

**Review of Department of
Employment Workplace
Relations and Small
Business Complaint
Handling Process for the
Job Network**

Own Initiative Investigation

**Report pursuant to section 15(2) of the
*OMBUDSMAN Act 1976***

January 2001

OWN MOTION INVESTIGATION:

Pursuant to section 5(1)(b) of the Ombudsman Act 1976

**A REVIEW OF DEWSRB'S COMPLAINTS HANDLING
PROCESSES FOR THE JOB NETWORK PROGRAM**

**REPORT PURSUANT TO SECTION 15(2) OF THE
OMBUDSMAN ACT 1976**

JANUARY 2001

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EXECUTIVE SUMMARY

In my latest two annual reports I have expressed the view that there should be no diminution in the quality of service provided to citizens just because there has been a change in the method of service delivery by governments. Governments must remain accountable for the actions of the contractors it engages to deliver government services and citizens must retain the right to effectively complain about poor service. Moreover, governments need to take responsibility for complaints about poor service delivery and take steps to ensure that any inadequacies which are identified are rectified.

The focus of this review has been twofold. Firstly, I have looked at the means by which DEWRSB has managed the complaint handling processes implemented by its contractors. My review has been limited in that I have not had the opportunity to look at the specific practices and procedures of individual JNMs.

I have identified inadequacies in the review mechanisms that DEWRSB has put in place to ensure service delivery achieves the standards required by the contracts. In particular, it is questionable whether there is any adequate routine examination of the JNMs' complaint handling performance.

In order for me to be assured that the JNMs are appropriately complying with the requirements of the contracts, I would need to be satisfied that DEWRSB has an adequate process for reviewing the complaint handling processes that each JNM has implemented. As DEWRSB has provided only limited documentation about the JNMs' performance, I cannot form any opinions about the way in which JNMs deal with complaints from its customers.

In the second element of the review I identified a number of weaknesses in the way in which DEWRSB's Victorian CSS manages complaints it receives about Job Network activities. In my opinion, the Victorian CSS' performance does not meet the objectives of the best practice model for complaints handling in some respects.

In particular, I have cited several examples where the complaints process has not met the tests of responsiveness and effectiveness. The complaint records show shortcomings in the investigation of complaints, recording of outcomes and communication of results to the complainants. I am not satisfied that the system of review has identified or rectified the apparent inadequacies.

I acknowledge, of course, that I have examined only a relatively small part of the Job Network complaint handling processes and that that part related only to the Victorian CSS and then only to complaints made during the first contract period. I note also that DEWRSB has agreed to take certain actions which will address my concerns.

It is essential that my Office has confidence in DEWRSB's ability to manage complaints if I am to continue to refer complainants to DEWRSB, or to JNMs, for initial assistance in dealing with their grievances. As my investigations to date have raised some concerns and have been inconclusive in a number of respects because of poor documentation in the Victorian office of DEWRSB, I will review the complaint handling practices again at an early date. It is my intention to examine the practices

of CSSs in other States after DEWRSB has had an opportunity to implement the changes DEWRSB has proposed in response to this report.

DEWRSB Response to the Ombudsman's Views

DEWRSB does not agree with my view that there are significant inadequacies in the management of complaints by the Victorian State office. I accept that DEWRSB is confident that the Victorian State office's management of the process and the quality of assistance provided to jobseekers is very satisfactory; but, regrettably, the information made available to me does not demonstrate that the processes in Victoria are operating effectively.

DEWRSB notes that they believe that few clients have complained to me about the assistance provided to them through the Customer Service Line and concludes that, generally, clients in Victoria and elsewhere are satisfied with the quality of service they receive. While complaints to me are one factor to be taken into account in assessing client satisfaction, it is relatively minor and a low number of complaints does not allow a conclusion that clients are satisfied.

DEWRSB has responded very positively to my recommendations and I am confident that the actions taken will result in an effective complaints handling system.

The Investigation

In 1997, this Office produced a report titled, 'A Good Practice Guide for Effective Complaint Handling'. The aim of this report was to describe the essential elements of an effective complaints handling system and provide a model which could be used as a reference for agencies seeking to implement or develop their own complaints systems.

In the foreword to the latest release of the report, I signalled that I intended to initiate a number of own motion investigations to determine the adequacy of agency complaint handling processes. The purpose of this investigation is to review the complaint handling process implemented by DEWRSB as part of its management of the Job Network Program.

Methodology

DEWRSB has established a framework for the management of complaints about the employment services it is required to deliver. I have analysed this framework by reference to the documentation that supports the process including the Employment Services contracts, Code of Conduct, information disseminated to JNM providers, internal guidelines provided to complaints staff, training materials and presentations.

The complaints process has two distinct parts. The first involves the receipt and management of complaints by the Job Network Members (JNMs) directly. The second area of complaint handling is managed by DEWRSB which has set up Customer Service Sections (CSS) in each State region.

I have attempted to assess the implementation of the processes DEWRSB has devised for each part of the complaints mechanism.

I assessed the effectiveness of the management of complaints by CSSs by reviewing a sample of complaints received by the Victorian region CSS. DEWRSB provided data for complaints received by Victorian region during the operation of the first Employment Services contract. We identified the thirty JNM sites with the most complaints recorded on the DEWRSB database and selected seven sites from that list. We chose three randomly and we selected the remaining four because they had been the subject of Quality Audits. The DEWRSB database recorded 165 complaints about the seven sites selected.

Among the information DEWRSB provided was complaints data received by the CSS about Centrelink. My understanding is that the CSS and Centrelink liaise on such complaints. I have not considered the handling of these complaints in this investigation.

Limitations

My review of the first stage of the process was the more problematic. I have not examined complaints handling processes implemented by individual JNMs. DEWRSB contends that I have no jurisdiction to investigate the activities of private enterprises notwithstanding they are engaged by an Agency to deliver services which form part of the Agency's core business activity.

The contracts between DEWRSB and the JNMs do not contain a provision which gives my Office the power to review the activities of the JNMs. I note that the Australian National Audit Office has the power, by virtue of section 32 of the *Auditor-General Act 1997*, to obtain such information and that this power is specifically referred to in the Employment Services Contracts.¹

Although I believe it is arguable that my jurisdiction does extend to an examination of the activities of private contractors that are providing government services, I decided not to challenge DEWRSB's view.

Accordingly, I did not have access to information such as JNM complaints registers, numbers of complaints received by JNMs and records relating to the way in which complaints were handled or the outcomes of the investigation of the complaints.

It remained necessary for me to satisfy myself that the end users of the government services do have adequate access to an appropriate complaint handling process, regardless of whether the service is provided directly by a government agency or by private providers. I attempted to do this by reviewing the processes relied on by DEWRSB to manage the performance of the JNMs. This included an examination of the means by which DEWRSB provides training on complaint handling to JNMs, the auditing which DEWRSB conducts of individual JNMs and the feedback it receives from its customers.

Although DEWRSB has procedures for managing JNMs' compliance, it is not apparent from the information provided by DEWRSB that the JNMs were complying with their obligations under the Code of Conduct to provide an appropriate complaints process. Later in the report I discuss the limited information that DEWRSB was able to provide to me.

¹ Clause 13.6 of Contract 1 and Clause 14.6 of Contract 2.

Good Practice Model

The reasons for implementing an effective complaints handling system were canvassed in the Effective Complaint Handling Guide. In essence, the public sector is accountable to and owned by the clients it services. Client satisfaction is a key objective of public service providers. An effective means of measuring client satisfaction and improving future service delivery is through the establishment of effective complaint handling processes.

