



Employment Plus

New Disability Employment Services from 2018
Response to Discussion Paper, December 2016



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1. The Salvation Army Employment Plus

About EPlus

The Salvation Army Employment Plus ('EPlus') is one of Australia's most trusted and experienced *jobactive* and Transition to Work providers. Each year we provide employment, education and support services to more than 43,000 job seekers and employers.

EPlus presently supports more than 13,000 job seekers with a disability to achieve sustainable employment through our *jobactive* service. Our approach is increasingly person-centred and informed by our research into best practice in both the recruitment and disability service sectors. We worked with more than 20,000 employers in 2016, supporting them with workforce development and recruitment.

EPlus does not currently deliver Disability Employment Services (DES) on behalf of the Australian Government; however we did deliver DES services between 2010 and 2014.

Our absence from the DES space has provided an opportunity to reflect on what we have learned, how the service to employers and job seekers can be improved and to design and test more effective strategies within the *jobactive* context. We remain actively engaged with other parts of the Disability Employment and broader disability sector through:

- Our membership of industry bodies including Disability Employment Australia, NESA and Jobs Australia;
- The provision of internal psychological and mental health support services to both job seekers and employer through our dedicated Allied Health team; and of course
- Our connection with other specialist disability and mental health support services within The Salvation Army and broader community, including partners Headspace and APM.

The aim of this response

EPlus is pleased to provide this response to the *New Disability Employment Services from 2018* Discussion Paper.

We have also provided feedback via the consultation processes run by NESA, Jobs Australia and Disability Employment Australia in recent weeks. We commend these responses to the Australian Government and will continue to participate in policy discussion on the strategic direction of DES services through these forums.

In addition, we are pleased to provide our own organisational response to some of the key Discussion Points in this paper.

As a long standing provider of outcome-based employment services to people with a disability, we believe EPlus can offer particular insight in relation to a number of the proposed reforms:

- Employer engagement and driving employer demand for employees with a disability;
- Job Plans, Provider / Participant contact regime and other design features particular to a person-centred service model;
- Outcome payments and funding structure;
- Ongoing support requirements to ensure progression to longer term outcomes.

2. Response to Discussion Points

Introduction

In this section, we provide feedback on some of the key questions posed in the *Discussion Paper*. We confirm our general support for the responses provided by NESAs, Jobs Australia and Disability Employment Australia and refer the Australian Government to these submissions.

Responses

Discussion Point 1: More Choice for Participants

Key questions

1. What if any restrictions should there be (eg. region or distance) on participants choosing to attend a provider?
2. How often should participants be allowed to voluntarily transfer or switch providers?
3. What should be the basis of referral by Centrelink for participants who do not choose a provider?

EPlus response

EPlus is supportive of the concept of greater participant choice. We believe that the proposed structure and frequency for voluntary transfer is appropriate and should improve choice and quality of service.

We believe it is appropriate to impose some restrictions upon voluntary transfer where a participant has been successfully placed and is progressing towards an outcome, to prevent abuse of the funding model by providers who may be tempted to 'poach' a participant in order to secure additional outcome payments. In this circumstance it may be appropriate to require the participant to justify their reason for wishing to transfer.

If the future contract does not include market share, EPlus recommends initial selection of a provider should be determined as follows:

- a) Firstly, based on participant preference (or that of a family member, carer or nominee);
- b) Secondly, where no preference is expressed based on access to the nearest provider services and participant's capacity to meet appointment commitments (with reference to proximity to home and support networks and public transport options);

- c) Alternatively, it may be appropriate to refer the participant to a local specialist provider (if one exists) with specialty in a particular client group, disability or condition.

We believe that reference also should be made to the location and preferences of family or support networks which in some cases may assist participants to access appointments. This would enable servicing by an alternative preferred provider outside their immediate residential area if this was more likely to assist the participant's opportunity to achieve the best employment or employment pathway outcomes.

Discussion Point 2: Provider / Participant Contacts

Key questions

1. Should face to face requirements remain as part of the DES service delivery?
2. How often should participants and providers be required to meet, either face to face or by other means?

EPlus response

EPlus recommends a minimum monthly contact between a participant and their provider, which could be either in-person or using an alternative mode of contact established with participants at the time of setting their Job Plan.

We believe that it is important for Initial appointments to continue to occur in-person to support the development of a relationship between the participant and their provider and to ensure clear communication in relation to an assessment of capacity, preferences and development of a Job Plan.

