

National Commission of Audit

November 2013

SUBMITTED BY:

AMES

1 Lt Collins Street

Melbourne 3000

KEY CONTACT:

Ms Catherine Scarth

CEO AMES

Email: scarthc@ames.net.au

Phone: 03 9938 4224

About AMES

AMES is a specialist organisation providing settlement services, English language and vocational training and employment services to newly arrived refugees and migrants in their initial phase of settlement, and to longer term migrants who require support to gain employment. AMES provides services in Victoria, works with over 50,000 people a year and has over 60 years' experience. The primary focus of AMES services is to transition refugees and migrants to successful settlement in Australia.

AMES is a Victorian Government Statutory Authority reporting to the Department of Education and Early Childhood Development (DEECD).

AMES delivers a number of contracts for government. AMES is the lead agent in consortia arrangements to deliver each of these contracts. Major contracts include:

Contract	Scope	Government Department
Humanitarian Settlement Services	All 5 contract regions in Victoria	Department of Social Services
Adult Migrant English Program – General Services contract	7 of the 8 contract regions in Victoria	Department of Industry
Adult Migrant English Program – Distance Learning contract	National contract	Department of Industry
Skills for Education and Employment	3 Business Services Areas, Melbourne	Department of Industry
Job Services Australia	5 Employment Service Areas, Melbourne	Department of Employment
Community Detention / Community Assistance Scheme / Asylum Seeker Assistance Scheme	Major provider in Victoria	Department of Immigration and Border Protection

This response to the National Commission of Audit is provided based on experience in delivering these contracts. It therefore focuses on *Efficiency and effectiveness of government expenditure*.

AMES response provides input in two areas.

Section 1 provides input on broad opportunities to increase efficiency in the delivery of services contracted out by government.

Section 2 outlines opportunities for increased efficiency in the individual contracts delivered by AMES and provides concrete applications of the issues raised in Section 1.

Section 1: Structural opportunities in contracted services

Contract governance

AMES proposes that there are opportunities to increase efficiency in government purchasing through expansion of the use of consortium structures as the contracting arrangement.

AMES uses a consortium model to deliver all services contracted to AMES by government. Examples of these arrangements include the following.

Humanitarian Settlement Services

AMES Consortium is the sole contractor in all of the five contract delivery regions in Victoria. Governance and delivery model arrangements include:

- AMES as lead agent

- Inclusion of the major Migrant Resource Centres (MRCs) in Melbourne in the consortium. MRCs provide a range of services in addition to HSS and can complement HSS delivery through referral of clients to longer term services including the Settlement Grants Program (SGP) for clients who require follow up settlement support on completion of HSS
- Coverage of all major settlement areas in regional Victoria by settlement providers that are regionally based and have all the advantages that established regional presence brings – areas include Geelong / Shepparton / Mildura / Swan Hill / Bendigo / Ballarat
- Inclusion of health providers in some regional centres where these have been determined by AMES to be the most appropriate organisation to provide settlement services for clients in the region/location
- A coordinated and consistent approach that incorporates strength based practice across all contract regions and at the same time retains the advantages of locally based provision
- A central contract management resource to coordinate all aspects of contract management and liaison with the Department

Adult Migrant English Program

AMES Consortium has contracts in seven of the eight contract delivery regions in Victoria. Governance and delivery model arrangements include:

- AMES as the lead agent
- Inclusion of TAFE Institutes across the metropolitan regions and the majority of rural regions to expand delivery options within the AMEP and capacity for pathways to vocational training on exit from the AMEP
- Coverage of the whole of Victoria through consortium and sub contract arrangements with major regional TAFE Institutes and small locally based community providers to achieve wide coverage across regional Victoria
- Inclusion of locally based community providers within Melbourne to cater for the needs of AMEP clients who prefer less intensive and less formal learning settings
- A central contract management resource to coordinate all aspects of contract management and liaison with the Department

These governance structures and delivery models have a number of advantages including:

- government need only to deal with a one contractor in contrast to negotiating and managing contracts for a large number of service providers
- efficiencies in contracted service provider contract management and administration that concentrate financial management, reporting and any required systems development to manage and administer contracts with a single entity – freeing other consortium members to focus resources on service delivery
- capacity to include a diversity of organisations with specific expertise and geographic coverage that can deliver services customised to the needs of different client groups

This model could be further expanded to consolidate a number of separate contracts into one package of services. For example, the inclusion of Settlement Grants Program providers in the AMES Consortium flags opportunities for consideration as to whether the HSS and SGP may be more efficiently managed and resources used more effectively if these were managed as one contract.

Contract Regions

AMES also proposes that the size of contract regions be reviewed and expanded. Currently a number of contract regions are contracted to the same provider, essentially resulting in wide coverage by one contractor but without the efficiencies that could be gained by reducing the number of regions. For example, in the delivery of initial settlement services for newly arrived migrants / refugees AMES has state wide, or almost state wide, coverage (all Humanitarian Settlement Services regions in Victoria and seven of the eight contract regions in Victoria in the Adult Migrant English Program).

