payment rates should be fair and in accordance with industry standards.

Best endeavours should be made to ensure and to demonstrate that payment rates for goods and services are in accordance with industry standards, and that a number of suppliers have been considered to ensure that the best value for money is achieved.

While related entity expenditure is not prohibited, Contract Managers will closely monitor this type of expenditure. Where assistance is provided by a related entity, Job Network members should be able to demonstrate that other options have been considered and that the assistance provided by a related entity better addresses the job seeker's barriers to employment, represents best value for money, and the payment rates are in accordance with industry standards.

4. Services, products and programmes must be sufficiently different to and/or over and above those which providers are required to deliver as part of their contractual obligations.

The services that JNMs are obliged to provide are clearly stated in the Employment Services Contract 2003-2006. Examples of services that are already provided and, therefore, would not be reimbursed from the Job Seeker Account include:

- provision of Job Search Training (except where the job seeker is highly disadvantaged and has received early access to Intensive Support customised assistance);
- provision of any service for which a Job Network member has already received a fee (such as where a job seeker does not complete the full 100 hours of Intensive Support job search training);

⁽¹⁾ Centrelink definition

- specified contacts with job seekers, eg fortnightly contacts during Intensive Support customised assistance;
- assistance with resume and job application preparation (except in exceptional circumstances for a highly specialised position);
- undertaking an assessment of the job seeker's employment needs and barriers (including for the purposes of reverse marketing) unless it is an additional assessment provided by an appropriately qualified specialist;
- Job Placement services;
- Contacts with job seekers solely to verify employment/education for the purpose of an Intensive Support Outcome claim.

Job Network members must ensure, and be able to substantiate, that additional contacts are:

- tailored to the individual needs of each job seeker and are in the interest of the job seeker;
- not used as a one size fits all approach;
- focussed on more disadvantaged or long term unemployed job seekers with a view to achieving job outcomes;
- for a significant period of time, as a guide, a minimum of 15 minutes duration for each contact.

Contract Managers will monitor the use of the Job Seeker Account for this purpose closely.

5. Use of Job Seeker Account must reflect the job seeker's individual needs.

Job Network members are required to undertake a proper assessment of a job seeker's individual needs and use a range of assistance options under the Job Seeker Account to address those needs. This assessment should specify the assistance required under the Job Seeker Account.

It is not expected that Job Network members will provide a "one size fits all" type of assistance to all job seekers and they must be able to substantiate that the assistance will benefit an individual job seeker. For example, JNMs must ensure that:

- an additional contact is necessary to assist the job seeker increase his or her employment prospects (eg. because the job seeker has initiated the contact or because the job seeker is disadvantaged or long term unemployed);
- a particular training course is appropriate for their specific needs and not just part of a group or internally delivered course;
- a particular item of clothing or equipment is directly related to that job seeker's employment needs and not part of a bulk purchase handed out to all job seekers.

6. An appropriate mix of services, products, and programmes is funded from the Job Seeker Account to reflect the range of barriers job seekers face.

Job Network members are expected to provide a range of assistance to job seekers. It is not appropriate, for example, for the majority of Job Seeker Account expenditure to be directed only to assistance provided by a related entity. Where Job Network members spend a substantial portion of Job Seeker Account funds on assistance provided by a related entity, they must be able to substantiate that the assistance is individually tailored, is value for money for the Commonwealth, and is securing, or likely to secure, outcomes for job seekers.

It is recognised that some job seekers may only require limited assistance while others will require assistance from a range of these categories. JNMs should carefully assess what is appropriate on an individual basis.

Attachment C**Prohibited Items**

The following items are notified in accordance with Part B, Clause 7.10(h) of the Employment Services Contract 2003-2006 as items which will not be reimbursed from the Job Seeker Account, in addition to Part B, Clause 7.10 of the Employment Services Contract 2003-2006:

- Goods and services which would not withstand scrutiny;
- Assets* for job seekers to own and gain personal benefit from retaining, and for which it is reasonable to expect a job seeker to purchase, and/or expenditure relating to upkeep of assets such as:
 - mobile phones (unless purchased under the Loan Phone Scheme), mobile phone credits or accounts;
 - watches, alarm clocks, hand bags, and personal hygiene products such as shavers, hair dryers, make up, toiletries, soap;
 - computers, printers, facsimiles, photocopiers;
 - bikes, accessories and repairs, and cars, car registration and repairs, where the job seeker lives within a reasonable distance from the JNM or a job (as a guide, travel which is less than 90 minutes each way in duration or where the cost of the travel is less than 10% of the job seeker's income⁽¹⁾), except in exceptional circumstances such as where suitable public transport is not available and this type of assistance represents the best value for money.
- * *Except tools and equipment where they are required for the job seeker to participate in employment related training or to secure employment.*
- Services which are not directly employment related such as:
 - personal hygiene products such as hair colouring, beautician visits, 'makeovers', pamper packs;
 - gym membership, weight reduction services;
 - nicotine patches.
- Expenditure that job seekers would be expected to meet including:
 - fares, taxi or hire car usage and petrol assistance where the job seeker lives within a reasonable distance from the JNM or a job (as a guide, travel which is less than 90 minutes each way in duration or where the cost of the travel is less than 10% of the job seeker's income⁽¹⁾), except in exceptional circumstances such as where suitable public transport is not available and this type of assistance represents the best value for money;
 - rent and bond monies (except where a job seeker is relocating to take up employment), food and household bills, internet connections;
 - fines, court fees;
 - pay out of loans or credit cards; and
 - union dues.
- Expenditure that JNMs should meet including:
 - JNM legal costs;
 - work experience with a JNM or a related entity;
 - the hire of security guards for a JNM's premises;