EPlus recognises that the introduction of digital servicing strategies may have a positive impact on access, quality and timeliness of services. This will be particularly important if the Government proposes to reduce the number and increase the size of ESAs. We recommend that the structure of subsequent appointments should be negotiated with the individual participant based upon their preference and access needs, and should be articulated in their Job Plan.

Discussion Point 3: Job Plans

Key questions

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?
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?
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?

EPlus response

EPlus supports the proposed recommendations with regards to flexibility and participant input into Job Plans. Our experience is that Job Plans are most effective where they are:

- a) Negotiated with reference to the individual's present readiness, capacity, needs and aspirations;
- b) Informed by detailed knowledge of local labour markets and job opportunities;
- c) Linked with relevant and accessible support services;
- d) Regularly reviewed and monitored with input from the participants; and
- e) Honest and achievable.

We believe that making it easier for participants to move between providers should increase satisfaction levels and engagement of participants into the Job Plan process. Providers should be encouraged to produce and review Job Plans in a format which is relevant and accessible for the participant, within broad guidelines.

EPlus recommends that family members and/or nominated carers be supported to attend Initial appointments with a provider where an assessment indicates a participant may have reduced capacity to negotiate an effective Job Plan. This will provide both support and insight to ensure Job Plan targets are relevant and achievable.

We believe that participants' increased ability to change providers, coupled with a funding model which rewards providers for achieving employment and education outcomes will be sufficient to incentivise providers to managing progress against the Job Plan.

With reference to the proposed participant-controlled funding model, EPlus recommends that the Job Plan clearly identifies how and when both provider and participant funds will be spent to support the achievement of negotiated employment outcomes.

Discussion Point 4: Better Information for Participants

Key questions

1. What information should be available to participants, providers and employers?
2. Should there be mechanisms to ensure no false or misleading claims are made against DES providers?
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?)

EPlus response

EPlus supports the provision of better information for participants and believes that clear and accurate information will be needed to facilitate greater participant control of funding. We support the proposal for a mechanism to prevent false or misleading claims against providers.

We believe the list of proposed accessible information on page 26 of the *Discussion Paper* is appropriate, with the exception of "any comments or ratings of their experience that current and previous users of a service may have made."

EPlus believe it is appropriate for information to be provided to participants and employers on historical provider performance and participant satisfaction. A consolidated overview of participant satisfaction ratings could be published; however EPlus does not support the publishing of direct quote text from individuals without vetting, which would prove time consuming for providers and/or the Department.

Taken out of context these may create a misleading impression (either favourable or unfavourable to the provider). Expressing satisfaction using a numerical rating scale may provide a better and more objective means of informing prospective clients about a provider.

EPlus also believes that providers should be required to circulate useful information via their own platforms about the services they offer.

Discussion Point 5: Participant Controlled Funding

Key questions

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 should this funding be made available to participants and how could there be simply clarity as to what costs are to be met from participant controlled funds versus provider controlled funds?
3. What principles should guide the appropriate expenditure of any individualised funding?
4. What restrictions should apply to the use of the funds by participants?
5. How can participants who are unwilling or unable to use individualised funding be supported during the decision making process?
6. What restrictions should apply to the expenditure of the funds on services from a participant's provider or associated organisation?

EPlus response

We support the concept of participant control over a portion of available DES funding, to improve the personalisation and relevance of services if it is carefully considered as a small component of the overall funding available. Any proposed measured need to minimise any reduction in the flexible use of service fees by providers to implement tailored strategies for both participants and employers.

Given the desire to achieve greater outcomes and better meet employer workforce demands, providers will need access to funds to facilitate innovation and targeted levels of servicing.

EPlus is concerned that administration of participant purchasing by providers has the potential to be challenging, particularly where providers are required to maintain records for multiple accounts.

EPlus recommends the publication of clear and easy-to-follow guidelines which outline:

- Which goods or services may be purchased using participant accounts;
- When these purchases may occur (with reference to Job Plan);
- Who may initiate the purchase; and

- How communication and records are to be maintained by the participant and provider.

It is important that purchasing principles are explained to participants at (or before) their Initial appointment and prior to negotiation of a Job Plan. We are concerned that unclear guidelines may give rise to tension or disputes between participants and their providers, which will inhibit the achievement of employment outcomes.

EPlus notes the potential for third parties to promote services directly to participants without reference to either the overarching goals of the DES service (including mutual obligation) or the objectives identified in the individual's Job Plan. For example, if training were a permissible purchase using quarantined funds, it will induce training providers to promote courses to participants without corresponding industry demand.