Expansion of the size of contract regions has a number of advantages including:

- simplifying tender processes through reduction of the number of tender submissions to assess and the number of contracts to negotiate
- reducing resources required in the bureaucracy through reducing the number of contracts that government is required to manage
- reducing the level of resources required by contracted providers for reporting and administration as a result of reporting against a potentially significantly smaller number of regions

As an indication of resources allocated to contract management, AMES understands that approximately 25% of total expenditure on HSS contracts is expended within the bureaucracy.

Expansion of the size of regions is particularly appropriate where services provided in the contract are for a small cohort that may be dispersed across a geographically large area. This applies, for example, to services for newly arrived refugees and migrants where there are contracts that provide services only for this group.

Where government is contracting services for the wider population that include specialist versions of those services for identified specialist cohorts, there are arguments for applying the same principles in determining the size of contract regions to sub sets within these larger population groups.

For example Job Services Australia provides services for all eligible job seekers including the specialist cohorts within this population. Job seekers from a CALD background are one of these groups.

Where there are small numbers of clients in a specialist group it is costly and inefficient to tender and manage services over a large number of contract regions. Providing a larger contract region for specialist cohorts would reduce costs and provide equitable access to specialist services for clients. Using the local consortium model described for HSS and AMEP would ensure contracted providers are familiar with clients and the local conditions.

This arrangement would retain the benefits of diversity of providers in the contracted market where there are large numbers of clients to be serviced (for example Generalist services in JSA) while accounting for smaller markets within this.

Contract measures

In the contracts delivered by AMES there are frequently a large number of KPIs and detailed contractual requirements that measure inputs. This has two significant consequences.

Resources expended

- Contract management by government must be strongly weighted to compliance in order to ensure that the detailed KPI requirements in the contract are being met
- Significant resources are expended by government to check and manage compliance through extensive auditing and other means
- Significant resources are expended by providers in employing compliance staff, undertaking internal auditing and maintaining detailed records to evidence the input measures claimed on invoice

Service outcomes

- Contract management by government necessarily has a bias to inputs rather than a broader focus on outcomes for clients
- The emphasis on delivery of services by staff with face to face service delivery roles is weighted to compliance and on ensuring inputs are delivered and recorded rather than allowing a focus on outcomes for clients, the capacity to innovate and deliver services in a flexible way that can achieve the best outcomes for clients

Section 2: Specific contract opportunities

AMES has identified a number of areas where delivery of contracts could be streamlined to reduce administration and improve efficiency of service delivery. These provide the practical application of the issues identified above. Opportunities for improvement are outlined for the following contracts:

1. Humanitarian Settlement Services
2. Adult Migrant English Program
3. Skills for Education and Employment
4. Job Services Australia

Opportunities include:

- areas where administration and reporting requirements could be consolidated and streamlined
- restructure of some service arrangements within contracts
- improvements in systems used to record client information and outcomes
- better targeted audit regimes

Note: The current asylum seeker contracts expire in the first half of 2014 and will be replaced by a new contract. Therefore no recommendations for the existing contracts are included in this response.

1. Humanitarian Settlement Services (HSS)

Context

In 2011 the *Review of Humanitarian Settlement Services (HSS): Performance Measures and Contract Management* (David Richmond AO) commissioned by the Department provided a comprehensive review of the HSS program and its implementation.

Recommendations of the review were accepted by the Department and implemented nationally. Given this recent review, there is no immediate need for a major review of the HSS. However, there are a number of changes that we would suggest to the current contract which could reduce red tape and increase the efficiency of the services delivered through the program. Areas identified as for increased efficiency are:

1. Reporting
2. Client Records
3. KPIs
4. Payment Points/Reporting
5. Client Contact Visits
6. National and State Offices

Reporting

Reporting requirements detailed in the HSS contract are considerable.

- AMES staff estimate that there is more than double the time spent on reporting under the HSS contract in comparison to the previous IHSS contract.
- In addition to the reports required by the contract, reporting requirements are updated and increased whenever policy changes, so that the overall volume and complexity of reporting continues to grow over the term of the contract.

Recommendation

Review reporting requirements to identify what data/information is required and will be used by the Department and rationalise the volume and complexity of data collected.

Client Records

There is currently a significant amount of double handling of client files and records resulting in an inefficient use of providers' time. Areas that could be addressed to increase efficiency in reporting service delivery and outcomes for clients are:

1. Electronic and hard copy of records: Providers are required to keep, update and submit client records to the Department in both electronic format, via HEMS, and in hard copy.
2. Reporting via HEMS: the existing client data management system (HEMS) was designed as a referral and service delivery/outcomes reporting system. However, the system does not have the capability or the necessary functionalities to facilitate client records update or supporting documentation upload by the Service Providers.

Reporting via HEMS

3. As noted above HEMS is not designed to deliver reports and does not have the necessary functionalities to facilitate client records update or supporting documentation upload by the Service Providers.

The system is essentially designed to refer clients to providers. It provides a platform where providers can record that a service has been delivered, but does not have the effective functionalities for completing and updating the actual clients' service related documents (case plans, competency and exit records).

