From:	s 22(1)
To:	s 22(1)
Subject:	Assurance Review reading material - IT
Date:	Monday, 23 December 2024 2:43:00 PM
Attachments:	image001.jpg
	s 22(1)
	051224 - TCF Bugs .xlsx
	PBAS Team - IT Issues .xlsx

Dear ^{s 22(1)}

We have collated some material for the **Assurance Review to support the Targeted Compliance Framework**.

Material has been ordered in terms of priority reading. In this email is priority 5 – IT.

Please let me know if you have any questions or would like further information.

s 22(1)   (she/her)
Assistant Director

Investment Strategy| Strategic Program Office
Workforce Australia for Individuals Division
Australian Government Department of Employment and Workplace Relations
Phone s 22(1)
dewr.gov.au

Documents 2 and 3 at pages 2 - 5 deleted pursuant to section 47E(d) of the Freedom of Information Act 1982

From:	TURNER,Dany
To:	RISHNIW,Tania; JENKINS,Deborah
Cc:	DEWAR,Fiona; s 22(1)

Subject:	Executive Sponsor weekly update on the TCF Assurance Review [SEC=OFFICIAL]
Date:	Sunday, 23 February 2025 6:17:51 PM
Attachments:	20250221 TCF Assurance Review - Project Status Update.pdf

Tania and Deb

Please find below a summary of the TCF Assurance Review project.

- Deloitte are to meet with the Secretary, Tania and Fiona on Monday 24 February ahead of submitting the Draft Assurance Report on Friday 28 February.
- Friday Deloitte verbally advised me of their findings to date:
  - they have not identified anything in their findings that suggests the system needs to be halted. Any impacts have been to statistically a very small number of job seekers.
  - However, they identify a lack of connection between the legal, policy, program and IT. Clear documentation between the four areas is missing.
  - Our current IT is not meeting benchmarks of other similar IT systems. It is evident that changes have been made frequently and quickly in the system. (Which is a risk that has been raised whenever quick changes have been made to the system).
  - Instead of a rules based standardised approach we have hard coded specific job seeker journeys into the system. This has created duplication and complexity. E.g. the system captures postcodes 12 times, rather than in one place that is then referred back to.
  - They identify the significant effort that has gone into maintaining the code. They predict ongoing and increasing problems unless a new approach is undertaken.
- To date Deloitte have undertaken a manual review of the IT systems and code.
- In conjunction with s 22(1)   s 47G(1)(a)

s 22(1)

Regards
Dany

Ms Dany Turner

A/g Assistant Secretary

Strategic Program Office| Workforce Australia for Individuals Division

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Deloitte.

Department of Employment and Workplace Relations

Targeted Compliance Framework (TCF) -
Independent Assurance Review

Status Update
21 February 2025

TCF Assurance Review | Progress Report

Reporting Period	17/02 – 21/02	Low To Be Aware Of	Medium Requires Attention	High Requires Immediate Attention

OVERALL	SCOPE	FINANCIALS	RISK/ISSUES	SCHEDULE	RESOURCES

DUE DATE	DUE DATE	STATUS
Project Plan	20/01	*Complete*
Assurance Plan	08/02	*Complete*
Draft Assurance Statement	01/03	*In-Progress*
Final Assurance Statement	15/03	
Prioritisation Schedule and Presentation	19/04	
Draft Report and Presentation	26/04	
Final Report	24/05	

OVERVIEW

This week, our focus has been on populating the draft Assurance Statement with findings and analysis from interviews, business rules review, and system review.

The team has been mapping risks onto the holistic TCF process maps and associated business rules. Concurrently, we have been populating findings from the system review.

The draft Assurance Statement is currently undergoing an internal review process, to be updated for socialisation with DEWR next week.

