

# New Disability Employment Services

from 2018

**MISSION  
AUSTRALIA**

# Introduction

## Mission Australia (MA) welcomes the opportunity to respond to the New Disability Employment Service from 2018 – Discussion Paper (the paper).

MA is a community service organisation that has been helping people on their path to independence for over 150 years. Our services across Australia include disability employment, youth services, extensive family support and homelessness initiatives, the provision of affordable housing, early learning services and work to strengthen communities.

We have extensive experience as a provider of Disability Employment Services (DES) and in the provision of early intervention and inclusion services for people with disability, including as a provider of the Gateway Service in Tasmania. We provide extensive community-based mental health support for people with psychosocial disability, and a significant number of clients and consumers of our services (such as community housing) are people with disability, including psychosocial disability. As a result our service staff members have a good understanding of the complex and intersecting needs of clients and operate in a trauma-informed and recovery oriented practice mode.

MA is committed to the rights of people with disability, including the right to live an ordinary life. Realisation of these rights for people with disability fundamentally requires *choice and control* in the support they receive and their life course. This must include choice and control over the nature and evolution of their economic participation – the right to learn, change and progress the career choices expected in an ordinary life.

Work can provide economic freedom and is a source of social connection, self-esteem and dignity. For people with disability, employment is a normalising experience that promotes status and integration in the community and economic independence, factors that lessen dependency on the health and welfare systems.<sup>1</sup> For people with psychosocial disability, studies show that employment improves psychological health and wellbeing, improves quality of life, reduces psychiatric symptoms, improves general functions and reduces rates of relapse.<sup>2</sup>

Low participation rates of people with disability also matter for the nation – underutilisation has been identified as a core challenge facing the Australian economy in the next 20 years, given the well documented challenges of an ageing population, skills shortages and the high costs of social exclusion from non-participation.

While we are generally in favour of the direction of the reforms proposed including increased competition and choice, we do not support participant controlled funding or the introduction of a panel system at this time. Our responses to the discussion points are set out below.

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<sup>1</sup> Mueser K, Becker, D, Torrey, W et al. (1997) "Work and non-vocational domains of functioning in persons with severe mental illness: a longitudinal analysis, *Journal of Mental and Nervous Disease*, 185.

<sup>2</sup> Tsang, H, Lam, P, Ng, B, Leung, O (2000) "Predictors of employment outcome for people with psychiatric disabilities: a review of the literature since the mid '80s. *Journal of Rehabilitation* 66 (2).

# Improving Participant Choice and Control

MA supports improving choice and control for participants and providing information to enable good choices.

## Discussion Point 1: More Choice for Participants

1. Mission Australia strongly supports improved choice and control for participants in human services. However, this always needs to be balanced with the feasibility and effectiveness of service provision. There are merits to participants being within a reasonable distance of the provider, such as within one hour's travel time. This may still allow participants to attend a provider of choice in surrounding ESAs, but only where this is not an unreasonable distance from their home.

If restrictions on distance are completely removed it must be clear that this cannot subsequently be used as an excuse for participants to miss meetings with the provider or to not attend job interviews that are arranged for them.

2. Participants should be able to voluntarily transfer or switch providers twice in the first year and following years, but only after six months of continuous service provision with one provider. It takes a minimum of six months to build a relationship and get value from the service provision offered and allowing three voluntary transfers in the first year is likely to create excessive churn. Preventing excessive churn is likely to assist participants to make more progress towards their goals.

Any transfers in excess of suggested limits should be subject to approval by the Department of Human Services (DHS). A controlled exit process is also required that creates value for the Department, enables the provider to continuously improve their service offering and prevents job seekers from changing providers to avoid mutual obligations. This should include the completion of an evaluation form or exit survey when participants choose to exit from a particular provider.

3. Participants may need support to exercise their choice in some circumstances. If, with support, participants do not choose a provider, Centrelink should refer them to the best-performing provider in the region in order to reward five star sites and achieve the best outcomes for participants.

## Discussion Point 2: Provider/Participant Contacts

1. We believe face to face contacts should remain part of DES service delivery as this is essential to building the client/provider relationship that is necessary to achieving sustainable employment outcomes. In addition, other methods such as online video conferencing are very difficult for most participants to access.
2. Participants and providers should be required to meet twice per month, of which at least one meeting per month should be face-to-face. Above this minimum, contacts should be agreed between providers and participants. Regularity of meetings is important to maintain participants' motivation for employment and for them to stay on course with job plans.

