

APM

DISCUSSION PAPER

**Response to the New Disability
Employment Services from 2018**



About APM

As an Australian-owned global provider of employment, disability employment, injury management/vocational rehabilitation, allied health intervention, aged care, disability care and assessment services, APM (Advanced Personnel Management, www.apm.net.au) supports the intent of the Disability Employment Taskforce, to continue to improve employment services and outcomes for people with disability.

APM's purpose is enabling better lives and our vision is to improve the lives of 1 million people by 2020. Since our establishment in 1994, we have assisted more than 715,000 individuals and we currently deliver services to more than 60,000 people each year.

APM delivers services to public sector employers, private sector employers, participants and other clients from 400-plus locations across Australia, in New Zealand and the UK. Since March 2015, APM has been the largest provider of the Government's Disability Employment Services (DES). We currently deliver the:

- Disability Management Service (DMS) in 57 Employment Service Areas; and
- Employment Support Service (ESS) in 30 Employment Service Areas.

Introduction

APM welcomes this opportunity to provide feedback on the New Disability Employment Services from 2018 Discussion Paper regarding DES program reform.

APM endorses improved flexibility in disability employment services provision that increases clients' choice and control in accessing the right service for their needs, in turn improving the individual's opportunity to achieve a sustainable employment outcome.

Key issues feedback

Increasing participant choice and control in the services they need

APM supports increasing participants' choice and control regarding the employment service they receive, achieved through choice of provider and the additional opportunities to change providers if they do not feel their needs are being met.

Choice and control is also achieved through participant's input into their individualised Job Plan with goals and activities agreed between the participant and provider. The provider is able to provide their knowledge and expertise e.g. regarding the labour market, and through this partnership, improve the potential for a successful employment outcome.

Individualised funding

We believe that introducing an element of participant controlled individualised funding would not necessarily improve an individual's opportunity to achieve sustainable employment. Our experience in the Youth Mental Health Trial found that participants, even with provider support, struggled to decide on how to expend the funds and, in many instances made expenditure choices not aligned to improving their employability in their labour market.

Improving the gateway, eligibility and assessment processes

APM supports the intent of the current review of the assessment process, to improve the reliability and validity of the ESA, as assessment accuracy is key to delivery of appropriate services and supports to achieve sustainable employment.

Importantly, where information relevant to service eligibility is disclosed after a participant commences in an employment service the process for transfer between programs should be streamlined. This includes between levels within the DES program and between DES and jobactive to support continuity of service.

Building employer demand

We strongly support the trialling of employer initiatives to build employer demand and assist in the reduction of barriers for employers hiring people with disability e.g. via the Try Test and Learn funding (as a Grant/Innovation Fund) to support DES providers to instigate and implement innovative projects/pilots with employers, prior to the new DES in 2018.

Eligible school leavers

APM would strongly support expanding the criteria for eligible school leavers to participate in DES as it is critical that their employment path commences, with support, prior to exiting the education system.

Transition

APM would support a phased in approach of any reforms to market share, new methods of entry into DES provision and funding models. This approach would ensure performance is not compromised during transition and that participants are assured of consistency of quality service provision and security in their jobs.

Please find following APM's response to all DES 2018 Discussion Paper questions:

CHAPTER 3: IMPROVING PARTICIPANT CHOICE AND CONTROL

Discussion Point 1: More Choice for Participants

1. What, if any, restrictions should there be (for example, region or distance) on participants choosing to attend a provider?

Response: APM believes that there should not be restrictions on participants' ability to choose to attend a provider, that the opportunity to receive services from their preferred provider should not be limited by the location of that provider.

2. How often should participants be allowed to voluntarily transfer or switch providers?

Response: We would recommend that a job seeker should be allowed a maximum of two changes of provider in any 12 month period. We would also recommend that a job seeker only be allowed to return to the same provider once.

3. What should be the basis of referral by Centrelink for participants who do not choose a provider?

Response: APM would support automatic distribution and/or each provider referred to in turn, or to the highest performing provider.

Discussion Point 2: Provider/Participant Contacts

1. Should face-to-face requirements remain as part of the DES service delivery?

Response: APM does not support a mandated face-to-face requirement as service delivery should be flexible to meet each job seeker's individual need.