- In order to upload client service related documents (case plans, competency and exit records) to HEMS the provider must first scan the hard copy documents and then upload and attach them to the Notes field of the client's data records.
- Each time a plan or record of, for example, Orientation competencies achieved, is updated the document needs to be re-scanned and uploaded again.
- For AMES this involves scanning and uploading up to 2000 outcomes every month. Most outcome reports/plans are multi-paged and take an estimated 15 minutes per document to handle.
- Over the three Regions where AMES is contracted to deliver the HSS, this process of scanning and uploading takes a minimum of one day a week per Region (12 days a month in all) to complete.

Recommendation

In term of efficiency HEMS should be used to (i) deliver client data to providers and (ii) for providers to record which service outcomes have been delivered/achieved and not as a means of submitting the actual plans and records to the Department.

Electronic and hard copy of records

The plans and reports required to substantiate service outcome claims for clients include:

- Needs Assessment
- Case Management Plan
- Youth Sub-Plans
- Orientation Competencies achieved
- Exit Checklist

Each one of these plans/reports must be completed in hard copy form and kept on the client's file. Plans/reports are updated on the hard copy as additional services are delivered, case plans amended/updated and outcomes achieved.

Client files and the documents they contain remain the Department's property and are returned to the Department when a client exits the program. These hard copy files provide the Department with evidence to substantiate all service outcome claims.

Recommendation

To avoid double handling of client records by both providers and the Department, case notes and files should be submitted to the Department in hard copy only.

KPIs

Client satisfaction survey

Where client satisfaction is a measure, the Client Satisfaction Survey needs to include a clear question to elicit evidence of satisfaction with specific services. For example:

- satisfaction with linking clients to organisations is addressed in approximately 14 questions; this makes it difficult and time consuming to calculate the KPI
- reporting against some other KPIs requires collecting up to 6 or 7 elements per KPI

Recommendation

KPIs should be addressed through one targeted question per KPI.

Duplication within KPIs

Some KPIs address the same service delivery outcomes; for example Health and Essential Registrations.

Recommendation

KPIs should be simplified so that outcomes are measured through one KPI only.

Payment Points/Reporting

The previous IHSS contact had four (4) service payment points. The current HSS contact has eleven (11) service payment points. Each payment point has, at minimum, two elements, (needs assessment and completion) each of which needs to be reported separately.

As well as having multiple elements some services payment points also have a number of sub-elements. As an example of the compound reporting required, the service payment point for Health includes reporting on 10 to 12 elements:

1. Health undertaking referred	▪ Sub-elements
2. Health assessment completed	▪ Sub-elements
3. Follow-up scheduled	▪ Sub-elements
4. Mental health referral made	▪ Needs assessment (completed) ▪ Obtain client consent (documented) ▪ Referral made (within one week as assessment)

Recommendation

Service Payment Points and the reporting required need to be streamlined and Service Payment Points aligned with the KPI reporting points (or vice versa).

For example:

- The **Health KPI** is based on 'Health Assessment **appointment scheduled**' date
- Health Service Payment Point based on 'Medical assessment appointment attended' date

The Service Provider is required to report on all the dates:

- The date when the assessment referral was actioned (for the purpose of KPI)
- The actual assessment date (for the purpose of SPP)

Client Contact Visits

AMES works with the Department to facilitate client contact visits. These visits are important as a way to assist the Department to understand firsthand what issues are being faced by clients and clients' perceptions of how they are being addressed.

The Department undertakes 45 CCVs per Contract Region per quarter. QA visits which in effect duplicate the CCVs are also conducted.

Recommendation

Rationalize the number of CCVs and remove any duplication by QA visits.

National and State Offices

Providers are frequently asked for double reporting of the same underachieved KPIs.

- Providers submit a six monthly report to the Department's National Office which includes any underachieved KPIs.
- The Department's State Office regularly requests a report on the same underachieved KPIs on a monthly basis upon submission of the claimable outcomes reports for the purpose of invoicing.

Recommendation

Providers should report on breaches to either the National or the State Office, but not to both.

The State and National Offices liaise to coordinate requests for information from providers.

2. Adult Migrant Education Program (AMEP)

Context

Since the commencement of the current AMEP contract in July 2011 there have been a number of discussions with providers to review levels of administration. Some changes have been made as a result of these discussions. Further improvements are outlined below under the following headings:

1. Reporting
2. Documentation
3. Compatible IT systems
4. NEAS arrangements
5. Attendance requirements

Reporting

Reporting is undertaken by AMEP contract region. Reports are required half yearly and annually. In addition, KPI reports are required quarterly. A number of providers deliver across multiple contract regions (AMES delivers across 7 regions).

While there are some areas where specific reporting by contract region is necessary, in a number of other areas this is neither an efficient or effective way to report. The capacity to deliver informative reports by region is compounded by the fact that regions do not cover homogeneous areas – for example metropolitan and regional locations can be in one AMEP region or clients that have the same profiles can be spread across more than one region.

Reporting by region therefore results in:

- unnecessary repetition by providers of the issues that are common across regions
- time wasted by Department staff reading the same information in a number of reports
- inability to provide the most effective synthesis and analysis of issues by addressing commonalities and differences in one comprehensive report
- inability to achieve any efficiencies in reporting through potential economies of scale in multiple contracts

AMES estimate is that it takes one week per region to prepare reports – therefore approximately 14 weeks per year for 7 contract regions.