(1) Centrelink Definition

- costs associated with administering the Job Seeker Account; and
 - contacts with the job seeker or employer that are solely for the purpose of verifying employment or tracking an outcome.
- Items which employers could be expected to contribute as a standard condition of work such as non portable work goods.
 - wage subsidies of 100% or more of wage costs without the agreement of their Contract Manager and only in isolated instances. Where a JNM has an opportunity for a particularly disadvantaged individual (such as over 5 years unemployed or with multiple disabilities) additional supplementation to an employer may be appropriate;
 - Employer incentives, rewards, and gifts
 - Goods and services that do not represent value for money for the Commonwealth and taxpayer or where payment rates are not fair and in accordance with industry standards;
 - Cash payments to job seekers (except in exceptional circumstances such as to reimburse a job seeker for a specific item), gift vouchers or vouchers that can be redeemed for cash;
 - Relocation costs for job seekers relocating overseas;
 - Wage subsidies for job seekers who become self employed, and assets or grants for self employed job seekers which a person setting up a business would be expected to purchase themselves;
 - Wage subsidies to Commonwealth or State Government departments or agencies.

Attachment D**Job Seeker Loan Phone Scheme****Background:**

- Under the Active Participation Model, a number of tools are available to job seekers to enhance communication with their Job Network Member and ensure a strengthened relationship and improved outcomes. These include:
 - JobSearch Kiosks in JNM and Centrelink sites;
 - Personal Page;
 - Additional notification services (email, SMS); and
 - Interactive Voice Response (IVR) – JobSearch “Karen”.
- In particular, SMS has proven to be a very popular tool with 35% of job seekers selecting this notification option. Of all automatches, SMS has proven to be the most effective, achieving approximately 50% of job referrals and 50% of job placements following on from an automatch.
- With the effectiveness of these telephone based technologies being clearly demonstrated it can be argued that job seekers without access to these facilities can be at a disadvantage in their ability to conveniently receive early advice of employment opportunities and to rapidly respond to those opportunities.
- As was demonstrated by the 2004 trial, giving a job seeker access to a mobile phone provides:
 - prompt and convenient receipt of employment related SMS and telephone communications;
 - capacity to respond to opportunities by immediately calling JNM's or employers (where appropriate);
 - capacity to 'cold canvass' employers;
 - capacity to receive calls or SMS messages directly from Job Network Members or employers; and
 - capacity to receive incoming calls and messages of a private nature.

Loan Phone Scheme Guidelines:

Purpose. The purpose of the Loan Phone Scheme is to enable JNMs to lend a mobile phone to a job seeker for their job search activities.

Main Provisions. The main provisions of the Loan Phone Scheme are:

- The Loan Phone Scheme commences immediately and applies to all JNMs who choose to provide a mobile phone to job seekers. JNMs can now only purchase mobile phones under the Loan Phone Scheme however, existing stock of phones (purchased prior to the date of this notice) can be supplied to job seekers under the previous arrangement until 29 April 2005.
- Participating JNM may purchase GSM mobile phone handsets and seek reimbursement from the Job Seeker Account. To make a claim under the Job Seeker Account, JNMs may purchase handsets from the preferred supplier (initially Dataflex) or they may purchase handsets from other suppliers provided they can do so at a better price. Full details of the preferred supplier's services and ordering procedures will be supplied to JNMs.

- A key aspect of the Loan Phone Scheme is that ownership of the phone will not transfer to the job seeker. Ownership will vest in the JNM.
- JNMs will be responsible for all phone handsets and it is expected that JNMs will conduct an annual stock-take.
- Job seekers will be responsible for purchasing any call credit. The Job Seeker Account is not to be used to purchase call credit.
 - Job seekers will be required to purchase the SIM card/credit before being provided a Loan Phone, to enable the job seeker to provide the phone number to the JNM. As the job seeker would own the SIM card, they would be responsible for all calls, would keep the mobile phone number and maintain privacy of their own information.
- Under the Loan Phone Scheme, mobile phones will be loaned to selected job seekers to assist the job seeker with securing gainful employment.
- It is expected that the term of the loan will vary depending on the circumstances of each job seeker.
- In all cases, the job seeker is to return the mobile phone after successfully gaining employment that takes them off benefit. The JNM should organise with the job seeker to return the phone not more than two months after the job seeker has gained such employment.
- Any administration cost incurred by JNMs for the Administration of the Loan Phone Scheme cannot be claimed from the Job Seeker Account.