2. How often should participants and providers be required to meet, either face-to-face or by other means?

Response: A maximum period of a fortnight between contacts, by any means, would enable engagement with the job seeker to be maintained i.e. face-to-face appointments, emails, text and phone contacts as needed to support a job seeker to transition into sustainable employment.

Discussion Point 3: Job Plans

1. Should Job Plans have minimum requirements beyond what is necessary for mutual obligation requirements? Or should this be determined between each participant and their provider?

Response: Job Plans should include goals and activities required to provide an individualised/tailored service to assist each participant obtain sustainable employment (as agreed between each participant and their provider).

2. How can we ensure that participants are actively involved in the development of their Job Plans, or will the ability of participants to change providers if unsatisfied be sufficient?

Response: APM believes that a Job Plan is only relevant/effective if the goals and activities are agreed between the participant and their provider. We would support the continuation of current requirements for participants to be involved in and sign off on the Job Plan. APM does not believe that ability of participants to change providers if unsatisfied is sufficient to ensure participant 'buy-in' to job search/Job Plans.

3. How should providers be held accountable to ensure activities in the Job Plan are undertaken and supports are delivered? Will the ability of participants to change providers if unsatisfied be sufficient?

Response: APM would support a quarterly reporting requirement on Job Plan activities and supports delivered.

Discussion Point 4: Better Information for Participants

1. What information should be available to participants, providers and employers?

Response: We support the continuation of star ratings/performance information as provided on jobsearch.gov.au, as well as access to the provider's mission, industry specialisation and disability specialisation.

Additionally Centrelink should be able to give potential clients brochures from each service provider to assist with their choice of provider.

2. Should there be mechanisms to ensure no false or misleading claims are made against DES providers?

Response: Such a mechanism would be essential in supporting client choice of provider.

3. Should the Department facilitate access to information on accessible and user friendly platforms, or should this be purely market led (with providers offering such information on platforms of their own choosing)?

Response: As per 4.1 above, this minimum information should be accessible via the government website with user friendly platforms.

Discussion Point 5: Participant Controlled Funding

1. There is considerable literature and experience in participant controlled funding in personal care. Is there any evidence of the effectiveness of participant control of third party funding in employment services?

Response: APM's experience of the recent Department's Youth Mental Health Trial found that clients commonly focussed on expending all funds rather than targeting expenditure to improve opportunities to access available/realistic jobs.

2. In such a model, how much funding, if any, should be quarantined for job seekers to use through an account, how should this funding be made available to participants, and how could there be simple clarity as to what costs are to be met from participant controlled funds versus provider controlled funds?

Response: APM has extensive experience in the successful targeting of a proportion of DES fees for client expenditure that improves employment and education outcomes. Targeting this expenditure to align with the goals chosen by each individual in their Job Plan ensures expenditure improves their opportunity to achieve employment. The provider is able to support the client in an understanding of the employment needs of their local labour market and how funds can best be used to meet these needs.

3. What principles should guide the appropriate expenditure of any individualised funding?

Response: Expenditure must be agreed by both parties and linked to improving access to job opportunities in the local labour market.

4. What restrictions should apply to the use of the funds by participants?

Response: Expenditure must be agreed by both parties and linked to improving access to job opportunities in the local labour market.

5. How can participants who are unwilling or unable to use individualised funding be supported during the decision making process?

Response: Provision of a career assessment and the use of providers' own internal tools (as is the situation currently) supports the client in their decision making.

6. What restrictions should apply to the expenditure of the funds on services from a participant's provider or an associated organisation?

Response: It would be necessary to require provision of evidence/business case, based on how the expenditure would enhance the job seeker's employment prospects and that the job seeker has agreed to the expenditure.

CHAPTER 4: DRIVING GREATER COMPETITION AND CONTESTABILITY IN THE DELIVERY OF DES

Discussion Point 6: Entering the DES Market

1. How often should the Panel be open to entry by new providers?

Response: Annually, with the assumption that entry to the panel is at an ESA/Region level.

2. How often should the Panellists be reviewed and what criteria should they be reviewed against?

Response: Annual review based on performance and the proposed minimum criteria (capability, capacity and risk).

3. What should the basic criteria be for joining the Panel?

Response: APM supports the 6 minimum criteria proposed by the Department i.e.