Quarterly reports are provided using data extracted from ARMS (AMEP database). Providers are required to extract data, transpose this to a Word document and submit it to the Department. The Department has the ability to directly extract this data to check performance.

It should be noted that KPIs are being reviewed following feedback from providers and input by Department staff. KPIs are being rationalised as part of this review and should provide a base for the further opportunities for reduction in administrative requirements noted above.

Recommendation

For providers who have multiple contracts, it is recommended that reporting is consolidated into one report per provider, submitted half yearly and annually that:

- provides qualitative data per region within this report to meet contractual requirements
- provides synthesis and analysis across all regions so reports can more effectively address common themes, identify patterns across regions with similar client groups and compare and contrast KPIs across regions to evaluate factors that impact performance

To reduce duplication of effort in quarterly KPI reports it is recommended that:

- the Department extract reports on performance against KPIs
- providers only provide explanations where KPIs are not met

Documentation

Copies of documents

Providers are required to submit all insurance documentation as part of their tender submission. Further, the contract requires providers to have and maintain valid and enforceable insurance policies for the Contract Period. Signing the contract binds providers in this regard. It is therefore recommended that:

- providers do not have to resubmit these policies every three years
- the process of audit be used to check compliance with this requirement

Child care documentation

The provision of child care in the AMEP is an excellent resource that significantly increases accessibility of the program to clients with young children. Providers are entitled to charge the Department for child care places used. Current practice is that separate rolls must be marked for (i) the parent attending the AMEP class and (ii) each child attending child care. This can result in providers needing to mark three and at times four rolls each day. This creates unnecessary duplication as (i) it is very unusual for the child not to be at child care when the parent is at class and (ii) parents are clearly instructed that child care cannot be used if they are not attending class and that this will be monitored with the child care providers.

Recommendation

To reduce administration without having any material impact on costs it is recommended that:

- only one roll be marked for the parent attending AMEP
- where the parent advises that they will not be using child care for a session that this be reported by exception to the Department and the provider adjusts their invoice accordingly

Volunteer Tutor documentation

The Volunteer Tutor Program matches volunteers with AMEP clients. There is a contractual requirement for volunteers to meet with their tutor match for one hour once a week. Currently it is a requirement to mark a roll for this program. There are several issues related to this that result in unnecessary administration and also limit the potential to take full advantage of volunteers.

- process for marking rolls requires administration staff to make an entry against every day - this necessitates recording six absences and one present mark each week that the client is enrolled
- providers are paid a small fee per weekly session – paid only if the session takes place
- tutors who are volunteers are required to report in weekly on whether they undertook their volunteer session
- the needs of the diversity of clients who utilise the volunteer tutor scheme as not always well met by the prescriptive requirement to meet weekly for one hour

Recommendation

To reduce administration and to more appropriately acknowledge and take full advantage of the volunteer role of the tutors it is recommended that:

- marking of rolls and payment by session be replaced by a quarterly report to identify active matches in the quarter and that the service fee be paid on active clients in the quarter
- face to face meetings between tutors and clients be less prescriptive to take account of different needs of clients
- comprehensive reporting on the Volunteer Tutor program that captures issues, strengths and different models that make full use of volunteers be included in the half yearly and annual report

Compatible IT systems

Both the AMEP General Services and DL contracts require contractors to be Registered Training Organisations (RTOs). An AVETMISS compliant data system is required for RTO registration and data relating to all accredited course (including the AMEP) is required to be stored on such a system. AMES has spent approximately \$100k extracting data and uploading to an AVETMISS system. This is an ongoing requirement and therefore a recurring cost. In this context, specific issues with the ARMS database are that it is:

- not AVETMISS compliant (national VET information framework and requirement of the National Training System for RTOs to record student/client enrolment and completion information) and
- not compatible with other databases used in other programs within the Department of Industry with a common (or similar) client base (e.g. SEE, WELL)
- does not allow for uploading of information from other databases

This means there is expensive duplication of resources (data entry) and inability to track client progress across programs.

Recommendation

To reduce duplication and facilitate tracking of client pathways across English language, vocational training, work and community participation it is recommended that:

- a Department of Industry system which is AVETMISS compliant is introduced that allows for data transfer between this system and the compliant systems that RTOs have resourced and implemented to record student data

NEAS arrangements

NEAS is contracted to undertake quality assurance audits of AMEP providers annually. This schedule is applied across all regions regardless of the size of the region and the number of sites in the region. The result is that smaller regions have audits of the same sites very regularly and larger regions have much less frequent audits of

individual sites. There is likewise no differentiation in the audit schedule for providers who have an excellent record of compliance against NEAS standards and those where quality issues are identified.

Documentation for audits is also duplicated in the current processes. Providers are required to submit documentation including all teachers' and counsellors' qualifications and marketing materials prior to the audit. These documents are then also inspected at the site by auditors. AMES estimates that preparation and forwarding of these documents takes approximately 2 weeks for each audit cycle across all regions.

This requirement is compounded where there are a number of consortium partners and subcontractors operating within a region. It is of note that consortium and sub-contracting arrangements provide significant delivery advantages by offering a range of learning options for clients. However the increased administrative burden with respect to audits inhibits rather than encourages this flexibility.