An effective complaint handling process is characterised by a number of features. The preferred model is one which is hierarchical in structure. At the lowest level, customer service staff are available to receive, record and resolve complaints. The majority of complaints should be capable of resolution at this level.

The second level comprises an internal investigation unit or senior officer which is independent from the initial decision making process. This level is also responsible for analysing the recorded complaint information and identifying trends which may indicate systemic faults.

At the third level is a complaint review mechanism external to the agency which can independently review those complaints that cannot be resolved within the agency and recommend remedial action where appropriate.

The report identifies a number of features which are essential to an effective complaints system:-

- There must be strong commitment for the complaints system throughout the organization.
- It must be fair and appear to be fair to both clients and agency staff.
- It must be accessible to clients and well publicised.
- It must be responsive to clients in that it is able to provide a timely service which is also comprehensive.
- It must be effective at two levels, firstly as a means of addressing individual complaints and secondly as a review mechanism for identifying systemic faults or improving service delivery in general.
- There must be accountability for the system. This is typically achieved by publishing information about the system and reporting on complaint information received.

My investigation tests the DEWRSB complaint handling process against the above criteria.

The Job Network

The Job Network Program commenced on 1 May 1998. It introduced a fundamental change in the government's management of labour market programs. The responsibility for job placement and assistance of persons registered for unemployment benefits was transferred from the CES to a group of private, community and government organisations. These organisations were selected on the basis of a competitive tendering process. Their relationship with the Agency was prescribed by the contract that each entered into.

There are a range of different services delivered by the program. They are:-

- Job Matching: matching referred unemployed persons with employers.
- Job Search Training: providing training to referred unemployed persons to assist them in obtaining employment.
- Intensive Assistance: providing specialist training and assistance to long term unemployed.
- New Enterprise Incentive Scheme: providing assistance to unemployed persons who wish to start their own businesses.
- Project Contracting: assisting to fill placements in regional locations where short term labour supply shortages occur.

Job Matching, Job Search Training and Intensive Assistance form the bulk of the services offered. Job Network members (JNMs) may offer some or all of the services at individual sites as stipulated by their contracts.

The first stage of the Job Network Program ended on 27 February 2000. Job Network 2 commenced on 28 March 2000 with successful tenderers entering into contracts to provide job placement and assistance services for a period of three years. Job Network 2 represented a significant expansion of stage one. JNM sites were increased from about 1400 to in excess of 2000.

The contracts for both the first and second stages of Job Network include a Code of Conduct which establishes the minimum standards that JNMs are required to apply in their dealings with customers of the program. Each Code of Conduct provides for the establishment of a complaints system. JNMs are required to establish an internal complaints process and promote the Agency's system of review. I understand that the CES did not have a formal complaints handling process.

The Structural Framework for the Job Network Complaint Handling Process

There are two parts to DEWRSB's internal complaints mechanism. The first concerns the processes implemented by JNMs to manage complaints it receives. The second relates to complaints received directly by DEWRSB. The framework for each part is good in most respects. Each is considered below.

JNM Complaints Process

The Contract

The provisions of the first and second Job Network Employment Services Contracts are identical insofar as they relate to the application of a Code of Conduct and the obligations of JNMs to manage complaints.

Clause 7 of contract one and clause 8 of contract two requires the JNM to comply with the principles and service standards set out in the Code of Conduct which is attached as a schedule to the contract. JNMs are required to display and make available to clients the publications about the Code which DEWRSB supplies.

Clause 16 of contract one and clause 17 of contract two sets out the obligations of JNMs in relation to complaints management. The JNM is required to:

- establish a complaints process;
- maintain a complaints register;
- publicise its complaints process;
- refer clients dissatisfied with the outcome of the internal complaints mechanism to DEWRSB's complaints handling unit;
- provide DEWRSB with particulars of its complaint handling process if so requested; and
- allow access to the complaints register and other related material.

Clause 12 of contract two requires JNMs to assist DEWRSB to monitor and assess the standard of service delivery being provided by JNMs. It gives DEWRSB the right to unhindered access to Job Network information to facilitate this task. The rights afforded to DEWRSB in this regard are different to those in the first contract in that DEWRSB is required to give reasonable notice and have regard to a JNM's security procedures when seeking access, except in circumstances where a breach of Commonwealth law is being investigated. DEWRSB has advised that this is not a limiting provision as 'reasonable prior notice' depends on the circumstances and such notice could be in writing, two weeks in advance of the time of the proposed visit, or it could be a knock on the door immediately before entering.

The Code of Conduct

The Codes of Conduct attached to each of the contracts contain sections specifying the JNMs obligations in relation to complaint handling. There is a significant difference in the obligations specified in each of the codes.

The Code attached to the first contract takes the JNM's obligations with respect to complaint handling no further than what is specified in clause 16 of the contract. The JNM is required to establish a complaints process, make available to clients information about the process and refer clients to the Agency where they are dissatisfied with the outcomes of complaints dealt with internally.

The Code annexed to the Job Network 2 contract contains improvements on the version of the Code included in the first Job Network contract. It is more prescriptive and requires JNMs to;

- display poster and booklet material provided by DEWRSB about the Code;
- establish and maintain an internal complaints system;
- ensure implementation of the principles established by the Code by providing such things as appropriate staff training, explaining the Code to clients at first contact, responding to complaints, ensuring complainants are not disadvantaged, advising clients about how to change to another JNM if they are not satisfied with the service provided and referring clients to DEWRSB's complaints system where the complaint cannot be resolved satisfactorily by the JNM;
- make available to clients information about the complaints mechanism including the DEWRSB process and the availability of other agencies which it may be appropriate to direct a complaint to; and
- cooperate with DEWRSB staff investigating complaints.

Both Codes contain provisions for the investigation of complaints by DEWRSB and application of sanctions where appropriate. Investigation is to be conducted through the process of quality audit. This process is analysed later in the report.

Where a JNM fails to implement changes recommended by a quality audit, DEWRSB may impose sanctions which range from temporarily suspending referrals to terminating the contract.

Guidelines, Practice Manuals and Training Material for JNMs

DEWRSB publishes a Members Information Guide which is provided to all JNMs. Chapter four of the Guide, headed Service Standards, describes the Code of Conduct and requirements relating to internal complaints handling. The Guide stipulates the process JNMs are required to introduce, which includes:

- provision of an internal complaints handling mechanism;
- recording of complaints which can be accessed by DEWRSB upon request (and subject to notice being given in accordance with clause 12.2 of the second contract); and
- designation of a complaints officer who is independent of client service staff.

JNMs are required to inform clients of their right to complain to DEWRSB's complaint unit and to make available information about this process. The Activity Agreement a jobseeker enters into when first referred to the JNM site contains a description of the complaints process.

DEWRSB publishes a number of pamphlets and posters which principle 4 of the Code of Conduct obliges JNMs to display at their offices. The adequacy of availability of such material at a JNM site is considered at monitoring and Quality Audit visits. The publications refer to the Code of Conduct and advise clients of their right to contact the DEWRSB customer service line if a complaint cannot be resolved with the JNM.

There is a separate pamphlet which reproduces the Code of Conduct, describes the Complaints Process and the sanctions that may be applied for breach of the Code.

The Complaints Process incorporates three stages;

Stage 1

The first stage encourages the complaining job seeker or employer to raise the complaint with the JNM who is required to provide an internal complaints handling mechanism. JNMs are required to reassure complainants that they will not be prejudiced in any way because they have made a complaint. JNMs are required to keep a register of complaints, which is available for inspection by DEWRSB officers.