- Meeting the National Standards for Disability Services
- Being financially viable
- Having robust governance arrangements
- Demonstrated ability to deliver disability, employment or related services
- Accepting the terms and conditions of the contract or deed; and
- Meeting and maintaining a minimum performance level

4. How much time do providers need before entering the market to set up their operations?

Response: Providers would require a minimum of 3 months to set up the required infrastructure to meet contract requirements from day one of contract.

5. In order to supply DES in a specific ESA what should the requirements be for:

a. A minimum caseload?

Response: 100, under the current funding level, unless the ESA is only open to two providers.

b. ESA COVERAGE?

Response: Providers should have the ability to provide full ESA coverage.

Discussion Point 7: A Single DES Contract

1. Would all providers have the capacity to deliver DES-DMS, DES-ESS and Ongoing Support under the proposed simplified contract arrangements?

Response: Yes, capacity to deliver all aspects of DES would be enhanced by the reduced administrative burden in regard to monitoring and reporting.

Discussion Point 8: Removing Market Share Restrictions

1. What mechanisms should be adopted to ensure universal coverage in an ESA while maintaining a competitive marketplace?

Response: Requirement that providers offer an agreed minimum number of locations across the ESA based on ratio of number of providers in an ESA/region to the number and location of job seekers in the ESA/region. Additionally an annual panel refresh as per Discussion Point 6.3 response would support a competitive marketplace.

2. How should provider diversity be maintained to ensure participants have adequate choice of provider?

Response: Adequate choice of provider would also be provided through a ratio of number of providers to number of available job seekers per ESA/region.

Discussion Point 9: ESAs

1. Should there be ESAs, if so, how many ESAs should there be? What specific circumstances should be recognised as market failure warranting intervention?

Response: APM would support aligning boundaries for DES with current jobactive Employment Regions.

2. Should the number of ESAs be reduced if market share is removed?

Response: Aligning with jobactive Employment Regions would reduce number of areas to 51 regions.

Discussion Point 10: Preventing Market Failure

1. What specific circumstances should be recognised as market failure warranting intervention?

Response: APM has no issues with the circumstances requiring intervention proposed by the Department.

2. If market share is continued in some areas, how should the level of market share be determined?

Response: Performance and number of sites/geography offered following time-in-contract and based on proportion of performing sites in region would assist in determination of market share.

3. What interventions should be used to address market failure and ensure service availability?

Response: Use of reallocation, based on the set of minimum panel criteria as per Discussion Point 6.3 response, would be an appropriate intervention.

CHAPTER 5: ALIGNING INCENTIVES TO SUPPORT BETTER OUTCOMES

Discussion Point 11: Ratio between service fees and outcome fees

1. What should the ratio between service fees and outcome fees be and why?

Response: We accept that outcome based fees is a necessary change. We understand the reasons for changes regarding removal of job placement fees to 4, 12, 26 and 52 outcomes. We believe that consideration should be given to the greater cost in securing these outcomes, and therefore we support a maximum reduction to service fees to 50% (50:50 split).

Discussion Point 12: 4-week and 52-week Outcome Payments

1. What should constitute an employment outcome under DES in a modern Australian economy?

Response: APM supports 4, 12, 26 and 52 week outcomes, where the client is working at their correctly assessed benchmark hours.

2. How should the DES funding model incorporate the growing number of short term jobs available in the economy?

Response: Any work, including casual and seasonal, at benchmark hours should accumulate toward an outcome.

3. Should the new model replace the job placement fee with a 4-week outcome payment, and how many 4-week outcome payments should be available for each job seeker?

Response: APM would support the introduction of the same 4-week outcome payment system as jobactive i.e. four x 4-week outcome payments in a 12 month period.

4. How should job seekers be supported in the period between the 26-week outcome and the 52-week outcome?

Response: Flexibility is required in delivery of PPS as each individual's circumstances and needs are different e.g. disability type, employment context and support need. A fee for service / instance would support tailored and effective PPS post 26 weeks in work.

5. What level of payment should be attached to the 52-week outcome while keeping total DES expenditure within the current funding envelope?

Response: 10-20% of total outcome fees.

Discussion Point 13: Service Fees

1. How should service fees work in the context of a funding model with risk-adjusted outcome fees?

Response: APM supports a funding Model that ensures fees are commensurate with effort required to support individual job seekers into and to maintain employment i.e. rewarding those supporting all job seekers, including those 'hardest' to place.