Selection of Clients. The final decision as to which job seekers are provided with a mobile under the Loan Phone Scheme will be made by the Job Network Member.

It is recommended that the following be considered when deciding which job seekers to include:

- The Job Network member will select suitable job seekers to whom they lend mobile phones, predominately from more disadvantaged groups. Departmental records indicate that approximately 10% of all active job seekers do not have a phone number listed and it is anticipated that these job seekers would be prime candidates for the Loan Phones.
- The JNM needs to select job seekers who they assess as trustworthy and will likely benefit from access to a mobile phone; and
- The process of allocating the phone to a selected job seeker should be seen as an opportunity to re-establish or reinforce the JNMs support and trust in the job seeker and the job seeker's commitment to work effectively with the JNM to get a result.

Client Relationship and Agreement. The JNM will need to include the details of the loan phone and conditions of use in the job seekers Preparing for Work Agreement, a sample of these conditions is a **Attachment D1**.

It is expected that in allocating the phone to a job seeker, the job seeker would make certain written commitments to their JNM, see **Attachment D1**. Commitments related to the Loan Phone Scheme are as follows:

- accepting responsibility for the management and control of the phone including its physical security and usage;
- electing to have SMS as the preferred notification option;

- having the phone on during normal business hours (9.00am to 8.00pm Monday to Friday);
- promptly following up SMS notifications of job matches, appointment reminders, employer and JNM messages;

Phone Security. Should the phone be lost or stolen during the loan period the following action should be taken:

Stolen – The job seekers should report the theft to the appropriate authorities and provide their JNM with the details of the Police Incident Report Reference Number. Replacement of the stolen phone will be at the JNMs discretion.

Lost – The job seeker should conduct a thorough search for the phone and provide their JNM with details of the last know location, search action and circumstances of the loss. JNM should record brief details of the loss. Replacement of the lost unit will be at the JNMs discretion.

Damaged – The job seeker should report any damage to their JNM as soon as practical. The JNM should assess the circumstances and amount of damage and determine if it had been caused through unpreventable circumstances or not. Replacement of the damaged unit will be at the JNMs discretion.

Disposal. The majority of mobile phones have a 12 month warranty period from time of purchase, after which damaged phones are considered to be disposable, as repairs become cost prohibitive compared to the relatively low replacement cost. Phones from the Loan Phone Scheme that are damaged or not considered to be otherwise fit for issue should be considered to be out of life at the expiration of the warranty period.

Phones that are functioning normally and in good repair should continue to be utilised under the Loan Phone Scheme. As phones are removed from the Scheme, JNMs can replace them with new phones purchased through the Job Seeker Account. Old phones should either be returned to retailers for disposal or disposed of by the JNM through appropriate environmentally-conscious means. Under no circumstances should phone be disposed of in normal waste.

Attachment D1**Terms & Conditions of the Loan Phone Scheme**

As a condition of participating in the Loan Phone Scheme (the 'Scheme'), I acknowledge and agree to the following:

- (a) My Job Network Member ('JNM'), on behalf of the Department of Employment and Workplace Relations ('DEWR'), has loaned me a mobile phone (the 'Phone') which I will use for job search activities;
- (b) The Phone will, at all times, remain the property of my JNM;
- (c) I am voluntarily participating in the Scheme;
- (d) I indemnify DEWR and my JNM against any loss or expense incurred by myself or a third party, arising out of my participation in the Scheme;
- (e) I have received full instructions on the proper use of the Phone and agree to operate the Phone in accordance with those instructions and these Terms and Conditions ('Terms and Conditions');
- (f) My JNM may choose to terminate the Scheme at any time at their discretion, or if I have breached any of these Terms & Conditions. If this happens, I will immediately return the Phone to my JNM;
- (g) I will use the Phone for job search activities. In doing so, I agree to:
 - (i) have the Phone switched on during normal business hours (9.00am to 8.00pm Monday to Friday);
 - (ii) promptly follow up SMS notifications of job matches, appointment reminders, employer messages and messages from my JNM;
 - (iii) discuss my job search activities in relation to the Scheme with my JNM, at least once a month; and
 - (iv) return the phone, complete with all supplied accessories on successfully gaining employment, or earlier if directed by my JNM to do so.
- (h) I understand and agree to the following conditions of use for the Phone:
 - (i) I will purchase a GSM SIM card and provide my JNM with the corresponding phone number to be recorded in my Vocational Profile;
 - (ii) I am responsible for ensuring that the Phone is used for my job search activities. I will not allow anyone else to use the Phone;
 - (iii) I will take reasonable steps to keep the Phone safe and secure at all times;
 - (iv) I will return the Phone, complete with all supplied accessories, in the same condition as I received it;
 - (v) In the event of damage to, loss or theft of the Phone, I will report this to my JNM immediately; and
 - (vi) in case of a faulty Phone unit, I will return the Phone to my JNM who will arrange to replace the Phone at no cost (wherever possible), provided that I have not cause the fault.

Job seekers name: _____

Signature of job seeker: _____ Date / /

Job Network Member : _____

Signature of Job Network Member: _____ Date / /