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New Disability Employment Services from 2018 Discussion Paper

MAX Solutions response to the Department of Social Services

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Table of Contents

A.	About MAX Solutions	3
A.1	Disability Employment Services	4
A.2	National Disability Insurance Scheme (NDIS).....	5
B.	General Overview	6
C.	Response to Discussion Points.....	6
C.1	Chapter 3: Improving participant choice and control.....	6
C.2	Chapter 4: Driving greater competition and contestability in DES delivery	8
C.3	Chapter 5: Aligning incentives to support better outcomes.....	9
C.4	Chapter 6: Improved Gateway and Assessment Process.....	10
D.	Conclusions	10

A. About MAX Solutions

MAX Solutions is a national organisation that has delivered employment, health and training services to hundreds of thousands of Australians since 2002. In 2016, with a workforce close to 2,000 people, MAX has a presence in every state and territory with over 250 full-time, part-time and outreach sites.

With its head office in Brisbane, MAX currently supports 145,000 job seekers across the country under Australian Government programs including *jobactive*, Work for the Dole, Disability Employment Services, the Community Development Programme, Vocational Training and Employment Centres, and Indigenous School Based Traineeships and Apprenticeships.

Operating a Queensland-based National Registered Training Organisation (RTO) since 1998, MAX provides vocational, educational and professional training services, last year delivering 1,100 courses of accredited training to job seekers, MAX employees and corporate clients.



A.1 Disability Employment Services

MAX Employment is one of the larger providers of the Australian Government's **Disability Employment Service**. In 2016, MAX provided Disability Employment Services (DES) to over 21,500 participants across Australia, delivering a range of supports to assist job seekers achieve their employment goals in an inclusive society.

Across the 47 Employment Service Areas (ESA) where MAX delivers the DES programme, MAX health and employment specialists provided innovative, flexible, and person-centred assistance, supporting over 9,000 participants into sustainable and meaningful employment.

MAX Employment has a commitment to providing a tailored service that is culturally sensitive, inclusive and respects the dignity of all people. This is underpinned by MAX's overarching organisational vision: *To be the recognised leader in human services, giving every person every chance.*

Throughout 2016 a significant focus was placed on employer engagement, with MAX consultants offering employers practical advice on workplace adjustments, modifications and general disability support. Emphasis has been placed on establishing relationships with local employers and understanding the needs of business to achieve sustainable outcomes for DES participants.

In 2016 MAX Employment became the preferred DES provider for the NSW Government's *High Growth Jobs, Talented Candidates* initiative. The program was facilitated by the Australian Network on Disability (AND), and provided DES participants with the opportunity to commence employment after completing a tailored pre-employment training program.

Disability Guide for Employers

MAX's Disability Guide for Employers, published in late 2015, provides a practical guide on common types of disabilities, the potential impact it may have on a person's life and support required for employees with disability in the workplace. The guide is a valuable resource for employers, and can be downloaded at issuu.com/maxemployment.

MAXLink

The MAXLink newsletter is a quarterly publication for all MAX DES participants, providing information about available services, events specifically for MAX's DES caseload, guides on national standards and forums for participant feedback. The 19th edition of the MAXLink newsletter was published in December 2016, and is one of the many ways MAX connects with its participants, their families, carers and advocates.

A.2 National Disability Insurance Scheme (NDIS)

In 2015, MAX was approved by the NDIA as a **registered provider of NDIS**, including the delivery of therapeutic supports for participants, and support to access and maintain employment as part of the ACT pilot region.

As a provider of the **School Leaver Employment Support (SLES)** service under NDIS, MAX supports school leavers with a disability into employment by developing opportunities that build skills and experiences, and lead to meaningful employment and community participation. MAX currently delivers SLES at its sites throughout Tasmania and the ACT.

MAX believes everyone can work if placed in the right job with the right support. MAX works with NDIS participants to foster greater independence, through social and economic participation, using an evidence-based approach to service delivery.

To help participants find and keep the right job, MAX learns about their goals and aspirations, strengths, interests, skills and individual needs. MAX's NDIS consultants and registered health professionals work alongside participants and their families to conduct a needs assessment and develop a plan for employment.

MAX is also a provider of the **NDIS Work Experience Programme**, which aims to give Year 12 school leavers with disability the opportunity to gain on-the-job work experience prior to finding suitable paid employment.

MAX works with employers to adapt a work role to match its participant's needs with suitable duties that can assist businesses and organisations in a mutually beneficial way. MAX provides intensive on-the-job supervision to participants and assists employers during the 'settling in' phase to ensure a successful placement.

B. General Overview

MAX congratulates the Australian Government for its commitment to ensuring more people with disability secure meaningful and sustainable employment in the future, improving their social and economic participation.

As a large provider of Disability Employment Services (DES) in Australia, MAX has welcomed the consultation and opportunity to provide its views since the process to reform DES began early last year. MAX believes while there can always be improvement, there is no evidence the DES model is broken and any reform should build on the strengths of services currently being delivered. MAX looks forward to continuing to work with the government to improve DES and help shape the new funding model which will be rolled out in March 2018.