Stage 2

The process for making a complaint directly to the DEWRSB Job Network Customer Service Line is described. The free call number is advertised in the pamphlet. Complainants are advised that they may contact the Customer Service Line if they are dissatisfied with the handling of a complaint that was made to a JNM or if they do not wish to complain to the JNM. They are reassured that no disadvantage will result from their election to contact the Customer Service Line.

Stage 3

Advise complainants that they have a statutory right to complain to other organisations, including the Commonwealth Ombudsman, if they are not satisfied with the service provided by the DEWRSB complaints mechanism. Complainants are further advised that they can contact such organisations from the outset if they do not wish to utilise the internal complaints processes.

Training

Training is provided to JNMs in a number of ways. A formal presentation was delivered as part of a three day information session at the commencement of the first and second rounds of the JNM contracts. The presentation includes a description of the Code of Conduct and the obligations placed on JNMs to manage complaints. The training is not compulsory but is encouraged by DEWRSB and DEWRSB informed me that JNMs are keen to attend and that, in Victoria at least, all JNMs were represented at the training provided at the beginning of both contracts. The lack of compulsion reflects DEWRSB's philosophy in managing the Job Network scheme, ie. that the focus should be on measurement of outcomes rather than prescription of processes.

DEWRSB has developed an internet page which provides information about how to establish an effective complaints handling process. The minimum requirements for a complaint handling process are set out here. They are:-

- that JNMs publicise the existence of a complaints process;
- that JNMs establish a complaints register.

The type of complaints process that each JNM establishes is not prescribed. DEWRSB, in its internet web site dealing with Practice Improvement for JNMs, refers to the Ombudsman's Good Practice Guide and the Standards Australia standard on complaint handling as the models upon which to base an effective complaints handling process.

In my opinion, the training package DEWRSB provides to JNMs is adequate. Although I accept the DEWRSB assumption that JNMs can do the job they are contracted to do, in my opinion, DEWRSB should consider making it mandatory for particular JNMs to attend training if DEWRSB ascertains that such JNMs have not complied with their obligations to provide adequate complaint handling processes.

DEWRSB's Management Philosophy

There are two ways in which the delivery of services by contractors can be managed. The first is to prescribe the specific activities the contractor is required to perform in the contract. Alternatively, the contractor can be allowed to develop its own processes, provided it delivers a standard of service which meets certain expectations or benchmarks which are prescribed in the contract.

In accordance with Government policy as stated in the Ministerial discussion paper *Reforming Employment Assistance* DEWRSB implemented this second approach. The contract does not prescribe the type of complaints process that each JNM is to implement. The three stage process described in the Code of Conduct was specifically omitted from the final draft of the second contract, perhaps because it is, to some extent, prescriptive in nature.

The focus of the DEWRSB approach is to implement processes to monitor the performance of the JNMs to ensure that the JNM's deliver a service which meets the requirements set out in the contract.

The Prescriptive Approach

DEWRSB could have elected to describe in some detail, the complaints handling process that each contractor was required to implement. In general terms, an appropriate process might contain requirements that:-

- the complaints process is adequately publicised;
- complaints are documented in writing upon receipt;
- complaints are referred to a designated officer of the JNM;
- the issues raised are investigated by that officer;
- the results of the investigation are communicated to the complainant;
- time standards are prescribed for the determination of complaints and communication to the complainant;
- steps are taken to rectify procedural inadequacies identified by specific complaints;
- complaints are recorded in a register; and
- complaint data is conveyed to DEWRSB.

There are advantages to a prescriptive approach in that it clearly identifies the responsibilities of the contractor and provides the principal with a checklist against which to measure performance. Disadvantages include that it is less flexible than an approach based on assessment of outcomes and it may be inappropriate to prescribe one set of practices for a diverse range of service providers, many of which may have unique sets of objectives and obligations to customers.

An Outcomes Based Approach

The alternative approach is to focus on the objectives sought to be achieved and measure performance by monitoring the outcomes of the processes implemented. This appears to be the approach favoured by DEWRSB. The Code attached to the first contract contained minimal prescription about what a JNM was required to do

about the complaints it received. The second Code is somewhat more prescriptive but still does not describe a complaints process that JNMs are required to implement.

There are arguments for and against the prescription and outcome based approaches to management of the provision of services by third parties and I do not intend to express a definitive view about which is more effective. If an outcome based approach is adopted, however, it is imperative that the Agency ensures that the contract clearly establishes the standards of service that the contractor is required to meet and implements effective processes for the monitoring of the contractor's performance.

In my opinion, the obligations which the contractor should have been required to meet in effectively managing complaints received from its customers are better identified in the second contract arrangements than those in the first contract arrangements. The provisions contained in the second Code of Conduct convey a more comprehensive message about the outcomes that JNMs are expected to achieve in delivering this part of the service.

The effectiveness of DEWRSB's review of JNM performance is considered below.

Management of the Complaints Process

Monitoring Visits

Monitoring visits are conducted by the Contract Managers Branch (CMB). The authority to conduct monitoring visits is contained in clause 11 of the first Employment Services Contract and clause 12 of the second contract.

DEWRSB provided an extract from the Contract Managers Handbook² which details the process to be implemented by CMB staff in conducting a monitoring visit. Prior to conducting a monitoring visit, contract managers are advised to consult other areas of DEWRSB to gain some insight into the activities of the JNM subject of review. Areas to be contacted include:-

“Investigation and Compliance Units and SEMORE (the system that stores information about review and complaint information relating to Job Network)”

The Handbook describes a monitoring plan to assist in the monitoring process. Appendix 9 of the Monitoring Plan relates to Code of Conduct issues. The appendix provides a checklist of various inquiries that should be made to measure compliance with the Code and assess the overall standard of service delivery by a JNM.

The checklist relating to principle two of the Code, access to a complaints process, includes the following:-

- Is material clearly accessible to clients on DEWRSB's complaints, queries and feedback process?
- Have records of complaints, queries and feedback been recorded? Has the issue been satisfactorily resolved?
- Number of external complaints, eg. from Ombudsman?
- Is material clearly accessible to clients on the Job Network member's internal complaints handling process and, if so, easy to understand?
- Have records of received complaints been recorded?
- Has the Job Network member directed job seekers and employers to the DEWRSB complaints, queries and feedback process?
- Has any assistance been provided to a client to prepare a written complaint?

In my opinion, the checklist provides a sound basis for measuring the performance of a JNM in relation to its complaint handling obligations.

I am advised, however, that the Victorian CMB subsequently moved away from its position of conducting monitoring visits in the manner outlined in the Handbook because of the time and resources required to perform such an extensive review. Each state CMB developed its own program based on the risks it identified to the business it was managing. New programs were devised by the Victorian CMB in August 1999 and May 2000. Neither of these

² 1st Edn, March 1999 chapter 4

programs focuses on the complaints process because, I am advised, it is not considered a significant risk in the management of the JNMs.

DEWRSB provided monitoring visit reports for the seven JNMs whose complaint material was reviewed. Those reports ostensibly conducted in accordance with the procedure described in the Handbook did not appear to scrutinise the complaints process to the extent recommended in the Handbook. The worksheets contain the following questions:-

- Is there a complaints mechanism process available; and
- Is the complaints mechanism process explained to jobseekers.

Initial site visit records contain an additional question:-

- What staff are there to provide the services.

None of the information identified in the checklist is recorded as having been reviewed. In one instance there is a note that the complaints register was sighted but no comment is recorded about the adequacy or otherwise of this record. In all but one report there is no indication that DEWRSB's complaints data has been referenced.