Discussion Point 14: Pro-rata service and outcome fees

1. How should pro-rata service and outcome fees be calculated?

Response: Time based i.e. paid as per time with provider.

2. How should pro-rata fees apply in the event that a provider ceases to be a member of the Panel?

Response: Time based but a minimum of 50% of original fees (to mitigate risk of no funds available if the previous provider has expended all fees).

Discussion Point 15: Determining eligibility and employment outcomes for ESLs

1. Who should be able to qualify under revised assessment criteria for ESL?

Response: APM believes that students who have a diagnosed disability as determined by the Department of Education should be able to qualify as eligible for ESL. Additionally we strongly believe there is efficacy in working with students whilst at school to improve their access to work opportunities. Having DES support assists in transition into work and provides a base on which to build their career.

2. How could the level of disadvantage and work capacity be assessed for secondary students?

Response: As per the School Leavers Employment Scheme (NDIA) criteria.

CHAPTER 6: IMPROVED GATEWAY AND ASSESSMENT PROCESS

Discussion Point 16: Improving the Gateway

1. How can gateway arrangements be improved to enable a better connection to employment services for people with disability?

Response: APM supports the tendering out of the assessment/gateway service.

Discussion Point 17: Assessments Review

1. What other aspects of ESATs/JCAs should be examined in the review?

Response: APM supports the intent of the current review of the assessment process, to improve the reliability and validity of the ESAT, as assessment accuracy is key to delivery of appropriate services and supports to achieve sustainable employment.

Additionally, where information, relevant to service eligibility, is disclosed after a participant commences in an employment service the process for transfer between programs should be streamlined. This is to ensure smooth transition and continuity of service.

2. Should there be:

- a. greater separation of ESATs and provider's own assessments, with ESATs focused on eligibility, work capacity and appropriate referral within DES and not extending to suggested interventions?

OR

- b. should ESATs be developed and extended to provide more and better information on which providers could base their assistance, with less need to perform their own assessments?

Response: APM supports option (a), as the development of tailored and appropriate interventions requires extensive interaction/assessment that can only be occur through getting to know the individual. This is beyond what can be obtained in a single assessment interview.

We would also recommend that phone assessments should be undertaken only as an absolute last resort where face to face or video conferencing is not possible.

3. How should the revised assessment process fit with other options for DES reforms outlined in this Discussion Paper?

Response: The assessment should be individualised i.e. for the individual circumstances of the client and their labour market.

CHAPTER 7: ASSISTING PARTICIPANTS IN THE WORKPLACE

Discussion Point 18: Ongoing Support

1. Should the fee-for-service funding model specify minimum contacts and hours of support?

Response: Contact and hours of support to be provided would depend on client specific needs, up to a capped amount.

2. What minimum servicing requirements should there be for each level of support?

Response: Evidenced engagement and contact activities.

3. How should payments be determined for each level of support?

Response: Payment fee per service provided, flat fee for outcomes (within the support level).

Discussion Point 19: Job-In-Jeopardy

1. How can we better define when someone's employment is considered to be at risk due to their disability?

Response: Assessment undertaken based on information provided by the worker and/or employer.

2. How can we increase employer awareness of JIJ?

Response: We would support an awareness campaign by DSS to ensure consistency of message about the role of the DES program.

3. Does the current fee structure reflect the services being provided and outcomes being achieved?

Response: The current fees, on an individual basis, are insufficient due to lack of volume.

4. What is a more appropriate name for Job-in-Jeopardy?

Response: Diversity Support.

5. If a JIJ participant chooses not to disclose their disability to an employer, how should providers assist them in the workforce?

Response: As is the case currently with post placement support, assistance would be provided as per the workers choice this includes off-site face-to-face or by phone.

6. Should the JIJ Service be integrated with Ongoing Support?

Response: Yes.

Discussion Point 20: Transition Issues

1. How can we ensure that DES providers continue to provide quality services to participants towards the end of the current contracts?

Response: APM would support stringent enforcement of contract requirements by DSS for all providers including those who do not remain in sector in the New DES 2018.

Conclusion

APM would be pleased to provide further information to the Disability Employment Taskforce about our views on the new National Disability Employment Services from 2018 in further formal engagement, including a face-to-face meeting.

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