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Submission No. 3



Australian Government



Kate Ellis
Research Officer
Secretariat
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
CANBERRA ACT 2600

1 May 2006

Dear Ms Ellis

Re: Public hearing questions of notice – Audit Reports No.6, 2005-06 and 51, 2004-05

I refer to your letter of 5 April 2006 to Jeff Whalan, the Chief Executive Officer, Centrelink advising that the Joint Committee of Public Accounts and Audit requested a number of questions be taken on notice by witnesses.

Attached is Centrelink's response to the questions on notice. If you have any queries, please contact me on 6208 8896 or Marie-Antoinette Assenza on 6208 8645.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Conn'.

Paul Conn
General Manager
Employment, Disabilities and Education Division

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QUESTIONS OF NOTICE
JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
HEARING OF 27 MARCH 2006

- 1.1 The Committee understands that since the date of the audit, changes have been made to allow Job Network Members (JNMs) to classify job seekers, rather than this being done by Centrelink. Does Centrelink see a potential conflict of interest, given the level of funding received by JNMs varies according to a job seeker's classification?**

As this question raises matters of policy we suggest that the Committee refer this question to the Department of Employment and Workplace Relations.

- 1.2 What steps has Centrelink taken to implement the ANAO's recommendations to improve assurance of the quality of service being provided by Centrelink (Recommendation No. 5)?**

Since the audit, Centrelink and the Department of Employment and Workplace Relations have negotiated a one-year transitional Business Partnership Arrangement for 2005-06 in which measures have been developed to report on Key Performance Indicators.

In addition, Centrelink has implemented a range of initiatives to provide assurance to the Department of Employment and Workplace Relations about the quality of its service which include:

- the establishment of the Working Age Business Line. This branch focuses on improving areas of network performance to meet the Department's performance targets;
- the development of a Business Assurance protocol with the Department of Employment and Workplace Relations, the objective of which is to provide assurance to the Department that Centrelink is meeting the provisions of the 2005-06 Business Partnership Arrangement through the business assurance strategies;
- the introduction of Rolling Random Sample Surveys which are used to measure accuracy and correctness of payments to Australians of working age; and
- the introduction of joint site visits by the Department of Employment and Workplace Relations and Centrelink to Customer Service Centres and Call Centres to assess Centrelink's delivery of programmes.

Centrelink and the Department of Employment and Workplace Relations are currently negotiating a three-year agreement which will review existing protocols, policy guides and monitoring of key performance indicators to deliver Welfare to Work initiatives and measure Centrelink's service delivery performance in relation to Welfare to Work.

- 1.3 The Committee understands that the majority of Job Network contracts under the Third Employment Services Contract have been 'extended until 30 June 2009 using existing contractual provisions'. Centrelink was to discuss the ANAO report and its recommendations with DEWR in the context of the next Business Partnership Arrangement.**

- (a) How are these discussions proceeding?**

A transitional 2005/06 Business Partnership Arrangement was negotiated after the audit was completed. This agreement expires on 30 June 2006. Negotiations are underway for a three-year agreement, which is scheduled to commence on 1 July 2006. Discussions between the two agencies are progressing well. The three-year

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agreement will build on the transitional agreement and will reflect the Government's Welfare-to-Work initiatives which will be introduced in July 2006.

(b) Has a new Business Partnership Arrangement been agreed with DEWR since this audit was performed?

Yes, a transitional Business Partnership Arrangement was agreed between the Department of Employment and Workplace Relations and Centrelink in September 2005, and a three-year agreement is currently being negotiated.

(c) If not, why not?

Refer to the response to (b) above.

(d) If so, what changes were made in response to the audit report?

The changes that were made in response to the audit report include:

- the development of a Business Assurance protocol whose objective is to provide assurance to the Department of Employment and Workplace Relations that Centrelink is meeting the provisions of the 2005-06 Business Partnership Arrangement. This protocol is being reviewed and carried over into the next Business Partnership Agreement 2006-09;
- the development of measurable key performance indicators which has involved the development of measures to report on the key performance indicators;
- the provision of quarterly data to the Department about complaints received from job seekers regarding employment service providers;
- the introduction of joint site visits by Centrelink and Department of Employment and Workplace Relations staff to assess Centrelink's delivery of programmes; and
- expansion of the Management Information Protocol in the 2005-06 Business Partnership Arrangement to include arrangements and responsibilities for the production of mutually agreed management information. This enables reliable and appropriate management information to be exchanged in agreed timeframes.