While changes to DES have the potential to improve employment outcomes for people with a disability, there are also significant external factors which make a difference to people's employment prospects. With the state of the economy being a major factor impacting on employment outcomes, ultimately employers must be willing to give people with disability a job.

MAX believes there needs to be a strong focus by government to helping employers recognise that equal participation by people with disability can be good for workplace culture and performance. Employers need better information, together with encouragement and support to embrace diversity in their workplace which includes people with disability.

Disability confident employers are critical to improving participation and outcomes and MAX believes there are a range of measures that government could invest in which would enhance the work of DES providers. One example is ambassador programs. MAX is a strong believer in the value of ambassador programs in helping employers gain confidence that people with disability can be successful employees. This belief comes from MAX's own experience over the past two years with a former DES participant, Chris Cruickshanks, who quickly became an advocate for disability employment services and was officially appointed MAX's first DES Ambassador in 2016.

Mr Cruickshanks message to employers is clear. "I don't want employers rejecting people because of their disability, or to say 'oh he can't work, he's in a wheelchair or 'she can't work, she's only got one arm'. I want them to give those people a chance."

C. Response to Discussion Points

C.1 Chapter 3: Improving participant choice and control

MAX is supportive of user choice principles being incorporated into the DES model, however recognising that participant choice will not necessarily achieve employment outcomes. We support the notion that increasing choice and control of people with disability should be focused on increasing opportunity and inclusion through employment.

MAX is strongly supportive of DES participants being given the ability to choose their provider, where they attend their provider, and the type of employment services delivered - as long as participant

choices are *reasonable*. A set of principles needs to be developed that clearly outlines what is reasonable as participant choices must not become barriers, whether unintentional or deliberate, to full participation in employment programs.

In addition, MAX believes DSS will need to develop a system of oversight to ensure participants exercise provider choice in a way that is consistent with its intentions of giving everyday control and choice. For example, if a participant chooses a provider located outside of their local Employment Service Area (ESA), this must not become an excuse not to attend face-to-face meetings, because the provider is too far away.

While MAX sees opportunities to increase flexibility in the way employment services are delivered, it believes face-to-face contact is important to ensure participants are actively engaged in seeking employment and their work plans are meeting their needs.

While MAX supports the principle that participants should be able to voluntarily transfer or switch providers, it believes the Discussion Paper's suggestion of up to three times in their first 12 months of participation and up to twice in the following year without restriction would create too much churn.

MAX recommends a system be introduced where a participant could elect to change providers no more than once every six months, unless exceptional circumstances exist or the relationship irretrievably breaks down. Given the nature and planning involved in supporting a person with disability gain meaningful and sustainable employment, it is difficult to achieve results in less time and allow for quality relationships to be built with participants.

MAX is concerned that if participants are given the ability to change providers more frequently, this could be used, unintentionally or deliberately, as a way of avoiding full participation in DES and impact the likelihood of an employment outcome.

In the event a participant is unwilling or unable to choose a provider, MAX believes provider performance, and to a lesser extent specialisation should be used by Centrelink to align a participant to a provider who will best meet their needs. This recommendation is based on the assumption that employment outcomes and a performance rating system continue to be used for provider assessment.

To ensure DES participants would be able to make an informed choice in the new model, MAX would like to see DSS give all providers the opportunity to market themselves. Marketing information could include who the provider is, their values and vision, where they are located, their specialisation and how they deliver their employment services. This information could be posted on a DSS hosted and managed website, and also made accessible to participants and their support teams via an app, as well as in a printed form.

MAX also suggests that all participants should be given at least 48 hours to make decision about a provider. In the event they do not contact Centrelink after 48 hours with their decision, they would be automatically assigned a provider.

C.2 Chapter 4: Driving greater competition and contestability in DES delivery

MAX welcomes the government's drive to generate greater competition and innovation in the delivery of DES through a more dynamic market place, which will help improve employment outcomes for people with disability.

One of the ways the Discussion Paper proposes to increase market flexibility is through the establishment of a new DES Provider Panel. While MAX supports the concept of a new Panel and the need for it to be more regularly refreshed than the current system, MAX believes DSS should undertake a partial refresh every 18 months to two years, rather than the 12 to 18 months proposed.

Organisations invest significant levels of up-front capital and human resources in establishing themselves as a DES provider. They need sufficient time to have the opportunity to perform and establish their performance and quality ratings.

MAX supports the need for provider performance to be reviewed regularly, and focused front and center on employment outcomes.

While MAX agrees with the proposed minimum criteria for prospective providers to apply to join the panel, in addition MAX would like to see a focus on innovation or provider differentiation included in the criteria. For example, prospective providers could demonstrate they understand the market they are seeking to service and are committed to getting people with disability a job by offering a suite of packages, services and products that participants could choose from, depending on their individual needs and aspirations. Providers should be given the opportunity to design their own service delivery models and products they believe will lead to employment outcomes without unnecessary prescription or regulation.