Recommendation

To reduce administration without any detrimental impact on quality it is recommended that:

- the size of the region be taken into account in the frequency of audits – for example very small regions may have bi annual audits
- the number of audits be scaled down where providers have a clean record over several audits
- the requirement to submit pre audit information be ceased where these documents are also required to be available at sites for auditors to view

Attendance requirements

At present, clients do not use any hours from their entitlement if they do not attend classes. This does not encourage committed attendance by some clients as there is no consequence, in terms of their entitlement, for non-attendance. Providers also do not get paid for these hours resulting in resources (in the form of staff and facilities) being allocated but not reimbursed.

Aside from this financial impact of this arrangement on providers there are time consuming administrative processes involved in re-crediting hours when clients are near the end of their AMEP entitlement.

Administrative staff are required to process a client's final withdrawal from the program at least twice; and possibly more times if they are absent repeatedly before a final end date for the client can be established and their completion finalised. Where clients have child care this is further complicated as child care places must also be adjusted. As noted in the Compatible IT Systems section above, data must be entered on two systems as a result of ARMS not being AVETMISS compliant. This further compounds the administrative burden.

Recommendation

To encourage more responsibility by AMEP clients in attendance and limit the administrative burden it is recommended that:

- a "mutual responsibility" model is implemented with some hours may be deemed to be utilised if a client fails to attend without compelling (e.g. medical) reasons
- that the ARMS program is updated do that a client need only be finalised once

3. Skills for Education & Employment (SEE)

In August 2012 the government released the discussion paper *Creating a more flexible LLNP in 2013-16* seeking input on the then LLNP (now SEE program) from providers. In response to feedback from providers a number of changes to contract requirements and levels of administration involved in program delivery were put in place.

Amongst these were a number of welcome changes to the amount and complexity of processes and reporting. These changes included:

Work experience

The removal of the requirement to gain departmental approval for work experience activities and the resulting reduction in administration and the removal of duplication of existing of mandatory processes for RTOs.

Systems

The VET Online system has been greatly improved and streamlined. This has introduced significant efficiencies into the program administration.

While there have been significant cuts to 'red tape' and program administration in the SEE program since the 2012 review, there still remain some areas where increased efficiencies could be gained. Areas identified as still open to improvement are:

1. Audit/verification processes
2. Measuring and recording language and literacy outcomes
3. Pre-Training Assessment processes

Audit/verification processes

All RTOs have reporting obligations and are subject to rigorous audit processes specifically around the qualifications on their Scope of Registration. These processes are essential to an organisation maintaining their certification as an RTO. Audit processes are conducted under the auspices of the Australian Skills Quality Authority (ASQA) – the national regulator of the VET Quality Framework and nationally accredited curriculum. These audit processes apply to RTOs delivering accredited courses under the SEE program.

In addition to this rigorous audit process, the SEE program currently involves a parallel Independent Verification process. The administrative tasks associated with Independent Verification duplicate the auditing of compliance against national standards and do not take into account processes already audited under the ASQA.

Recommendation

Given providers must have RTO status:

- Audits conducted under the ASQA should satisfy requirements currently audited by Independent Verification
- Independent Verification should focus on verification of training package outcomes only and not duplicate ASQA auditing

Alternatively, given the rigorous processes involved in ASQA audits, the Independent Verification process could be removed altogether.

Measuring and recording language and literacy outcomes

The SEE program currently assesses and reports against two measures – (i) the Australian Core Skills Framework (ACSF) and (ii) whichever vocational curriculum is being delivered.

- This creates significant duplication in measuring and recording outcomes and achievements.
- To further compound the duplication, providers are required to collect and record evidence of language gains against the ACSF in minute detail.

In an already administratively heavy program, doubling up on assessment and reporting by requiring measurement of outcomes not related to specific course work creates an additional administrative load.

National training package qualifications and accredited courses already provide a consistent vehicle for providers to assess and report outcomes.

Resources are wasted when providers are also required to assess and report against the language and literacy skills described in the ACSF.

Recommendation

Service delivery and outcomes in the SEE Program should be framed around and reported against accredited curricula rather than the ACSF.

The way in which SEE measures, reports and monitors provider performance and participant outcomes needs to change away from (i) the duplication of reporting against two different measures and (ii) a focus on the ACSF at the expense of a stronger focus on accredited curricula that address job seekers' needs.

Pre-Training Assessment processes

The current verification processes around the Pre-Training Assessment (PTA) necessitate a far longer interview and more onerous processes than are required for the PTA purpose.

The guidelines require that at each PTA the assessor must collect evidence and report against each of the 11 indicators in all macro-skills, plus numeracy and learning. Further to this, the guidelines require the PTA to challenge the client with the next level task. This means assessing, verifying and reporting what the client can do as well as what the client cannot do, again against 11 indicators.

- As noted, the time and resources required to conduct PTAs are excessive and out of proportion with the purpose of the assessment.
- While not specifically a 'red tape' issue, it is worth noting that in addition to the administrative burden placed on providers by the PTAs, the length of time and range of 'assessments' required of a client at this initial meeting can be very discouraging, especially for people who are reluctant to join formal training in the first place. The PTA process can serve to alienate clients, thus impacting negatively on the effectiveness of the SEE program.