(e) Does the BPA now include an obligation for Centrelink to advise the unemployed that each job seeker is to be assisted by a single Job Network provider and that Centrelink will obtain the job seekers informed preference for a JNM?

The 2005-06 Business Partnership Arrangement contains a Policy Guide called the Provision of Information to Job Seekers which requires Centrelink to advise job seekers of star ratings so that they are informed about Job Network Members. This Policy Guide will be carried over into the 2006-09 Business Partnership Agreement that Centrelink and the Department of Employment and Workplace Relations are in the process of negotiating.

In addition, on 26 September 2005 the Department of Employment and Workplace Relations and Centrelink implemented RapidConnect, which utilises a FirstContact Service Offer tool to connect eligible job seekers to the Job Network within two days where possible, to improve their chances of finding a job. Under this process job seekers have a choice of providers when an appointment with more than one employment service provider is available within two days of their first contact with Centrelink. They may also choose a provider with a later appointment, although the system is designed to encourage the selection of an appointment within two days.

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If job seekers do not make a choice they are allocated the first available appointment in their local area. This process will be incorporated into the 2006-09 Business Partnership Agreement currently being negotiated with the Department of Employment and Workplace Relations.

1.4. Why does DEWR not receive any systematic data from Centrelink about complaints?

Since September 2005 Centrelink has been forwarding systematic data via quarterly reports to the Department of Employment and Workplace Relations about complaints data recorded on the Customer Relations Unit Database. The complaints are made by Centrelink customers about Job Network Members and other contracted employment service providers. The nature of the complaints generally involves:

- the service received;
- confusion about delineation of responsibilities between Centrelink and the Department; and
- the customer's inability to find employment.

Centrelink network staff advise customers to contact the Department of Employment and Workplace Relations Customer Service line for resolution.

1.5. What information-sharing processes exist between DEWR and Centrelink?

Examples of the information sharing processes that exist between the Department of Employment and Workplace Relations and Centrelink are:

- monthly reporting of the key performance indicators which monitor Centrelink's performance against the established targets;
- protocol arrangements in the current 2005-06 Business Partnership Arrangement. For example, the IT Service Protocol outlines provisions for granting access to Centrelink IT systems to Department of Employment and Workplace Relations staff; the Management Information Protocol outlines how management information will be exchanged between the two agencies and so forth; similar protocol arrangements will apply in the 2006-09 Business Partnership Agreement; and
- similarly, there are relevant policy guides that outline how information will be exchanged between the two agencies, one of which, is the transfer of information about job seekers between Centrelink, the Department of Employment and Workplace Relations and contracted employment service providers.

1.6. The ANAO identified concerns about the quality of information being provided to job seekers, identifying a number of cases where information was out-of-date or not provided. It also examined the information seminar conducted by Centrelink and made a number of suggestions to improve the quality and effectiveness of information provision to job seekers (Audit Report, p.125). You stated at the hearing that Centrelink no longer uses the seminars. Please describe how Centrelink has improved the quality, accuracy and timeliness of information provided to job seekers in light of the ANAO's comments?

Information seminars concluded in September 2005, with the implementation of RapidConnect, a key element of the Welfare to Work reform package.

The timeliness and consistency of information provided to working age customers has been enhanced by the introduction of RapidConnect, which utilises a First Contact Service Offer tool. This is further described in response to question 1.3 (e).

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Through standard scripts and streaming questions, the application of the First Contact Service Offer tool across the network enables:

- accurate and timely assessment of job seekers; and
- rapid referral of job seekers to Job Network Member services.

The referral (RapidConnect interview) is followed by a new claim interview during which Centrelink provide further information to job seekers.

These referral and interview practices are complemented by a suite of Life Events communication products and publications that Centrelink ensures are updated through a regular review.

In addition to this regular review cycle, changes to services and payments are communicated by:

- fact sheet production and distribution about specific measures and initiatives;
- updated information on the Centrelink website; and
- information available to Customer Service Advisers (for communication to customers) via electronic bulletins.

1.7 Approval of job search plans (JSPs) was delegated to JNMs in May 2005 giving them greater responsibility as delegates of the Secretary for the quality and content of JSPs. Has the delegation of responsibility for approving JSPs from Centrelink to JNMs led to improvements in the quality of this documentation?

As this question raises matters of policy we suggest that the Committee refer this question to the Department of Employment and Workplace Relations.