### Discussion Point 3: Job Plans

1. Job plans should not have minimum requirements beyond what is necessary for mutual obligation requirements. Job plans are an opportunity to empower job seekers through engaged goal setting and require participant buy-in. The participant needs to be deeply involved in the development of the job plan and have a sense of agency. While ideally there should be more included than mutual obligation requirements, such as training and skills development or counselling, the particulars of what is included should be determined between each participant and their provider in order to tailor the job plan to the needs of each job seeker.
2. Audits can be used to check that job plans are tailored to the job seekers' needs and that steps have been taken to assist the participant into work beyond compliance requirements. Increased ability to transfer is also likely to boost satisfaction as participants can shop around for a job plan that best meets their needs. Exit surveys should also be used to ask participants to what extent they were involved in the development of their job plans.
3. An open market and the ability for participants to change providers should hold providers sufficiently accountable to ensure activities in the job plan are undertaken and supports provided.

### Discussion Point 4: Better Information for Participants

1. Star ratings should be made accessible to participants to assist them to choose providers. Specific ratings should also be disclosed in terms of provider performance with particular cohorts of participants including Aboriginal and Torres Strait Islander participants and by disability type. Operating models could also be made public as is done in Jobactive.
2. If an interactive review platform is established where participants can make comments about providers this would need to be well-moderated. There is the potential for this to open the way to derogatory and insulting comments about individual staff members that should not be tolerated. Providers should be able to respond to any comments before they are published and inappropriate comments should not be posted.
3. Providers should market their services through Centrelink and Centrelink should show job seekers their provider options through a commonly available platform.

### Discussion Point 5: Participant Controlled Funding

1. There is little evidence of the effectiveness of participant control of third party funding in employment services. On this basis, we suggest not pursuing this reform at this stage and instead pursuing the other reforms outlined in this submission as a priority. This will have the added benefit of staggering risk for providers.

If, despite our recommendation, participant controlled funding is introduced, the provider should have to approve the expenditure on the basis that it is a useful purchase for the participant and the Department of Social Services (DSS) should have the final say where a conflict arises. The administrative burden created by such a process adds weight to our recommendation not to pursue this reform at this time.

# Driving greater competition and contestability in the delivery of DES

Mission Australia supports a more effective and dynamic market place

## Discussion Point 6: Entering the DES market

1. The Panel system proposed is overly complex and creates too much uncertainty and risk, and we therefore do not support this reform at the current time. The current system already provides for poor performing providers (those awarded under three stars) to lose business, and other reforms set out in the discussion paper should be prioritised to open the market and provide greater choice. Once the initial reforms are undertaken opening the market further could be reconsidered.

## Discussion Point 7: A single DES Contract

1. We support the move to a single DES contract covering both DES-DMS and DES-DSS and would have the capacity to deliver both programs and Ongoing Support under the proposed simplified contract arrangements.

## Discussion Point 8: Removing market share restrictions

1. While there needs to be full coverage of an ESA, in small towns with only a small number of DES-eligible job seekers, the number of providers should be limited to ensure a level of financial viability that incentivise providers to operate in smaller areas.
2. Diversity can be maintained by encouraging subcontracting to local level organisations. Also limiting the number of providers within each market in a region will also limit the extent to which large providers will take over the business of small providers.

## Discussion Point 9: ESAs

1. We agree that the number of ESAs should be reduced from 110 to 51 to align DES with Jobactive regions. This will encourage providers to broaden their reach as well as increasing administrative efficiencies.
2. The number of ESAs can be reduced, but as noted above the number of providers should be limited in areas with very few job seekers.

## Discussion Point 10: Preventing market failure

1. As above, to ensure service viability, the number of providers should be restricted in specific locations within ESAs. This may mean only one provider in small towns where the population is not large enough for two. If significant numbers of participants are choosing to leave a particular provider the reasons for this should be investigated and if a provider is achieving low star ratings they will automatically lose business under current arrangements.

# Aligning incentives to support better outcomes

Mission Australia supports a model that places employment outcomes at the centre of DES and better aligns revenue with performance.

## Discussion Point 11: Ratio between service fees and outcome fees

1. We agree that more focus on outcomes payments is warranted. However, this needs to be implemented through a slow transition process to allow for a stable operating model. Providers need time to adjust to a more outcomes-focussed payment structure and to manage their current workforce through this change process. Extensive transformations cannot be achieved in such a short time frame.