Recommendation

AMES recommends reducing the evidence and reporting requirements for the PTA. These requirements are not in line with or suitable to the low language, literacy and numeracy levels of job seekers in the SEE program and are excessive to the purpose of the PTA.

Note: Placement and entry into higher level qualifications in mainstream training programs require far less evidence, and verification of evidence.

4. Job Services Australia (JSA)

The primary purpose of the JSA contract is to assist job seekers to find sustainable employment. The changes to reduce the administrative burden described in the following section would support this focus. Areas for change addressed below are:

1. More effective initial placement of job seekers to facilitate appropriate level of support
2. Validation of employment outcomes
3. System design and recording functionalities
4. Compliance management

More effective initial placement of job seekers to facilitate appropriate level of support

Two reforms would assist in achieving this objective.

Reform of Job Seeker Classification Instrument (JSCI)

This is addressed in a separate paper and while not directly related to reducing red tape will facilitate a more effective JSA service by placing job seekers in an appropriate stream. In terms of direct impacts on time saved in administration it would eliminate unnecessary time spent in reassessing job seekers to change their stream allocation.

A copy of this paper is attached.

Reduction of the number of Streams

There are currently four streams. Three Streams or categories of services would capture the range of job seekers and provide appropriate levels of support. This could be a cost-neutral exercise if slight adjustments were made to resourcing and outcomes payments for clients in a combined Stream 3 and Stream 4. Stream 1 and/or Stream 1 (Limited) would continue to be available for job ready job seekers or those who already have some employment.

Recommendation

A streamlined model could include:

- Job Ready – current Stream 1
- Moderate Barriers – current Stream 2
- Significant Barriers – combine current Stream 3 and Stream 4
(client data shows that these job seekers have the same or similar characteristics).

Workplace experience and workplace observations could be built into all Streams as part of the suite of activities available to job seekers when participating employer/workplaces are available

This would assist in reducing the complexity of outcome payments and therefore contribute to a simplification of administration.

Validation of employment outcomes

Validation of employment outcomes is currently onerous. JSA providers are required to submit detailed records to claim outcome payments. One important factor in these requirements is the level of burden placed on employers.

- The requirement for employers to provide a detailed account of actual hours worked by job seekers, conditions of work and wages for brokered placements for every day in the workplace (including meal breaks) is discouraging employers from providing placements for job seekers and creating a perception by employers that JSA is not an effective recruitment option. If employers recruit directly, they are not subject to the level of paperwork required by JSA processes.
- In addition JSA providers are not permitted to pre-complete any areas of the form to ease the burden for the employer or to assist job seekers (particularly those from CALD backgrounds who have low levels of English or other job seekers with low literacy skills) to meet these requirements for validation of outcome claims. While the intention of this may be to ensure job seekers and employers are both protected from exploitation or unfair treatment, the effect is that fewer and fewer employers are willing to provide brokered placement for job seekers.

The JSA needs to make it as easy as possible for employers to provide employment and workplace experience for job seekers with recognised barriers to employment.

Recommendations

A reduction in reporting required of employers, especially small employers, would remove some of the current burden. Current forms could be combined so that signing was required twice only – once at job placement and again at the end of 26 weeks. Verification of employment by either employer or job seeker should be accepted.

An alternative method that would totally remove the workload/time imposed on employers would be to measure employment outcomes by a job seeker's removal from or reduction in Centrelink benefits. This would remove the need to obtain weekly reports from employers as confirmation – except where no reduction in benefits occurs.

System design and recording functionalities

The design of the ESS system could be modified to reduce time spent on entry of job seeker information. Examples provided below demonstrate the current inefficiencies.

ESS System

The ESS System has become too complex. A return to the core functions of case management is required.

Recommendation

This could be facilitated by a one page Case Management Screen used to access all aspects of each client's case. The Case Management Screen would replace the current system whereby employment staff need to develop an Employment Pathway Plan (EPP) in one place, create an Activity in another, create a link to the Activity and record hours and results in yet another place.

Activity management

The current practice of raising, maintaining and ending each individual activity is inefficient. Activity management needs to be managed by client rather than by activity.

Recommendation

Capacity to raise and manage one Activity Screen per client would allow the capacity to add multiple activities per client. This would greatly increase efficiency and assist employment staff needing to plan a range of activities for some clients – for example: medical appointments, counselling, two or three skills training courses.

One Activity Screen per client would allow providers to record Activity Results on the same screen, again creating greater efficiency.

Face-to-face meeting

Providers are required to diarise each meeting they have with a job seeker. This process of recording the meeting can take longer than the actual time spent with the job seeker. This would seem to be an inefficient and unproductive waste of provider staff time.

Recommendation

Providers keep case notes of each client and of meetings with clients in ESS but are not required to keep diary recordings of each meeting

Compliance management

Accountability to the tax payer is essential. Therefore compliance plays a significant role in any government contract. However, to achieve the best service for both job seekers and employers requires reviewing some existing approaches and exploring new approaches.