We recommend purchasing guidelines outline the nature of services to be purchased using participant-controlled funding, but provide discretion for expenditure on participants by providers. Our experience in *Transition to Work* suggests that limiting regulation on client purchasing opens more opportunities for responsive, personalised service delivery which in turn produces better outcomes.

EPlus would like to see greater evidence that participant controlled funding is a successful element to achieving sustainable outcomes and the nature of the expense items that lead to this success.

In determining the guidelines for purchase of goods and services, reference to the Job Plan objectives should be essential in all cases. EPlus recognises that many generalist and specialist providers will have the capacity to provide some of these services themselves using multi-disciplined teams which include clinicians. This type of wraparound service may offer value for participants with access or social barriers to employment. We recommend that provider services be eligible for purchase, subject to the existing controls applied in other contracts such as *jobactive*.

The Australian Government may wish to consider releasing a proportion of quarantined funds controlled by the participant between 13-26 weeks of employment for the purpose of ongoing training, access and career development. This would create further incentives to participate in post-placement support and remain in employment up to and beyond 6 months.

Discussion Point 6: Entering the DES Market

Key questions

1. How often should the Panel be open to entry by new providers?
2. How often should panellists be reviewed and what criteria should they be reviewed against?
3. What should the basic criteria be for joining the Panel?
4. How much time do providers need before entering into a market to set up their operations?
5. In order to supply DES in a specific ESA what should the requirements be for (a) a minimum caseload; and (b) ESA coverage?

EPlus response

EPlus supports the proposed open provider panel model. We recommend panellists be reviewed and the panel re-opened at 18 month (or greater) intervals to allow for new provider entry into the area where there

are low performing providers. New entrants into an area need adequate time to demonstrate performance given the current performance framework. We further recommend that the Government cap the number of providers within in each geographic area to provide participant choice, but so as not to flood the market with too many providers competing for employer and participant business.

If the DES service structure does not involve market share allocations, then we believe entry to the panel should follow a similar process to registration for NDIS providers, rather than a competitive tendering process. Entry should not be dependent on a bid for minimum caseload as an open market structure will already create an incentive for suppliers to increase their market share.

Providers should be selected on the strength of their capacity to deliver an effective disability employment service in accordance with relevant quality standards and based upon a demonstrated understanding of the needs of participants and the local labour market. Generalist providers may also be evaluated on their capacity to deliver coverage across the ESA, although smaller specialist providers may form an important element to the mix of providers in an area without needing to cover the whole geographic area.

EPlus believes the removal of market share and shift to a competitive panel structure should encourage innovation but it will also increase the risk of business failure for individual providers, particularly in vulnerable market regions which would disrupt participants achieving employment outcomes. It would also reduce the capacity for forward financial planning. These factors need to be acknowledged in constructing a funding model which rewards the provision of effective services to all participants.

EPlus recommends that in the absence of market share, the Government should guarantee a 'level of flow' for the first six months of the contract, with initial providers receiving a confirmed caseload allocation at the start of the contract in order to establish the service and maintain a cash flow. After six months, providers may be reasonably expected to generate their own referrals. Should the number of commencements fall below a contracted level per quarter, it may be appropriate to review that providers' ongoing position on the panel.

Discussion Point 7: A Single DES Contract

Key questions

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

EPlus response

EPlus supports the integration of DMS and ESS services to reduce the administrative burden and complexity of service structure on Providers.

We believe it is reasonable to expect that providers are able to deliver both services, or alternatively to procure one or the other service from their supply chain or partnership arrangements.

Provider Panels should create incentives for providers within a region to connect services where there is the possibility of complementary service delivery which improves access or quality of service to participants. Criteria for entry to panels may encourage providers to consider consortia or partnership arrangements as a

means of delivering a more tailored and effective service to participants with both permanent and temporary disabilities.

Discussion Point 8: Removing Market Share Restrictions

Key questions

1. What mechanisms should be adopted to ensure universal coverage in an ESA while maintaining a competitive marketplace?
2. How should provider diversity be maintained to ensure participants have adequate choice of provider?

EPlus response

EPlus is broadly supportive of the removal of market share restrictions with some limitations and mechanisms to limit provider and market failure in difficult labour markets. Greater participant choice will encourage higher levels of customer service. A facility for participants to select their preferred provider is a positive step and will to some extent drive market share.

