

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2010-2011**

Outcome 4 - Employment & Participation Policy

DEEWR Question No. EW0154_11

Senator Cash asked on 31/05/2010, Hansard page 10.

Question

RISK MANAGEMENT PROCEDURE

What risk management measures does the Department have in place for dealing with Job Services Australia providers who have financial viability issues? Can the Department table a risk management procedure?

Answer

The department uses a risk management approach for monitoring the delivery of Job Services Australia services to job seekers.

The Charter of Contract Management provides a principles-based approach to fostering cooperative and strategic business partnership relationships between the department and employment service providers. The Charter sits alongside the formal legal contract. The department uses the Charter of Contract Management together with the employment services performance framework to underpin its relationship with providers.

The Job Services Australia model provides flexibility through regular payments with the option of advance service fees so that providers can choose how they manage cash flow. The department also works with providers to ensure that their administration is effectively accessing outcome fees and payments, for example; through better corporate administration enabling timely lodging and processing claims.

As part of tender processes, the department undertakes financial viability checks for all employment services providers prior to entering into a contract. Providers are also required to submit financial statements yearly to the department as part of ongoing contract management.

Where appropriate, the department can help providers access capacity building services or other assistance. However the department acts as a third party and facilitator and does not involve itself in the commercial arrangements of providers or assess the profitability of providers.

If a provider was to advise that it was no longer able to operate in a location, the department would work with the provider to develop and implement an appropriate solution.