DELIVERABLE	PROGRESS SUMMARY	FUTURE FOCUS
Onboarding	-	-
Business Rules	s 47G(1)(a)	
Deep Dive		
System Review		
Assurance Statement		

Status	Key Risks and Issues	Impact	Mitigation	Rating	Trending	Owner	Raised	Exp. close
	NIL						8	

| From:	s 22(1)
To:	s 22(1)
Cc:	TURNER,Dany; s 22(1)
Subject:	TCF Assurance Review - complaints data
Date:	Wednesday, 26 March 2025 10:04:00 AM
Attachments:	image002.png
	image001.jpg

Hi s 22(1)

I have access to complaints data as part of the TCF Assurance Review.

s 22(1)

Complaints data

Data request: *data on job seekers who contact us about issues with the system or loss of payment, 1 July 2024 to 31 December 2024.*
- Using the identified Topics and Sub Topics, of the **269,653** Cases reviewed:
- **60,672** Cases related to Potential System Issue cases and Potential Payment Suspension:
  - There was **4851** cases flagged where Topics indicating **Potential System Issue cases** were present.
  - There were **55,821** cases flagged where Topics indicating **Potential Payment Suspension** were present.
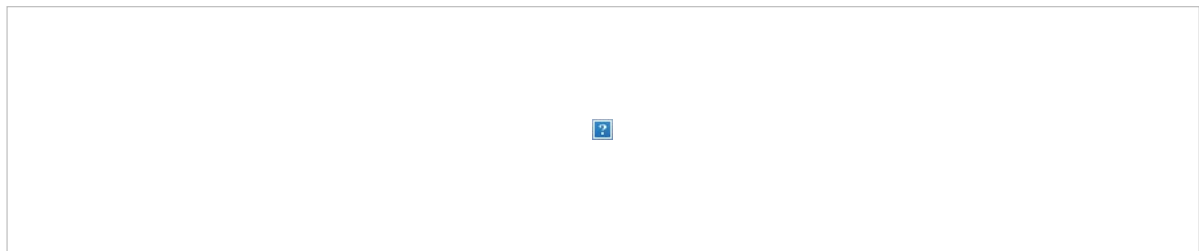
A breakdown of the Topics and Sub Topics to identify *data on job seekers who contact us about issues with the system or loss of payment, 1 July 2024 to 31 December 2024 are:*

System Issues:
Topics
- Account
- Access / login
- Assistance with IT
- *Digital literacy/technology issues (could be misunderstood by agents – use with caution)*
- IT Related
- myGovID / RAM
- System
- Website
- Website - access/login
- Website - myGov
- Website - workforceaustralia.gov.au
- Workforce Australia App
- Workforce Australia Online App
- Workforce Australia Online website
- Workforce Australia website
- workforceaustralia.gov.au

Subtopics:
- Account
- Assistance with IT
- Issues uploading evidence
- IT Related
- myGovID / RAM
- Quality of the Digital Platform
- Site Disruption
- Unable to report requirements
- Website - myGov
- Website error
- Workforce Australia Online website error
- Workforce Australia Online website
- Workforce Australia website
- workforceaustralia.gov.au

Payment Suspensions:
Topics
- Compliance
- Compliance (PR/NAR)
- Payment Suspension - Inadequate JSEs - JS unable to be contacted, appointment scheduled

- o Targeted Compliance Framework
- o TCF - Reasonable Excuse - Acceptable/Valid Reason
- o Unsatisfactory job search

Subtopics
- o *Capability Interview (following compliance, but agents may use at time of compliance call/case)*
- o Compliance - Acceptable Reason Assessment
- o Compliance - Valid Reason Assessment
- o Compliance Decision / Review Request
- o Disputes compliance decision
- o *Disputes demerit decision (may also be used for past demerits, use with caution)*
- o *Disputes work refusal failure (may also be used for past failures, use with caution)*
- o Mutual Obligation / Job Plan
- o Mutual Obligations / Job Plan
- o Re-engagement requirements
- o Suspension of Payments
- o Targeted Compliance Framework
- o TCF - Application of demerit
- o TCF - Appointment notification not received
- o TCF - Capability Assessment / Interview
- o TCF - Capability Interview
- o TCF - Disputing Demerit
- o TCF - Drug and Alcohol - Exemption not granted by DHS/Reasonable excuse
- o TCF - Job Search, Appointments
- o TCF - Payment Suspension Notification
- o TCF - Personal responsibility
- o TCF - Provider Re-engagement
- o TCF - Reasonable Excuse - Acceptable/Valid Reason
- o TCF - Re-engagement Requirements
- o TCF - Suspension of payments
- o TCF - Work refusal

How many complaints has the Department received about the IT system since 1st July 2022 to 30 September 2024?
- Using the identified Topics and Sub Topics, Of the **36,445** Cases reviewed:
  - · There was **96** cases flagged where Topics indicating **departmental IT issues** were present.