DEEWR monitoring schedules

The approach to auditing has scope for rationalisation and increased efficiency.

Recommendations

- A better targeted audit program incorporating a risk based approach with a higher number of audits for providers who lack a positive track record and less frequent audits for those with a good track record
- Taking into account whether or not providers have robust internal and external audit systems as part of their own arrangements

Conduct of audits

In terms of the actual conduct of audits a model that allows for provider staff to be part of the DEEWR monitoring visits would result in more efficient and effective audits of case files.

Recommendations

Proposed processes to improve efficiency include:

- Regular annual monitoring visits to all sites: sites would know they would be audited each year and that they would receive regular feedback from DEEWR on their performance

- Monitoring conducted over longer periods of time to allow time for detailed feedback: 5 – 7 files could be audited per day by DEEWR compliance staff together with a member of the provider staff
- Working together: provider staff sit with DEEWR compliance staff during audits, both can ask and answer questions and providers receive immediate feedback
- Access to files in ESS: providers give DEEWR staff access to ESS rather than the current inefficient practice of taking screen prints and printing out hard copy
- An alternative to DEEWR conducting audits themselves would be to contract in an independent auditor
- Transparency with DEEWR State Office and program Assurance Activities should be built into the contract, with providers having right of reply before recoveries occur

APPENDIX A

The JSCI and CALD Job Seekers

AMES would argue that the JSCI has failed to identify the levels of disadvantage experienced by the majority of the 2559 CALD and refugee job seekers currently in Stream 1. Supports available to Stream 1 job seekers are not appropriate or adequate for the majority of this specialist cohort of job seekers.

AMES experience in working with refugee job seekers who have not been identified by the JSCI as significantly disadvantaged is that they, too, have all or many of the characteristics of disadvantage common to newly arrived refugees. While some have qualifications and skills, their refugee experience and lack of knowledge of Australian work place culture and Australian work history indicates a need for intensive support in transitioning to work.

The following section provides recommendations on changes to weightings and additional questions to increase the effectiveness of the JSCI in identifying disadvantage for refugee and migrant job seekers.

Proposed amendments to factors and weightings in the JSCI

Age & Gender

Within the CALD job seeker population there is an additional level of disadvantage experienced by newly arrived young migrants and refugees that cannot be captured in the Age and Gender factor – as this disadvantage is not common to all English Speaking Background youth.

Young CALD job seekers – especially refugees – will often have experienced the disadvantages of a complex mix of factors including dislocation, interrupted or no schooling, language and literacy issues, no vocational skills or qualifications, no work experience at all and no work experience in Australia.

Additional indicator in Age and Gender for CALD Youth

To identify this group and to recognise the disadvantages they face it is recommended that an additional sub-factor be added to this factor weighed to recognise the disadvantages faced by young CALD job seekers. This would be added to the list describing the characteristics of disadvantaged teenage job seekers. For example:

A disadvantaged teenager is a job seeker aged between 15 to 19 years with one or more of the following characteristics:

- mainly been unemployed in the last two years;
- has completed less than Year 10 at school;
- is Indigenous;
- **is CALD**
- lives in temporary accommodation;
- is a sole parent;
- is a disclosed ex-offender.

Recency of Work Experience

Recency of work experience is a particular issue and a major barrier for CALD job seekers – especially refugees, who may have had little or no work experience prior to arrival in Australia and who have no work experience in Australia. These job seekers have had no opportunity to demonstrate work habits or to develop networks or employer contacts in Australia. The job-readiness of many CALD job seekers is significantly impacted by long periods of absence from any kind of ‘regular’ employment.

Refugee job seekers – especially those who have spent time in refugee camps, may not have been able to look for work over the past two or more years. This adds another level of complexity to the disadvantage they face in terms of finding employment in Australia. Not only do they have the disadvantage of no work experience in Australia, but they also lack the experience of seeking employment.

Additional work activity descriptor and weighting

To account for this it is recommended that a further sub-factor be added to the list of main activities over the last two years:

Not working and not looking for work (unable to look for work due to refugee experience)

This category of job seekers should have the highest weighting for this factor.

Additional indicator: CALD job seekers with work experience not undertaken in Australia

It is recommended that an additional sub-factor be added to this factor to distinguish between recent work undertaken outside of Australia and work experience in Australia. The score should be weighted to

reflect the impact of the disadvantage that no Australian work experience presents in securing employment. For example:

If you have had regular work in the past two years was that work in Australia?

YES (no points)

NO (points to recognise disadvantage)

Job Seeker History

Job Seeker History recognises that job seekers who experience a protracted time on income support and/or multiple spells on income support are more disadvantaged in terms of finding employment.

As points allocated for this factor are based on the job seeker's Centrelink registration and benefit payment records, recently arrived refugee job seekers are automatically excluded from points under this factor as none of them have, by definition, been in the country long enough to have been on benefits for 12-23 or 24+ months.

Refugee and humanitarian visa holders are required to register with Centrelink within the first week of arrival. Therefore the length of time these job seekers have been registered reflects the length of time they have been in Australia. 357 of the 365 refugee/humanitarian job seekers registered with AMES (98%) have been in Australia for less than 24 months. Just over 80% have been registered for less than 12 months.