In one report it is recorded that the JNM has no complaints recorded about it on the DEWRSB database. This report is dated 20 April 1999. I have some concerns about the accuracy of this statement given that the data provided to my investigators records that the JNM had twenty eight complaints recorded about it on the DEWRSB database at the end of the first contract period.

Opinion

In my opinion the process described in the Handbook provides a suitable guide for DEWRSB staff when reviewing the adequacy of complaints handling by JNMs. I am disappointed that this process was not implemented and that the Victorian region CMB subsequently elected not to review JNM complaint handling procedures during monitoring visits. This is contrary to the assurance given to my Office by DEWRSB's Canberra Office that monitoring visits were an integral part of the complaints review process.

DEWRSB has advised that their Monitoring Framework now includes a requirement that JNMs' complaints handling procedures will be monitored routinely at all initial monitoring visits undertaken for the second contract JNMs. I note that the Framework provides for a risk management assessment to determine national and individual JNM monitoring priorities for subsequent visits.

Recommendation

That JNM complaints processes be reviewed by CMB staff at monitoring visits following the guidelines set out in Chapter 4 of the Contract Managers' Handbook.

Quality Audits

The principal mechanism available to DEWRSB to manage and influence the complaints handling activities of the JNMs is the quality audit process. According to the DEWRSB Customer Service Unit Guidelines;

“The Quality Audit process is designed to determine whether service providers are complying with the minimum standards of behaviour set out in the principles and commitments of the Code of Conduct.”

DEWRSB produces a document titled “Guidelines for Undertaking a Quality Audit” which sets out, in some detail, the process to be implemented in conducting a Quality Audit. The triggers for undertaking a Quality Audit are identified as:-

- multiple complaints received about the same or similar matters relating to the quality of service provided by a JNM; or
- the JNM fails to comply with a request to fix a previously identified breach of the Code; or
- as part of a programme of random QA visits.

Prior to conducting the Quality Audit, customer service staff meet with contract management representatives to discuss the proposed audit. The focus of the audit is discussed and the JNM is notified that it is to occur.

The Quality Audit is carried out by a team of two or three individuals, staffed from the CSS and CMB. The Guidelines contain an extensive list of questions and inquiries designed to address each of the principles contained in the Code. These questions form the basis of the audit. It is not expected that all aspects of the Code will be examined. Rather, the auditors are to identify those aspects of the Code which the JNM may not be adhering to as indicated by the nature of complaints received.

Upon completion of the audit, a report is to be issued to the JNM which records conclusions and recommendations for change. The JNM is expected to implement recommendations within an agreed time frame. Failure to make suitable progress in the implementation of recommendations may result in action being taken against the JNM which, under the new contract, can include termination of the contract.

DEWRSB advised that the Victorian region conducted six Quality Audits which covered several of its 321 sites during the first contract period. A number of these audits were on multiple sites managed by the one provider.

Analysis of Selected Quality Audits

DEWRSB had conducted Quality Audits on four of the seven JNM sites whose complaint material was reviewed by my Office.

Of the four audits conducted, in one instance the JNM did not receive a report of the audit until seven and a half months after it had been carried out. This is particularly disconcerting given that some of the inadequacies identified in the report include serious issues such as failure to record complaints in a complaint register and other matters not relevant to complaints issues.

In a second instance, a draft audit report was provided to my Office for an audit which was conducted five months prior. This report also identifies significant inadequacies on the part of the JNM which have not, as yet, been communicated to its management. DEWRSB advised that the issues arising from the audit have been discussed with the JNM notwithstanding that the formal recommendation process has been delayed pending resolution of matters relating to the implementation of an expanded service delivery network for that JNM.

The extensive delay in reporting on these two matters, in my opinion, significantly undermines the credibility of any criticisms or recommendations that may be contained in the reports. It also allows for a perpetuation of service delivery failures until the JNMs concerned receive the reports and introduce strategies for improvement. DEWRSB acknowledged that the delays are unacceptable and explained that there were extenuating circumstances. DEWRSB has introduced procedures to ensure such long time delays do not occur in the future.

The methodology adopted in preparation for each of the Quality Audits reviewed was similar:-

- A random sample of job seekers was chosen and they were asked questions about various aspects of the service they received;
- complaints data for each of the JNMs was reviewed; and
- the issues to be canvassed during the audit were selected on the basis of information elicited from the jobseeker surveys and complaints data.

The conduct of the audit involved:-

- Representatives of the JNM were asked questions about the practices and procedures implemented to satisfy the principles enunciated in the Code of Conduct; and
- the files relating to the surveyed jobseekers were reviewed.

Opinions

Of the three Quality Audits that addressed principle 2 of the Code (access to a complaints process) only one audit report provided any detailed information about the type of complaint mechanism that the JNM had introduced. In my opinion it is

essential that some consideration be given to the adequacy of the complaints mechanism that the JNM has introduced as a starting point for review. If the process is approved, the auditors can then attempt to assess the extent to which it is being implemented. If the process is deficient, recommendations can be made for change.

Apart from the above criticism, the methodology is basically sound. However, in practice, it is my opinion that too little attention was paid to a review of the file material - the emphasis of the reviews focused on the information provided by JNM staff without adequate reference to supporting documentation. More emphasis should be placed on testing the assertions of the JNM site staff against the records contained on files and in other documents such as the complaints register. Where complaints are recorded in the register, these files should be reviewed to assess the processes the JNM implements to manage and resolve these complaints.

DEWRSB has advised that the procedures have been changed to ensure that adequate attention is paid to supporting documentation. The Victorian State Office adopts a three stage approach to information gathering which includes job seeker survey, interviews with JNM staff and file review.

In my opinion, the sample size of surveyed jobseekers was too small to assist any assessment of the efficacy the complaints handling process. In two of the audits, fifteen jobseekers were surveyed to obtain information about their views of the JNMs' service delivery generally. In the third and fourth, fourteen and ten respectively were surveyed. Rather than rely on the results of a survey designed to obtain information about client satisfaction with service delivery generally, in my opinion, it would be preferable to survey some jobseekers from whom DEWRSB and/or the JNMs had received complaints.

Of the three audits completed, there was follow up to confirm compliance in only one instance. In the second case, DEWRSB appears to have accepted the assurance of the contractor that recommendations had been implemented. (It is acknowledged that that contractor was not offered a contract under Job Network 2). As the third report was only recently produced, it is not unreasonable that no further review has occurred.

Notwithstanding the reservations expressed above, each of the audit reports identified significant inadequacies in a number of aspects of the JNM's compliance with the complaint handling requirements of the Code of Conduct. Quality Audits are an important compliance tool and present DEWRSB with the opportunity to ensure that its contractors deliver a level of service to customers which meets community expectations. Although I acknowledge that DEWRSB operates in an environment of limited resources, in my opinion, the Victorian region should commit greater resources towards Quality Audit activities to ensure overall compliance with the Code of Conduct and particularly to follow up on recommendations that flowed from initial audits.

Recommendations

1. DEWRSB ensures that Quality Audit reports are prepared and forwarded to the JNM within a reasonable time after completion of the audit and that follow

up visits to ensure compliance with recommendations occurs in a timely manner.