MAX believes that providers should have the capacity to specify a maximum number of participants they can service. However, a provider should not be able to refuse a Centrelink referral or a participant exercising their choice if it is within the provider's maximum caseload numbers.

Regarding ESA coverage, prospective providers should have the capacity to specify what geographical area they have the capability to service, whether it is parts or all of an ESA.

MAX recommends that ESAs should become aligned with the regional boundaries used in the delivery of other government services for simplification, to reduce red tape for providers that deliver other programs, and to help make it easier for participants to understand.

MAX is concerned about the real choice that will be offered to DES participants if there is no allocation of market share to providers. Real choice will only be available in service delivery options and products for participants when there is a viable sector that is being encouraged to innovate and invest in local labour market knowledge and networks.

For providers to operate in rural, regional and more remote areas with small participant numbers there are significant costs involved in staffing and servicing these areas and providers need some assurance that participants will be referred if they continue to invest in the local area. This is an important

consideration if the payment model moves to being more heavily weighted to outcomes over service fees.

Where there is or the potential for market failure, geographical coverage would need to be addressed by offering potential providers opportunities on a case-by-case basis. MAX also questions how a referral process will work fairly without market share if job seekers don't have enough information or are not motivated to make a choice. In MAX's experience, DES participants who through mutual obligation policy are required to look for work are often not seeking employment support by choice and will be reluctant to exercise choice or initially voluntarily engage.

C.3 Chapter 5: Aligning incentives to support better outcomes

MAX welcomes the government's proposed new risk-adjusted funding model that seeks to reward providers for placing a participant in work in proportion to the relative difficulty of placing that participant in a job. Reward for more complex case loads will result in better employment outcomes for DES participants.

One of the challenges MAX continues to grapple with is the role that a participant's motivation in seeking a job plays in obtaining an employment outcome for that participant. While MAX has no specific suggestions, it would welcome consideration of job seeker motivation as one of the factors that would be used to assess the probability of achieving an employment outcome in the proposed new funding model. Participants subject to mutual obligation may have disabilities that have less of an impact on their job prospects however they may be unwilling to look for work. This group is potentially more difficult to achieve an outcome for, than working with clients with significant disabilities who are motivated to look for work.

While MAX supports the need to introduce a funding model that deters DES providers from relying too heavily on service fees to remain viable, a significant component of funding will need to stay in service fees because DES participants require a high up-front investment to prepare and place them into employment.

MAX also welcomes the government's focus on what constitutes an employment outcome in the modern economy, where part-time, short-term and casual jobs are relatively more available than in the past. However, this needs to be balanced with the DES objective of helping people with disability secure meaningful and sustainable employment in the open labour market.

MAX believes 4, 12 and 26 week outcomes in the new DES funding model would recognise the growing number of short-term jobs available in the economy, and MAX supports the proposal to replace job placement fees with a 4-week outcome payment.

MAX supports the Discussion Paper's proposal to further improve the probability of a 26-week outcome turning into a 52-week outcome by redirecting some of the 26-week outcome funding to a new 52-week outcome payment. However, this should only be a small component, with participants supported during the period between 26 week and 52 weeks as outlined in their job plan, developed in response to their initial assessment and provided on a fee-for-service basis. Rather than specifying when support should be provided during 26 and 52 weeks, MAX recommends providers be given flexibility in how they apply

support during this period, with the 52-week outcome payment covering this period of service. Post 52 weeks, MAX recommends that if participants are assessed with genuine ongoing needs, then there should be the capacity for support to be provided on a fee-for-service basis, outside of the current funding envelope.

C.4 Chapter 6: Improved Gateway and Assessment Process

MAX welcomes the Discussion Paper's acknowledgement of the range of concerns about the current gateway and assessment process.

MAX believes efforts to get the gateway right will reap significant rewards for all stakeholders - participants, providers, employers and the government. Furthermore, improvement to the gateway process will be critical for the government's desired approach to placing a greater emphasis on funding outcomes rather than service fees upfront to be successful in improving in participation.

MAX also believes the assessment process needs to be much better, with the front-end assessment taking a more holistic approach of not only a person's disability, illness or injury but also their motivation to engage in economic participation. For example, just because a DES participant has worked recently, doesn't mean they will be easy to place in employment again. Effective assessment is the key to ensuring the proposed risk-adjusted funding model will work successfully.

It is MAX's view that the biggest improvement to DES performance will be achieved by the effective reform of gateway and assessment processes.

D. Conclusions

In summary, MAX believes it is imperative any reform to DES that drives contestability must carefully manage a competitive market, and balance it with market share and outcomes payments to ensure stability and viability of service provision is retained, particularly in regional/rural/remote areas.

MAX strongly advocates the need for a step-change evolution of DES, building on its core strengths in an evidenced informed manner, not a revolution based on what is happening in parallel sectors, where the drivers are different. There needs to be an iterative approach, testing ideas, learning from the experience, gathering data to inform the next step.