## Discussion Point 12: 4-week and 52-week outcome payments

1. While we support long-term outcomes payments, a shift to 52 weeks will require increased funding for Ongoing Support to facilitate longer term employment.
2. While participants may change jobs, it is a history of continuous work experience that is useful and relevant rather than being tied to a particular employer. Longer and multiple breaks between employment placements and looking a cumulative history of work may be more relevant.
3. While there is merit in replacing the job placement fee with a 4-week outcome payment, the value of the outcome payment would need to be increased. Up to four 4-week outcomes payments should be available to each participant annually as each placement is likely to provide valuable experience, but it may take several attempts and a building of experience to place the job seeker in a sustainable job.
4. Ongoing support should be provided between the 26-week outcome and the 52-week outcome in accordance with the participants' needs, maintaining the flexibility of the current system to tailor the supports offered.
5. The funding envelope would need to be expanded and not redistributed to cater for 52-week outcomes as this requires more work than under current arrangements.

## Discussion Point 13: Service Fees

1. Risk-adjusted outcome fees rely on better assessments. We currently face problems with obtaining accurate classifications from Centrelink as they are conducted through a call centre rather than face to face assessment, even though face-to-face assessment would be more appropriate for DES jobseekers. Assessments also need to take into account a broader set of circumstances such as medical history, presentation, location, housing stability and homelessness. Our staff consistently report spending valuable time seeking reassessment rather than focussing on employment supports. Fees should only be risk-adjusted where there is confidence in the classification system and instruments.

#### **Discussion Point 14: Pro-rata service and outcome fees.**

1. If a provider has placed a participant into employment, they should be entitled to a payment on that basis. The participant should not be able to change providers while in a job placement, as this will add to complexity and confusion and will not enhance employment outcomes. Providers can sub-contract to other providers for post-placement support as appropriate.
2. Note that we do not support a Panel approach (as discussed above).

#### **Discussion Point 15: Pro-rata service and outcome fees.**

1. Eligible School Leavers should qualify under the same criteria as other participants. After-school jobs are an important foundation for future work for young people with a disability, as they are for all young people, and should be recognised in outcome payments.

In Mission Australia's *Youth Survey 2016*, respondents who indicated that they had a disability reported part-time work at lower rates than those who reported no disability, with around one quarter (25.8%) of young people reporting a disability working part-time and close to four in ten (39.3%) young people without a disability working part-time. Alongside this, young people with a disability reported plans to get a job after school in higher rates than those reporting no disability (42.8% compared with 32.7%).

Further many students disengage prior to year 12, so earlier assessment would be useful. In such cases, providers can help young people to find an apprenticeship, or access other vocational education options as well as accessing employment.

# Improved Gateway and Assessment Process

Improving the Gateway and assessment process should be a priority.

## Discussion Point 16: Improving the Gateway.

1. As mentioned earlier, it is important that assessments are conducted face-to-face. It is also crucial that participants have adequate and timely access to appointments. There also needs to be a broader spectrum of questions to ascertain daily living skills and barriers through a conversational approach. According to feedback from staff on the ground, the previous assessment method using specialist assessors produced more accurate results. If the assessment is not accurate people may be under-employed or placed in a job that is beyond their capacity. If the initial assessment is improved less time will need to be spent on re-assessments.

## Discussion Point 17: Assessments Review

1. The literature review and reliability testing that will be undertaken by the Department are welcome, but we continue to have concerns that the new model will commence with the existing classification approach. Assessments must be more holistic and strengths-focused.

# Assisting participants in the workplace

Ongoing Support is vital and should be improved.

## Discussion Point 18: Ongoing Support

1. Ongoing Support should be funded in accordance with the assessment and should not specify contacts or minimum hours of support.
2. The current Ongoing Support model is sufficient and can be reduced to supplement a 52 week outcome.
3. The payment system should remain unchanged.

## Discussion Point 19: Job-In-Jeopardy

1. Job-in-Jeopardy funding should be rolled into Ongoing Support. Expanding Ongoing Support removes the need to refine or re-name Job-in-Jeopardy and is a more efficient use of resources.



# Building Employer Demand

Support to employers is important as is addressing misconceptions about employment of people with a disability.

We look forward to the new DES communication strategy and other employer initiatives.

# Transitioning to a new model

A smooth transition is important for participants, providers and employers.

## Discussion Point 20: Transition Issues

1. At the end of current contracts clients should be transitioned to remaining providers. It is also suggested that the Department moves from a three-month to a six-month transition period to ensure participants and providers have adequate time to adjust. The efficiency of exits should also be taken into account in assessment for other contracts so providers have an incentive not to walk away from service provision if not renewed, or other penalties for such behaviour could be introduced.