There is a difference in cases identified in these two request: *data on job seekers who contact us about issues with the system or loss of payment* and *how many complaints has the Department received about the IT system* due to:
- A different date range.
- For *data on job seekers who contact us about issues with the system or loss of payment* there is **4851 and 55,821** underlined potential records, this is an increase as we are looking at all case types with an increased set of Topics/Sub-Topics in scope.
  - o Due to the volume and a discovery question for Deloitte, there has been no manual review process carried out to confirm the accuracy.
- For one search we looked at complaints data only providing a significantly lower total, **96.**
  A breakdown of the Topics and Sub Topics to identify**:** *How many complaints has the Department received about the IT system since 1st July 2022 to 30 September 2024 are:*
  - o **System (Complaints):**
    - ▪ (blank)
    - ▪ System - SMS Notification
    - ▪ NULL
    - ▪ System - ESS Issues
    - ▪ System - myGov
    - ▪ System - AJS Issues
    - ▪ System - SMS Notification
    - ▪ PBAS education/explanation
    - ▪ System - SMS Notification failures
    - ▪ Requests for an exemption (medical exemptions or special circumstance exemptions)
    - ▪ CTA – Other.

s 22(1)   (she/her)
Assistant Director

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Workforce Australia for Individuals Division
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Phone s 22(1)
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past, present and emerging.

Australian Government

Department of Employment and Workplace Relations

Statement of Requirements

External Assurance and Opportunities Review to examine the current associated legislation, operational policy and IT processes supporting the Mutual Obligations Framework

Introduction

The Department of Employment and Workplace Relations (DEWR) requires the assistance of a highly qualified organisation to provide independent assurance to the Secretary of the Department of Employment and Workplace Relations regarding the operational functioning of the Targeted Compliance Framework (TCF) against policy and legislation.

The successful vendor will prepare options to address opportunities or anomalies that may be identified. These options may include governance oversight, quality assurance mechanisms, technology uplift or workflow processes to ensure the integrity of how mutual obligation requirements and the TCF are administered.

Background

In the 2017–18 Budget the Australian Government announced the introduction of the TCF commencing from 1 July 2018. The TCF is designed to ensure only those job seekers who are persistently and wilfully non–compliant incur financial penalties while providing protections for the most vulnerable. It is designed to encourage job seekers to engage with their employment services provider or those online to take personal responsibility for managing and meeting their Mutual Obligation Requirements and actively look for work.

The TCF is comprised of three zones: the Green Zone, the Warning Zone and the Penalty Zone. All job seekers will start in the Green Zone and so long as they meet all their Mutual Obligation Requirements, they will remain in this zone. Where a job seeker commits a Mutual Obligation Failure they will move to the Warning Zone. If they continue to be non–compliant, they will be in either the Warning Zone or the Penalty Zone.

TCF legislation and its operational policy is complex, as is the IT system that unpins the framework. The IT system operates between the Department of Employment and Workplace Relations (DEWR) and Services Australia (who pay job seekers income support). The Department of Social Services and National Indigenous Australians Agency use DEWR's IT for their participants including Mutual

Obligations application. Since implementation, a series of policy changes[1] affecting mutual obligations and compliance have been implemented, at times without the opportunity to holistically oversee, streamline and consolidate IT processes.

The IT system has provided a stable foundation to support the operationalisation of the TCF. However, it is now experiencing complications due to significant multiple policy changes over the last 7 years. While this met delivery needs at the time, the ability to flexibly adapt and implement changes to Government policy in a timely manner is now challenging.

To mitigate the risk of incorrect application of penalties and payment cancellations, the department proactively undertakes daily assurance activities. The department has iteratively examined over 350 IT business rules supporting the TCF against operational policy, which has led to the identification and remediation of several IT defects.

The department takes these system issues seriously and has procedures in place to assess, patch and release fixes as quickly as possible. Given some of the limitations of the supporting IT systems and complexity of policy and business rules, the department is now needing to implement frequent, often urgent, IT "fixes" and develop complex workarounds to administer the system.

This External Assurance and Opportunities Review will build on work undertaken to date, provide external independent assurance and identify and support appropriate next steps.