Refugee job seekers – many of whom who have had protracted times of unemployment in refugee camps, and/or have been waiting to gain entry to Australia for at least 2 years – have no record of income support in Australia. Yet these are amongst the most disadvantaged job seekers and need higher levels of support to gain, and maintain, employment.

Recognition of impact of refugee experience on job seeker history

To address this, it is proposed that *a refugee/humanitarian visa* is weighted as the equivalent of *being on income support for 12-23 months*.

Sub-factors	Points
<i>Time on income support component</i>	
Duration on income support 0-12 months	0
Duration on income support 12-23 months (or refugee/humanitarian visa holder)	6
Duration on income support 24+ months	12
<i>Number of times on income support component</i>	
More than one time on income support	1
Crisis Payment recipient	1

Educational Attainment

As the JSCI recognises, the link between education and employment is well documented in the economic literature and the lower the level of educational attainment, the higher a job seeker’s labour market disadvantage.

From AMES long experience of working with CALD clients, those who have attained Secondary and Post-Secondary qualifications can identify the highest level of schooling completed as well as any further qualifications gained. Clients with low levels of education or no schooling at all (especially the very recently arrived) will not know what level of schooling they have completed.

High percentages of refugee and CALD job seekers respond that they do not know what level of schooling they have completed. 31% of AMES refugee job seekers and nearly 52% of other CALD job seekers currently registered with AMES have responded *Unknown* to this factor.

To more accurately capture the job readiness of these job seekers it is recommended that a response of **Unknown** be added to the sub-factors and weighted as the equivalent of **<Year 10**.

Sub-factors	Points
Degree/Post-graduate	0
Year 12/TAFE/Diploma	0
Year 10/11	1
< Year 10	2
Unknown	2

Vocational Qualifications

As noted in the current JSCI, there is a significant difference in employability between those with work qualifications and those without.

Higher weighting

This factor requires higher weighting in recognition of the need to build employability – the skills and capabilities that job seekers need to gain and retain employment in the current labour market.

Additional explanatory notes

There are additional complexities for migrant and refugee job seekers that need to be recognised: overseas qualifications may or may not be recognised in Australia, and many, particularly refugees, will have no work-related qualifications at all.

It is recommended that notes for the sub-factor *Vocational qualifications not useful* include **Qualifications gained overseas may not be seen as useful by employers**.

This would recognise that (i) employers are often more reluctant to employ a job seeker with overseas qualifications from refugee source countries and (ii) there will often be gaps in applying overseas qualifications directly to an Australian workplace

English Proficiency

This factor requires job seekers to self assess English language and literacy levels and this gives rise to the issue of the validity of the assessment. Research has shown that most people over-assess their own language and literacy abilities. Centrelink staff who administer the initial JSCI are not trained language assessors and can only be expected to form a general impression of the job seeker's language and literacy levels.

Higher weighting for poor language and literacy

Poor levels on English language currently carry a relatively low weighting. AMES experience is that lack of language skills is a major barrier to employment and requires additional and often intensive support to prepare the job seeker for work in Australia. It also requires additional work with employers to broker employment for these job seekers.

Additional language descriptor

Job seekers who have no English language at all are severely disadvantaged in terms of employment. It is recommended that a further sub-factor be added to the list of proficiency levels:

Sub-factors	Points
Good English proficiency	0
Mixed English proficiency	1
Poor English proficiency	2
No English language skills	3

Country of Birth

Country of origin groupings and weightings for country groupings require regular review to reflect current immigration trends.

Country of Birth

This factor captures the CALD job seekers’ refugee or humanitarian visa status. As refugee status is highly significant in terms of barriers to employment it is critical that this information be captured.

Therefore it is recommended that a response to

Did you arrive in Australia on a refugee or humanitarian visa OR

Were you granted a refugee or humanitarian visa when you arrived in Australia?

is limited to **YES** or **NO** and does not include *Do not wish to answer* or *Do not know*.

YES defaults to the equivalent of sub-factor *Duration on income support 12-23 months*

NO (no points)

See the discussion in *Job Seeker History* above.

Living Circumstances

The current JSCI does not have the capacity to take into account that living alone or in other disrupted circumstances (with non-family or with another family) is highly disadvantageous for young refugee and CALD job seekers.

The impact of these types of living arrangements on young CALD job seekers needs to be reflected in the JSCI for this sub-group. There may well be other specialist sub-groups who are also negatively impacted by similar living circumstances.

Additional sub-factor: CALD youth not living with family

It is recommended that an additional sun-factor be added to this factor to identify young CALD job seekers living alone or in disrupted circumstances. The score should be weighted to reflect the impact of the disadvantage this presents.

For example:

Sub-factors	Points
Lives with spouse	0
Lives with non-family members	0
Other living conditions	0
Lives alone	1
CALD youth (other specialist?) lives with non-family	2
CALD youth (other specialist?) lives alone	3
Lone parent with youngest child 6-15 years old	3
Lone parent with youngest child <6 years old	4
Partnered with youngest child 6-15 years old	1
Partnered with youngest child <6 years old	3

Note: there are limited numbers of job seekers in this category and therefore this represents limited cost implications.