2. That, as a starting point, auditors review and document the complaints process each JNM has introduced. A view should be formed about its adequacy and recommendations for change made where appropriate.
3. Auditors place less reliance on information provided by representatives of the JNM. Greater emphasis should be given to testing the assertions of JNM staff against documentary evidence held on file and information provided by external sources such as jobseekers and employers.
4. Auditors focus on files relating to clients who have complained about JNM service delivery as well as randomly selecting files for review.
5. That DEWRSB commit greater resources to the carrying out of Quality Audits so that a larger number of more comprehensive audits can be conducted.

DEWRSB Response to the Ombudsman's Recommendations

1. Quality Audit reports will be provided to JNMs within stipulated time frames and State Offices will be required to report on their compliance with these time frames.
- 2, 3 & 4. Staff undertaking Quality Audits will ensure that an adequate examination of job seeker files is undertaken to corroborate anecdotal information provided by JNM representatives. Staff will ensure that the files of a sample of job seekers who have made a complaint to the Customer Service Line are included in the sample for examination.
5. In addition to measures already in place to monitor JNMs' internal complaints handling processes, all JNMs' complaints handling processes will be monitored by Departmental contract management staff in routine visits that will occur in March – September 2001. JNMs will be required to improve their processes if they are found to be unsatisfactory.

Survey Information

The second principal means by which DEWRSB evaluates the performance of JNMs is through client surveys. A jobseeker survey was undertaken in May and June 1999. The survey was conducted by an independent consultant and involved a telephone survey of approximately 15000 jobseekers who had used Job Network in the previous twelve months.

There were four questions in the survey which related to the complaints process. They were:-

- Did you ever feel like making a complaint about the Job Network member?
- Have you actually made a complaint about the Job Network member?
- Was the complaint you made dealt with quickly and efficiently?
- How satisfied were you with the way in which your complaint was resolved?

My investigators were provided with survey results for the complaints aspect relating to JNM organisations operating in Victoria about which the most complaints had been received. The results indicate a high degree of satisfaction with the program. 90 of the 962 jobseekers surveyed answered yes to the first question. That is, less than 10% even felt like making a complaint about a JNM. Of these, only seventeen, or 1.8%, actually made a complaint.

The responses, however, do indicate a relatively high degree of dissatisfaction by jobseekers who did make a complaint. Only seven of the seventeen complainants, or 41%, considered their complaint was dealt with quickly and efficiently. An identical number was satisfied with the way in which their complaint was resolved. Eight of the seventeen complainants, or approximately 47%, were either dissatisfied or very dissatisfied with the resolution of their complaint³.

This is obviously far too small a sample from which to draw any real conclusions. However, it is significant that the majority of those who responded to the complaints handling segment of the survey expressed dissatisfaction with the management and resolution of complaints by JNMs.

DEWRSB acknowledges that future customer satisfaction surveys should also measure jobseeker satisfaction with DEWRSB's Job Network complaints process.

³ One complainant's response was recorded as 'Don't know' and there was no response recorded for another.

Limitations on Availability of Information

It is not possible for me to give any opinions about the adequacy of JNMs in managing complaints because I was not able to review the processes which the various JNMs have implemented. It is DEWRSB's view that the activities of contractors are outside the jurisdiction of this Office.

My investigators did attend at one JNM site with officers from DEWRSB. The complaints handling process for this site was discussed in some detail. The site manager explained the key features of the complaints process they had introduced. It included:

- Promotion and display of a complaints process - DEWRSB pamphlets and posters were prominently displayed and readily accessible by JNM customers. There was reference to the complaints process in the activity agreement which was signed by the jobseeker at the commencement of the relationship with the JNM;
- training of staff - the provisions of the Code of Conduct were explained at induction training for new staff. There was ongoing training about the complaints process;
- development of a standard complaints form; and
- maintenance of a complaints register.

My investigators did not inspect files or review individual complaints. They did inspect the complaints register and noted that it recorded three complaints only, the first dated 16 December 1999. The manager advised that the register was commenced in July 1999 and was a complete record of all complaints received.

According to DEWRSB records, nine complaints were received by the CSS about this JNM site. The complaints register does not record all these complaints and it is probable that a significantly larger number of complaints were received which did not progress beyond communication to the JNM. This complaints register, therefore, did not constitute a complete record of complaints received by the JNM. In my opinion, this constitutes a breach of the JNM's contractual obligation to maintain a complaints register.⁴ DEWRSB has undertaken to consider my suggestion that JNMs should be required to record in their complaints register details of those complaints which have been directed to DEWRSB's Job Network complaints process; but they advise that they will need to weigh resource implications against benefits to JNMs' practices that could flow from such an enhancement. It is not evident to me what resource implications DEWRSB is contemplating; but I assume that the reference is to the cost of checking whether JNMs have recorded such complaints.

This JNM had never been the subject of a Quality Audit but a number of monitoring visits had been conducted. There was no inspection of the complaints register during these monitoring visits. At the meeting the JNM site manager admitted a general reluctance to record complaints received by the JNM in the complaints register because of a concern that a record of a large number of complaints might cause DEWRSB to draw adverse conclusions about the JNM's performance.

⁴ Clause 16.1 of Contract 1 and clause 17.1 of Contract 2.

DEWRSB advised that compliance with the obligation of JNMs to properly maintain complaints registers has been recently monitored in the initial monitoring visits for the Employment Services Contract 2000-2003 and will be routinely monitored at all Quality Audit visits in future.

Recommendation

6. That DEWRSB ensure JNMs are properly maintaining complaints registers. Inspection of complaint registers be carried out during monitoring visits and Quality Audits. Complaint registers be audited by comparison between entries in the register to the record of complaints received by DEWRSB's CSS and information about complaints identified from other sources such as file reviews and customer surveys.

DEWRSB Response to the Ombudsman's Recommendations

In addition to measures already in place to monitor JNMs' internal complaints handling processes, all JNMs' complaints handling processes will be monitored by Departmental contract management staff in routine visits that will occur in March – September 2001. JNMs will be required to improve their processes if they are found to be unsatisfactory.

DEWRSB Customer Complaints Service

DEWRSB has established a complaints unit called the Customer Service Section (CSS) for each of its regional offices. The unit manages complaints received from Job Network clients within its territory. Guidelines have been developed for the management and operation of these units. The Guidelines were distributed at the time the Job Network Program commenced.

The Guidelines are divided into eight sections and set down procedures for management of complaints. The topics covered include:-

- receipt of complaints;
- referral of complaints;
- investigation of complaints;
- recording of complaints; and
- monitoring of complaints.

Section three of the Guidelines provides that complaints should be referred to the respondent if they have not already been made to the respondent except in certain circumstances. These include situations where:-

- a complainant is over-wrought and clearly could not handle further delays in having the complaint looked at;
- a complainant who claims a history of discord and disagreement with the respondent;
- where a complainant appears likely to drop the matter and remain disgruntled rather than seeking to resolve the matter direct with the respondent;
- where serious allegations are made such as sexual impropriety; and/or
- where it transpires that the complainant merely wants information that DEWRSB is able to provide.

The principle behind this approach is presumably that, as the contract requires each JNM to establish a complaints system, it is appropriate to invoke that process at first instance. In my opinion, there are some difficulties in adopting this approach as a general rule. They are:-

- Where a complaint is about procedural issues relating to a decision, it is generally appropriate to refer the complainant back to the decision maker for a reconsideration of the original decision. The decision maker is being asked to determine whether they have made an error in their application of the process.
- Where, however, the complaint concerns the manner in which the service was delivered, it is, in my opinion, more appropriate for the complaint to be resolved independently of the original decision maker. The complainant is critical of the person rather than the process and a higher degree of independence needs to be demonstrated.
- Complaints about service delivery are generally more serious in nature. A review of the complaints information which was provided by DEWRSB indicates that the

major types of complaints about JNMs relate to service issues such as staff attitude and behaviour, access to services and communication. In many instances, they have a significant effect on the relationship between the recipient of services and the service provider.

