

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ16-001061

Senator Marshall provided in writing.

Question

jobactive - Provider Contracts

We are coming up to a major review of job active provider contracts by the Department of Employment. When will jobactive contract reviews begin?

- When are they due to be completed?
- What aspects of the contracts will the government focus on during the review?
- What measurements will be used to determine the success or otherwise of job active providers under the current contracts?
- Will the contract reviews be published publicly? When?
- What are the options for the contracts once they are reviewed?
- Can they be renewed, cancelled or changed?
- How many job active providers are engaged as part of the overall contract?
- How much are the contracts under review worth for each job active provider?
- What is the total value of the contracts up for review?

Answer

The *Request for Tender (RFT) for Employment Services 2015-2020* (Section 2.18.8) provides for two performance based business reallocations for jobactive providers at the 18 and 36 month points of the *jobactive Deed 2015-2020* (the Deed).

Accordingly, the jobactive provider 18 month performance review and business reallocation process will commence in mid-February 2017 and is expected to conclude by end-June 2017.

jobactive provider performance will be assessed based on end-December 2016 Star Ratings. Providers assessed at 2 stars or below at the Site or Employment Region level will be in scope. Providers in scope may lose some or all their business share to higher performing providers in particular Employment Regions. Providers with higher Star Ratings (that is, 3 or more Stars) will have achieved higher levels of sustained employment placements for their job seekers as well as ensuring their job seekers can participate in activities to meet their Annual Activity Requirements. Other quantitative and qualitative assessments, such as provider performance against the service offer, Compliance Indicator or Indigenous Outcome Targets, will also be considered in the performance review and business reallocation.

Under the Deed there are 44 organisations delivering jobactive provider services.

As the December 2016 Star Ratings are not yet available, it is not known how many jobactive contracts (and therefore the value of those contracts) will be affected by business reallocation.

As has been the case with business reallocation processes under previous employment service Deeds, individual jobactive provider details as a result of any business reallocation are not normally published by the Department.