**Summary of Discussion paper**

Discussion Points

1. **More choice for participants**
   1. What restrictions should be in place on choosing a provider, e.g. region, distance?

Our suggestion is that metropolitan clients be allowed to choose any provider within the metro area.

For regional clients providers should be located within 50km of travel.

Most clients at initial appointments will base their choice of provider on proximity to where they live for their own travel purposes, but they should be allowed the choice of transferring to another provider for better servicing or job opportunities.

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

Unlimited transfers is not practicable, so we suggest a maximum of two transfers in any 12 month period, unless there are extenuating circumstances – eg change in location from metro to regional.

Transfers should be limited as there can be compliance issues when clients look to change providers to avoid mutual obligation requirements.

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

If not a specialist provider then client should be offered options based on proximity for client.

1. **Provider / Participant contacts**
   1. Should face to face requirements remain as part of the DES service delivery?

We recommend that this requirement be dropped.

The face to face requirements are not efficient and add to regulatory compliance costs. Broken appointments waste a large amount of time, as does the rigidity of calendar system of face to face appointments.

By removing (or reducing) this requirement it provides more flexibility to providers, who will be able to spend more time liaising with employers and other organizations for the benefit of participants.

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

We recommend a minimum of two hours per month – but this does not need to be face to face, and there should be some adjustment possible for individual client needs – e.g. an initial meeting could be one hour, with subsequent meetings 15 minutes or less. A higher needs individual will have a higher time need than a lower needs individual.

Client meetings are an essential part of the process, enabling better communication and connection. They allow providers to spend more quality time with a client up front to get them ready for work and look at interventions then subsequent appointments are follow ups or catch ups.

The hours spent with a client does not include time spent marketing a client to employers as in the past where additional services were charged.

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

We recommend that the minimum be consistent with mutual obligations only, with additional activities determined between participant and provider.

* 1. 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?

We believe that the Department should still do quality checks on job plans and note that limitations on provider transfers include reference to job plan revisions.

* 1. 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.

We believe the job plans are an important tool, and that providers should be held accountable for ensuring activities are undertaken and remain relevant. Service fees should contain a component relevant to the successful progress against Job Plans. This can be self-regulating, with six monthly audits as verification.

When participants transfer to another provider, their job plan should be transferred with them, and the new provider can review with them, detailing the reasons for any change.

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

A government created platform that is more informative and allows for more information to be included by providers than the current one on AJS.

* 1. Should there be mechanisms to ensure no false or misleading claims are made against DES Providers?

Current system of CRRS and complaints to the department are investigated fully and are sufficient.

* 1. 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)?

Yes the department should facilitate access to information, and to ensure a more level playing field between providers, to maintain adequate levels of participant choice.

If no intervention or Department information source, then there is a risk that larger providers with more expensive marketing campaigns will dominate, receiving more referrals and making it less viable for smaller providers to operate in the market, and thereby limiting participant choice.

1. **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?
   2. In such a model, how much funding, if any, should be quarantined for job seekers to use through an account, how much should this funding be made available to participants, and how could there be a simple clarity as to what costs are to be met from participant controlled funds versus provider controlled funds?

We believe there is potential for support funds to be controlled by the participant, to be expended against personal development activities as defined in the Job Plan.

* 1. What principles should guide the appropriate expenditure of any individualized funding?

It should be related to an agreed Job Plan and be restricted to personal development activities such as training.

* 1. What restrictions should apply to the use of the funds by participants?
  2. How can participants who are unwilling or unable to use individualized funding be supported during the decision making progress?
  3. What restrictions should apply to the expenditure of the funds on services from a participant’s provider or an associated organisation.

1. **Entering the DES Market**
   1. How often should the panel be open to entry by new providers?

We believe that entry should be restricted to an annual intake via a controlled application process.

Our opinion is that open access to the panel would create confusion amongst participants and encourage multiple movements before job plan development and activities become effective.

* 1. How often should panelists be reviewed and what criteria should they be reviewed against?

We recommend regular performance monitoring and feedback. The current quarterly star rating system has characteristics not suited to a more open panel arrangement – i.e. 3 year rolling average, inability to reflect smaller site performance and that of new sites.

Client feedback and participant outcomes are important to include in the performance evaluation.

* 1. What should be the basic criteria for joining the panel?

Ability to provide meaningful support to participants.

* 1. How much time do providers need before entering into a market to set up their operations?

3 months

* 1. In order to supply DES in an specific ESA what should the requirements be for:
     1. A minimum caseload?

50 participants, dependent on service and outcome fees. There needs to be sufficient income to cover costs of staff, accommodation, IT, vehicles and associated expenses.

* + 1. ESA Coverage?

The provider should be required to cover the entire ESA – otherwise there is a risk that the more populous areas will have multiple providers and those less populated will have few or none.

1. **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?

Some providers currently may not have the capacity to provide ongoing support at present and would need to purchase additional vehicles and hire additional staff to manage this.

We believe there is merit in providers being able to provide either or both services as part of a single DES contract.