- The extent to which a contractor can provide an independent review system, or at least a system which is perceived to be independent, for these types of complaints is arguable. In many instances, the organisations are small and there is minimal separation between the case handlers and management. Further, it may be perceived that motivations for business success might influence a business manager not to implement a truly independent complaints handling process.
- DEWRSB has a direct relationship with its contractors and has overall responsibility to its customers to ensure that services are provided which meet certain standards. It is, in my opinion, inappropriate for DEWRSB to attempt to shift this responsibility, even at first instance, by transferring the management of complaints to JNMs except in the circumstances I have discussed previously.

Review of complaints data provided by DEWRSB's Victorian region office reinforces the need for DEWRSB to retain ownership of service delivery type complaints. The data records numerous instances (discussed below) where complainants are simply referred to JNMs, complaints are recorded and no further action taken or complainants are advised of the procedures for changing service providers. In my opinion, the guidelines should reinforce the accountability of the Department for the complaints received about the level of service it is required to deliver, whether this service is delivered through an independent contractor or directly by the Department.

DEWRSB advised that its State offices manage complaints appropriately and provide quality service to complainants; but undertook to review the Guidelines for complaints handling to ensure that complainants are not routinely referred back to their JNM for resolution of a complaint. The guidelines will be amended to provide that in most instances the Customer Service Officer will contact the JNM on behalf of the complainant and seek to broker a resolution of the problem. Customer Service Officers will also be required to follow up complaints and to ensure that complainants are satisfied with the outcome.

Review of Customer Service Section Operations

CSS Structure

My investigators conducted a review of operations at the CSS for the Victorian region. The unit is staffed by a manager and four full time customer service officers who are at APS 6 level. The office receives, on average, between 220 to 250 complaints per month, 35% to 40% of which are seeking further information. National figures record 34% of complaints were about JNMs, 28% were general inquiries about employment service delivery and 11% about DEWRSB. 66% of complaints were from job seekers and 8% from employers.

The CSS liaises regularly with the regional CMB. The CMB is responsible for the ongoing management of the contractual relationship between the contractor and DEWRSB. They review the performance of JNMs against industry average criteria and conduct monitoring visits on a periodic basis to ensure compliance with the contract. This may include adherence to the Code of Conduct. The CSS produces reports for the CMB about complaints the CSS has received, briefs the CMB prior to monitoring visits being conducted, and meets with the CMB weekly. An officer from the CMB is present during Quality Audits.

Complaint information is disseminated to the National Office. The Employment Services Market Group collects the national data in report form and provides these reports to the Executive at their monthly meetings. Noteworthy complaints are marked for the attention of the Executive. I understand that DEWRSB's Executive relies on information retrieved from SEMORE in its analysis of the process. As discussed later, in my opinion the information recorded on SEMORE may be inadequate as an analytical tool.

Complaint information is also disseminated to the Investigations and Compliance Unit who use it to identify high risk providers and to conduct special investigations where appropriate. Complaints alleging fraud or other criminal activity are referred to Investigations and Compliance Unit as a matter of course.

Customer service officers advised my investigators that the majority of complaints were referred to JNMs for their initial investigation. Where complaints were managed by DEWRSB, they were generally resolved by negotiation with the JNM site manager and the complainant.

Most Quality Audits were conducted at the discretion of the CSS, usually on the basis of the number or seriousness of complaints. About 20% are conducted at the request of DEWRSB National Office and sometimes at the request of the Minister. On average, one to two Quality Audits per month were conducted. The customer service officers spoken to advised that they were not able to conduct as many Quality Audits as was desirable because of lack of resources.

DEWRSB advised that Quality Audits are very resource intensive. Three people always attend the site visit and Victoria State Office estimates that there is at least 1

week full time by one equivalent ASL in the preparation stage and a further 3 to 4 days in follow up, further discussion, analysis and preparation of the report.

Recording of Complaints Data

Complaint information is recorded in the SEMORE database. The database allows for the recording of information about the complainant, the organisation or individual complained about, the type of complaint and the outcome or method of resolution. Complaint and outcome type are coded to allow for categorisation. The information feeds into the National database. Reports are then generated which record the types of complaints made and the organisations against which complaints are made.

Victorian CSS staff advised that they had some difficulty collecting relevant information from SEMORE because of its national focus. The office compiled their own spreadsheet which they used more effectively to interrogate the data.

During the course of this investigation, the National Office advised that they had some difficulty in collating complaint data relating to individual JNM sites because the database was not designed to provide such information. In my opinion, availability of complaint data about individual sites is essential to ensure proper monitoring of activities and compliance with the Code of Conduct. It is unsatisfactory that the Victorian CSS should have to collect data in a separate database to enable identification of inadequate performance at individual sites. Difficulties may also result because of discrepancies between the Victorian and National data.

Review of a sample of complaints records (as discussed in the following section of this report) demonstrates significant inadequacies in the recording of complaint details and outcomes. In numerous instances where complaints were referred to individual JNMs for resolution, there was no record made of the follow up processes, outcome, what communication was had with the complainant or the extent to which the complainant was satisfied with the result. In my opinion, it is critical that this information be recorded in all instances.

DEWRSB advises that SEMORE was not designed to provide a comprehensive complaints management system. DEWRSB acknowledged that the current complaints data base – SEMORE – has its limitations and advised that DEWRSB is investing considerable resources into the design and development of a new data base with enhanced capabilities.

Recommendations

7. DEWRSB should review its data collection and retrieval systems to ensure complaints data about individual JNM sites is readily retrievable in an appropriate report format.
8. Customer service officers should ensure that complaint records fully detail the investigations conducted, follow up processes and outcomes of complaints. This includes complaints that are referred to JNMs for resolution. An appropriate response may be for the designated complaints handler of a JNM

to be required to notify the CSS who may then record directly onto the database the action that has been taken in relation to a complaint referred to the JNM.

9. The SEMORE system should be developed to incorporate an appropriate complaints management system.

DEWRSB Response to the Ombudsman's Recommendations

DEWRSB advised that a new enhanced custom-built data base and management information system is being developed to replace the current Job Network complaints data base.

The complaints record-keeping procedures will be improved to ensure that the records fully document the investigation conducted and the outcome of the complaint.

Analysis of DEWRSB's Complaints Process

During the course of the investigation, DEWRSB supplied records of complaints made against the thirty Job Network sites in Victoria about which it had recorded the most number of complaints during the first contract period. Quality Audits were conducted on four of these sites.

For review purposes, seven of these sites were selected. The four JNM sites subjected to a Quality Audit were included in this selection. Comment is provided below on the material relating to each site.

Site 1

There were twelve complaints recorded about this site. Of these, seven concerned the attitude or behaviour of one case manager. Each of these seven complaints were from different job seekers. There was no investigation by DEWRSB of any of these complaints. Each was referred to the JNM and there was no record to indicate that the JNM's actions were followed up.

The most serious of the complaints concerned an allegation that the case manager had passed on information about a job seeker to an employer that caused the job seeker to be dismissed. The outcome description on the SEMORE database records:-

“Advised jobseeker of other complaints avenues. They may write to the JNM.”

In my opinion, this is a totally inadequate response to a serious complaint. It is arguable that the complaint is of a type which, according to the Complaints Guidelines, is not appropriate to refer to the respondent in the first place. Section 3 of the Guidelines sets out the circumstances in which a complaint should not be referred to the respondent. This includes serious allegations.