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[1] These include changes to the start day for participation payments, several changes to activity requirements, pause of requirements in response to COVID, gradual return of requirements, several changes to study rules, introduction of resolution time, ending suspensions when a person has a valid reason, introduction of a six–month activation requirement, establishment of an employer reporting line, mandating completion of career profiles, increased verification of job search quality, built but not implemented changes to the apply the TCF in the community development program, introduction of Workforce Australia and the Points Based Activation System, increase in resolution time, exiting those 'fully meeting' requirements from employment services, changes to who can fully meet requirements, and changes to the timing of penalties.

Project requirements

This project outputs will be delivered in two parts:

1. Provide a Statement of Assurance on the operations of the Mutual Obligations Framework, in particular the operationalisation of the Targeted Compliance Framework (TCF) through systems.

2. Deliver a Final Report that includes options for future improvements to the operations underpinning the Mutual Obligations and TCF.

Milestones and Deliverables

Milestone 1: Scoping and Planning

1. Undertake scoping and planning.

2. Develop and present a project plan.

3. Participate in Governance of the project, meeting attendance, provide updates as required—a Governance body will be established by DEWR and include external contributions from relevant external agencies, such as the Digital Transformation Agency.

4. IT rule and system assurance review including:

a. Undertake appropriate and in–depth reviews of the IT system against legislation and operational policy. This should include where the DEWR system interacts with the Services Australia IT system and processes, noting that the Services Australia IT system is out of scope of this project

b. Review all relevant TCF–related IT business rules, associated mutual obligation requirements and compellable activity requirement business rules, including identification of any gaps, deficiencies, dependencies or defects.

Milestone 2: Draft Assurance Statement

5. For delivery by end February 2025 a draft Assurance Statement, that includes:

a. Independent assessment of the effectiveness of the operational policy, business rules and IT support systems in delivering the TCF in line with relevant policy and social security law.

b. Identify any areas of higher risk requiring urgent action or remediation

c. Benchmark the status of the system in relation to other equally complex programs or processes which are implemented through and rely heavily on large IT systems.

d. Assessment of governance and assurance processes used against industry benchmarks and good practice.

Milestone 3: Final Assurance Statement, Draft Report

6. Deliver final Assurance Statement.

7. Draft report with proposed improvements and/or alternatives to strengthen operational policy and IT system processes to ensure adherence to the legislation. Include, opportunities (with assessment of risk, scale or severity) and options to improve the operation of the supporting IT system (including, if appropriate, technical solutions) to effectively administer the TCF, in both the short and longer term.

8. Identify opportunities for improvements to oversight, assurance processes and the service management approach where relevant.

9. Support our policy, program and IT teams to understand remediation of identified issues.

10. Detail known and unknown dependencies in the Targeted Compliance landscape.

11. Develop and provide a prioritisation schedule of these options.

12. Present preliminary findings.

Milestone 4: Final Report

13. Submit final report.

Proposed timetable

The proposed timeframe for initiatives in this project is detailed below:

Event	Proposed Date
Inception meeting in Canberra (other location or teleconference), to finalise project plan	Mid–Dec 2024
Commence fieldwork	Jan 2025
Complete fieldwork	Feb 2025
Deliver Draft Statement of Assurance on the operations of the Targeted Compliance Framework	late Feb 2025
Deliver final Assurance Statement	March 2025
Presentation of draft Report, including prioritisation schedule	April 2025
Deliver Final report of Opportunities	May 2025
Project completion	May 2025

Evaluation Criteria

Responses to this Statement of Requirements will be evaluated against the following criteria:

1. The Service Provider's demonstrated understanding of the s 22(1)   IT Services required, including the identification of any key challenges and the management of risk.

2. The Service Provider's demonstrated capability and capacity to provide the s 22(1) IT services described in the Detailed Statement of Work to a very high standard and within the specified timeframes.

3. The Service Provider's demonstrated experience in providing the similar services to the services described in the Detailed Statement of Work and working in complex payment and services systems in different sectors.

4. The relevant experience of nominated Key Personnel in providing the similar services to the services described in the Detailed Statement of Work.

5. The professional and other standards that your organisation would apply to the Services and the measures your organisation proposes to ensure that standards are maintained for the term of the Contract.

6. The extent to which the level and structure of fees proposed provides value for money for the Australian Government.