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

The provider should be required to cover the entire ESA – otherwise there is a risk that the more populous areas will have multiple providers and those less populated will have few or none.

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

The panel should comprise both larger national providers and smaller state or regionally based providers. As far as is practicable, every ESA should include at least two providers on the panel who have elected to cover that ESA (and are expected to provide coverage across the entire ESA).

1. **ESAs**
   1. Should there be ESA’s, if so how many ESA’s should there be?

We believe ESA’s create artificial market boundaries. They are less relevant in the metro areas, but some broader geographical coverage expectation (requirement) is a useful construct in regional areas, to ensure that providers who nominate service in larger country towns are also required to service surrounding regions.

The risk of not including such a requirement is that participants in outlying areas do not have adequate access to services. Note that the increased cost of providing services in regional areas is higher and should be adequately recognized and recompensed.

* 1. Should the number of ESA’s be reduced if market share is removed?

Yes

1. **Preventing Market Failure**
   1. What specific circumstances should be recognized as market failure warranting intervention?

An outcomes driven model needs to have some flexibility to reflect employment opportunities – i.e. in times of high unemployment, the task of finding employment is much more competitive and difficult.

The number of competing providers also impacts on provider economics and should be considered – especially in non-metro areas.

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

We believe in an open market with provider choice – but recognize that the potential for dominance by large national groups targeting the more profitable segments creates a risk for smaller, regionally specific providers. There should be some sort of cap on individual market share by larger groups.

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

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

We recommend that service fees be maintained at a level similar to current levels, with a higher level of activity accountability – i.e. Job Plan development and completion based payments.

A higher proportion of outcomes based fees is desirable, but the current JobActive model is proving unworkable, and demonstrates the difficulties of maintaining effective service provision during times of weak labour markets and high unemployment, when costs continue to rise, but revenue is constrained.

1. **4-week and 52 week outcome payments**
   1. What should constitute an employment outcome under DES in a modern Australian economy?

4 /13/26/52 week outcomes attracting outcome payments, with bonuses paid for high performance ratings, and differentiated on placement difficulty – giving regard to the support needs of the participant and regional characteristics.

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

Short term placements help prepare clients for stable employment and so should still be recognized, so a 4 week outcome is a good idea.

* 1. Should the new model replace the job placement fee with a 4 week outcome?

Some job placements can help a participant in his/her longer term employment potential, so a mix of both is desirable.

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

Ongoing support if required.

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

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

They should include a base fee component – i.e. a minimum for base servicing, plus success fees payable on completion of various activities such as preparation of a job Plan, completion of stages or components of that Job Plan.

This latter component should have sliding rates incorporating the same ratios as the risk adjusted outcome fees.

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

Pro-rata does make sense and moving to a post paid system is a more fiscally responsible use of taxpayer funds. Days with a provider as opposed to hours of service system is simpler to manage but then service fee payments should be monthly not 3 monthly as it currently is.

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

The provider should still be paid for the service provided. If a provider is removed from the panel for poor performance than this is punishment enough and will have financial implications for that business.

1. **Determining eligibility and Outcomes for ESL’s**
   1. Who should be able to qualify under revised assessment criteria for ESL?

ESL’s should be managed through NDIS under employment as there are better wrap around services available.

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

1. **Improving the gateway**
   1. How can gateway arrangements be improved to enable a better connection to employment services for people with disability?
2. **Assessments review**
   1. What other aspects of ESATs/JCA should be examined in the review?

Should there be:

* + 1. A greater separation of ESATs and providers own assessments, with ESAT’s focused on eligibility, work capacity and appropriate referral within DES and not extending to suggested interventions?

We agree with this.

* + 1. Should ESAT’s 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?

Yes, this would be helpful

* 1. How should the revised assessment process fit with other options for DES reforms outlined in the discussion paper?

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

Yes

* 1. What minimum service requirements should there be for each level of support?

We believe that only 1 level of support and that it be as required by the client’s circumstances. This appears to be an area being milked by ESS providers who would as a process put clients into high support after 26 weeks of PPS because of the higher service fees.

A second component for successful developmental completions (Job Plan activities) should have sliding rates incorporating the same ratios as the risk adjusted outcome fees.

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

1. **Job in jeopardy**
   1. How can we better define when someone’s employment is considered to be at risk due to their disability?
   2. How can we increase employer awareness of JIJ?

Better promotion by government.

* 1. Does the current fee structure reflect the services being provided and outcomes being achieved?
  2. What is a more appropriate name for JIJ?

Job in jeopardy is a name that discourages an employer or client making contact.

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

This should be part of the process of being included in the job in jeopardy or other name program.

* 1. Should the JIJ service be integrated with Ongoing Support?

This is a good idea as the service is more similar to ongoing support but does require more upfront intervention and if it was an as required ongoing support then this would work well for JIJ.

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

By running trials of the proposed model prior to the end of the current contract, and by not rolling out the new model until the trials have been evaluated., and by extending current contracts until the new model is properly tested.