It appears that it was decided that it was appropriate to refer the complainant to the JNM and to advise him of other complaints avenues; but there is no information recorded about what follow up activities were undertaken by DEWRSB to ensure that the complainant did contact the JNM and that the complaint was adequately investigated. This is surprising as SEMORE records that the JNM had failed to provide a 'real explanation'.

A number of the complaints which were referred to the JNM for resolution simply record that the complaint was resolved by referral to the site. There is no information about how the complaint was followed up, how it was resolved or whether the outcome was communicated to the complainant.

No Quality Audit has been conducted of this site. This is surprising given that there were seven independent complaints over a ten month period about the attitude or behaviour of the one case manager. In my opinion this constitutes a systemic problem which should have prompted a Quality Audit. DEWRSB has since advised that the

number of complaints about the site was being monitored and it had been identified as a potential target for a Quality Audit. A Quality Audit has since been conducted on the site and one other site of the JNM. My investigator examined the audit report and noted that it did include significant requirements for the JNM to meet to improve its complaint handling process and performance.

Site 2

Of the eighteen complaints received about this site, ten were for record only. In one instance, a complainant alleged that he had been told by his case manager that he had "no hope in hell" of getting work and that he felt JNM staff were treating him like "a piece of rubbish". The outcome description field records:-

"Doesn't want JNM contacted cos (sic) 'I don't want trouble.' Likely to be re-referred."

In a second instance, the jobseeker complains of verbal abuse by JNM staff, no guidance or encouragement and no real help with resume. The outcome description records:-

"I gave information on Code of Conduct and complaints procedures. Jobseeker prefers no investigation."

Similar comments are recorded on the other complaints dealt with as record only.

Of the other eight complaints, four are dealt with by referral to the JNM site with no record as to whether the complaint was subsequently resolved. In one instance, an employer complained that he was continually receiving faxes from a JNM seeking confirmation of employment of staff notwithstanding the employer did not use the JNM for recruitment. The employer expressed concern that the JNM was improperly receiving payment for placement of registered jobseekers. The outcome description records only that the JNM manager was informed of the complaint. There is no indication that the complaint was investigated in any way or that the employer was advised of an outcome.

Two of the remaining four complaints alleged serious breakdowns between jobseekers and JNM staff. In each case the complaint was resolved by referring the jobseeker to Centrelink to complete an application for change of service provider. There is no record that an investigation of the complaint was conducted or that any attempts were made to identify attitudinal problems of JNM staff that may affect other jobseekers registered with that provider.

Site 3

A review of the complaint records for this site suggests that, in some instances, DEWRSB complaints staff have adequately responded to complaints. For example, in response to a complaint by a jobseeker that his JNM had not referred him to enough jobs, the CSS contacted the JNM and discussed the complaint with the provider. The provider responded that the jobseeker had been referred to a number of jobs. The provider undertook to contact the jobseeker and offer further assistance. The CSS

subsequently contacted the jobseeker and confirmed that he was satisfied with the outcome.

In another instance, a jobseeker registered for intense assistance complained that her JNM was requiring her to attend a course which conflicted with times she was required to work in a part time capacity. The CSS contacted the JNM who advised the jobseeker had not informed them of her difficulty. The JNM was confident the conflict could easily be resolved and undertook to contact the jobseeker. The CSS subsequently contacted the jobseeker to advise of the JNM's response. It would have been desirable for the jobseeker to have been contacted to confirm that she was contacted by the JNM and the complaint was resolved. However, the CSS at least took some steps to investigate and resolve the complaint.

Of the twenty three complaints received by the CSS about this JNM site, seven were not actioned and five were referred to the site with no record of any follow up or indication as to whether the complaint was resolved. Some examples include:-

- A jobseeker applied for a job on the closing date and was told the job was already gone. She says the staff are dismissive and will not spend a minute to help. The outcome description records "No need for further immediate action."
- A jobseeker complained of constant rudeness which she was finding it difficult to cope with. The outcome description records that, at this stage, the jobseeker intends to attempt to resolve the problem internally and will recontact if no progress is made.
- A jobseeker complained that he had been required to sign an intensive assistance agreement with no discussion or negotiation and if he failed to sign it he would be breached. The complaint was referred to the site manager. There is no record about how the complaint was dealt with or whether it was resolved.

Of particular concern is a complaint from a jobseeker that his former landlord received a telephone call from an employee of the JNM who disclosed confidential information to the landlord. The outcome description records:

"JS will be advised by letter that we have registered his complaint and will investigate it if he consents to us contacting the JNM.

A review of additional documentation supplied by DEWRSB established that this complaint was referred from Centrelink which received the initial written complaint and that DEWRSB did write to the jobseeker seeking confirmation that he wished them to pursue the complaint. In the absence of a response, no further investigation was conducted and the complaint was closed. Given the serious nature of the complaint, in my opinion, it warranted further investigation even in the absence of a response from the complainant.

Site 4

There were twenty one complaints recorded concerning this site. Little investigation was conducted about any of these complaints. In ten instances the complaints were taken for record purposes only. They included complaints about inaction by the JNM in referring jobseekers for work, complaints about the type of work offered, and lack of access to facilities. In one instance, a jobseeker complained initially about being required to attend an interview when the advertised position had already been filled and then complained again two months later because the JNM had only then contacted him to address the original complaint. The database entry records the jobseeker's attitude to the management of the initial complaint:-

"The matter was never satisfactorily sorted out and now she (JNM case manager) is turning the blame for the problem back on him (the jobseeker). He was lied to and is not going to use the JNM again.

Three complaints were referred to the JNM site for resolution. There is no record that these complaints were followed up, that any investigation took place, the complaint was resolved or a response was communicated to the complainant.

In two instances, jobseekers complained about inaction on the part of the JNM. Their complaints were not investigated. They were advised of the process available for changing JNMs.

One complaint concerned a jobseeker who believed he was being discriminated against because of his age. The outcome description records:-

"JS advised that his complaint will be investigated in conjunction with his previous concerns about the Job Network."

No record of the jobseeker's previous complaint was provided. Nor was there any record of what investigation was conducted into this complaint, whether the complaint was resolved or what further communication, if any, occurred with the jobseeker.

Site 5

Of the twenty complaints received about this JNM site, the records indicate five were managed in what could be considered to be a satisfactory manner. Some examples include:-

- A jobseeker complained that he was referred for an interview with another agency but was advised soon after attending that no job was available. The CSS contacted the JNM, confirmed that a mistake had been made and advised the jobseeker and the contract management branch.
- A jobseeker complained that he had not received \$300 in expenses payable to him by the JNM. Inquiries with the site manager established that the jobseeker was entitled to the payment and it was to be paid within a week. Reasons for delay in payment were ascertained. The jobseeker was advised of the result.

In eight instances, a record only was taken. They include complaints of rudeness by JNM staff, allegations of discrimination on the basis of age, failure to provide training and lack of assistance to find employment. In many instances, the entry records that the complainant was prepared to follow up the complaint with the JNM directly or just wanted the complaint noted.

Two complaints were referred to the JNM site without any apparent follow up or contact with the jobseeker.

Two complaints, concerning failure by the JNM to return calls, were appropriately dealt with by referral to the site.

The three remaining complaints were investigated to some extent but the record does not indicate that a resolution was reached. In one instance, a complaint about a jobseeker's right to be referred to the particular JNM was referred to the Contract Management Branch for resolution. The Contract Management Branch was to advise the jobseeker of the outcome of their investigation. The last entry in the outcome description field records:-

"CMB still had no news 31 March."

Site 6

Of the thirty one complaints recorded against this JNM site, many concerned serious issues such as rudeness, lack of assistance and, in two instances, threatening or intimidating behaviour. Eighteen were dealt with as record only or with minimal investigation. Some examples include:-

- A jobseeker complained that he was not given a copy of his activity agreement, waited three weeks for a meeting with his case manager and has been given little help after that. The outcome description records that the complaint was not investigated, the jobseeker wants to deal with the complaint himself and knows the complaints methods available.
- A jobseeker complained she was being discriminated against and had been advised she needed psychiatric evaluation. Her complaint was resolved by recommending she link with another provider.
- A jobseeker who complained about staff rudeness was sent a list of alternative providers.
- A jobseeker complained about numerous matters including quality of training provided by the JNM under the Job Training Scheme. No outcome description is recorded.
- A jobseeker complained that he had requested the JNM send his resumes to thirteen employers who were seeking staff through the JNM. When he attended a week later he discovered the resumes had not been sent. His complaint was not investigated on the basis that, when he was asked if he wanted it investigated, he considered there was no point in doing so.

Site 7

Thirty nine complaints were received about this JNM site. Of these, 12 were not investigated or referred but noted as for record only. Two complaints concerned allegations that the site had sought to claim payment for placement when the jobseeker had found work independently. They were referred to the Contract Management Branch. In one instance there is no record of whether the complaint was investigated or if the complainant was advised of the outcome.

In the second instance, I subsequently received a further record from the CMB that indicated they had fully investigated the complaint and established that the JNM had acted inappropriately. The record noted that an explanation had been sought from the JNM, efforts were to be made to recover the placement payment paid to the JNM and there was to be a caution issued that such behaviour would be taken into account in performance assessment. This outcome should have been recorded on SEMORE.

In two instances, where the jobseekers complained of rudeness and lack of service, they were advised of the process for transferring to another provider.

In two other instances, one complaining about a total lack of effort by the JNM site, there is no outcome recorded.

In six of the complaints, the matter has been referred to the JNM site. There is no record of what investigation was conducted, how the complaint was resolved or whether the complainant was informed.

Some complaints appear, from a review of the records, to have been managed in a satisfactory manner. For example, a jobseeker made a complaint about the attitude and behaviour of his case manager. The CSS consulted the JNM site manager and the case manager. Some failures in both the case manager's attention to the jobseeker and the jobseeker's attitude to the process were discovered and attempts were made to bring the parties to middle ground. The outcome of the investigation was explained to the jobseeker.

Management of other complaints was less satisfactory. For instance:-

- A jobseeker who was keen to commence a reading course was told by his case manager, "don't call us, we'll call you." The complaint was not investigated or even referred to the JNM site. The jobseeker was advised to discuss the matter with his case manager.
- A jobseeker complained that he is receiving no support from his case manager. He has a physical disability but has been referred to jobs he is not capable of performing. The outcome description records that the jobseeker is to seek to resolve the matter with the case manager himself.
- A complainant called seeking particulars of the manager of a JNM site so that a written complaint could be forwarded. The CSS provided the information. The record does not indicate that any attempt was made to elicit information

about the complaint from the complainant or that the CSS was interested in resolving the complaint.

- A jobseeker complained about the quality of training provided by a JNM site as part of its job seeker training program. There was no investigation of the complaint or referral to the JNM. The outcome description records that "These comments arose via a DEWRSB jobseeker survey."

Further Materials

Initially, DEWRSB provided database printouts of recorded complaints. Upon request that they provide all information concerning the complaints being reviewed, further documentation including handwritten notes recorded on a form titled "Job Network Customer Service Feedback Pro Forma" and database records relating to the jobseeker were produced for a number of the complaints. In most instances, the accompanying documentation contained no further information than was recorded on the database. In a small number of cases, the documentation recorded that further action had been taken which was not recorded on the database. The further information was taken into account in our analysis of the management of complaints received by the CSS.

Opinion

An analysis of the complaints information reveals significant inadequacies in the management of complaints by the Victorian CSS:-

- The general practice appears to be to refer complaints to the JNM and then leave it to the JNM to resolve. There are numerous instances where there is no indication on the record about what action was taken or whether the complainant was advised of the outcome of the complaint.
- Another practice is to treat the complaint as a record only because the complainant indicates that he does not want to take the complaint further. I am sceptical that a person who has made the effort to complain would be satisfied that the complaint be recorded only or could not be easily persuaded that the complaint should be further investigated. In any case, where a complaint is serious, it will often be appropriate to investigate even though the complainant does not support this course of action because the activity complained about may impact on other customers of the JNM in question. Such information may provide DEWRSB with the opportunity to identify systemic issues which can be investigated further, perhaps as part of the monitoring visit or Quality Audit process.
- There are few instances which show the CSS has engaged in any meaningful investigation of the complaint. Comments have been made to my investigators that customer service officers face heavy workloads. If this is a reason for the apparent lack of commitment to individual complaints, in my opinion, further resources should be committed to the CSS to overcome this deficiency.

Recommendations

10. Complaints received by the CSS should be referred to JNMs for resolution less routinely. Ownership of complaints about service delivery should be retained by the CSS. Complaints about procedural issues may appropriately be referred to JNMs for resolution.
11. Customer service officers should ensure that complaint records fully detail the investigations conducted and outcomes of complaints. This includes complaints that are referred to JNMs for resolution. An appropriate response may be for the designated complaints handler of a JNM to record directly onto the database, the action that has been taken in relation to a complaint referred to the JNM.
12. Customer service officers should not close a complaint solely because the complainant has given some indication that further investigation is not required. Customer service officers should actively pursue complaints and, in instances where the complaint is of a serious nature, conduct investigations even if the complainant does not want the complaint to proceed further.
13. Sufficient resources should be committed to CSSs to ensure they are able to adequately manage the complaints process.

DEWRSB Response to Ombudsman's views

DEWRSB acknowledges that there is room for improvement in the way in which complaints are managed and in the way in which information about the investigation and resolution of complaints is recorded in the data base. DEWRSB advised it will implement changes in its complaints handling guidelines to ensure that jobseekers are not routinely referred back to the JNM to resolve their complaint and will ensure that information recorded in the database more accurately reflects the actual investigation and follow up action in response to the complaint. DEWRSB will also continue to ensure that Customer Service Officers are provided with training and development to assist them to continuously improve their management of complaints.

However, DEWRSB believes that some of the Ombudsman's comments about specific complaints in this section of the report are unfairly critical and rely too heavily on the records in the data base for an assessment of the management of the complaint. DEWRSB stated that the records in SEMORE are meant to be summaries only and should not be considered to reflect the complexity and depth of actual conversations, negotiations and analysis undertaken by a Customer Service Officer in the pursuit of a positive resolution of a complaint. The new enhanced data base and management information system which DEWRSB is developing will result in improvements in recording and therefore will facilitate assessment of the management of the complaints.

DEWRSB also pointed out that some complainants do not want their complaints fully investigated and, in these cases DEWRSB has to consider the privacy of the individual. I agree that these are important factors and that they do make investigations difficult; but it is DEWRSB's responsibility to investigate complaints, particularly where the complaint may be indicative of a systemic problem with a particular JNM. I am pleased to note that DEWRSB will continue to encourage

Customer Service Officers to use their discretion and judgement in these instances and, where appropriate, to investigate such issues with due regard to the job seeker's privacy.