Observations on the superannuation “super choice” scheme saw considerable funds being spent by fund providers on marketing in order to attract members, which came at a high administration cost. The results showed the vast majority of members did not elect to change from their current provider however a significant proportion of member’s funds were diverted away from investment.

Consideration needs to be made of the cost to providers to operate in an open market (without guaranteed market share) and the inter-dependency that occurs with the structure of service and outcome fees, number of providers within an area and the level of innovation in service models able to be funded by providers.

We do propose that new entrants into an area are provided with a minimum caseload allocation for the first 6 months of operation to ensure there is adequate start up caseload and associated funding to commence operation. This will provide incentive for providers to enter into a new market where there are established, providers present.

EPlus would like to see further detail on how referral from Centrelink would be equitably managed in the absence of ongoing guaranteed market share for providers.

Provider diversity and an appropriate selection of services could be supported by including representatives from the sector (people with a disability) in the selection process for providers in each ESA.

The panel structure could be based on the number of participants; the geographical spread and thus determine the optimum number of providers required.

Discussion Point 9: ESAs

Key questions

1. Should there be ESAs, if so, how many ESAs should there be?
2. Should the number of ESAs be reduced if market share is removed?

EPlus response

EPlus supports in principle the alignment of DES and *jobactive* boundaries to encourage greater industry cooperation and reduce the administrative inefficiencies which presently exist.

We do not believe that entry onto a provider panel should be dependent on full coverage of an ESA, noting:

- Fewer, larger ESAs may discourage participation by smaller, regional providers which presently offer a specialised service for clients with a particular disability. Provision should be made for these providers to access the market without requiring coverage across an ESA.
- A number of *jobactive* ESAs currently encompass a vast geographical area with dispersed populations. Despite remote or regional weighting of outcomes, the cost to deliver a consistent service to employers and job seekers across these regions (which often correspond with regions experiencing labour market downturn) is considerable. If larger regional ESAs are being considered, the balance of service to outcome fees in these regions should reflect the limited employment opportunities, lack of scale, transport challenges and the servicing costs in these areas.

EPlus broadly supports the introduction of a risk-adjusted outcome funding model, subject to further information being made available in relation to how these assessments will occur compared with the current DES model. We further recommend a funding model which is risk-adjusted relative to local labour market conditions (pp.39-40) and the challenges related to geographic coverage of large or remote ESAs.

This would be a significant improvement on the present funding structure and produce a positive effect upon services to participants who require higher levels of support in order to achieve a sustainable employment outcome.

We support the ability of participants to source DES services from an ESA outside of their residential area, and recognise that (particularly in metropolitan regions, where public transport is available) the boundary between ESAs has the potential to create an artificial barrier inhibiting customer choice and control.

We recommend that the Government establish a ceiling on the number of providers in each region, which should be determined relative to the size and potential caseload of the ESA, with fewer providers allocated to large, geographically dispersed regions.

Discussion Point 10: Preventing Market Failure

Key questions

1. What specific circumstances should be recognised as market failure warranting intervention?
2. If market share is continued in some areas, how should the level of market share be determined?
3. What interventions should be used to address market failure and ensure service availability?

EPlus response

We believe that the circumstances identified by the Government are appropriate triggers for positive intervention in a region.

We believe that re-introduction of full market share arrangements is less likely to attract new providers mid-contract if a region is at risk of market failure, however inviting members of the regional Panel (or Panels of nearby regions) to expand their services may be effective.

We believe that introduction of market share for a temporary period in order to strengthen the viability of providers in a region would be more effective. EPlus notes that a six month allocation of caseload / market share at the commencement of the contract period would go a long way towards insuring against future market failure by equipping all providers with the certainty to plan and invest in relevant services across each ESA.

EPlus disagrees with the proposal that an existing provider should be required to expand their coverage within an ESA. In a market driven funding model, providers are incentivised to do this already. Compelling providers is likely to drive further reductions in both performance and viability.

We note that there may be capacity for existing *jobactive* providers or providers of NDIS services to form part of a market intervention and believe that appropriately qualified organisations could be invited to apply to the Provider Panel if a risk of market failure emerges.

Discussion Point 11: Ratio between service fees and outcome fees

Key questions

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

EPlus response

EPlus strongly endorses the Government's focus on employer engagement and the creation of additional conditions and incentives which drive industry demand for employees with a disability.

As a *jobactive* provider we understand the significant impact of employment outcomes in driving provider performance and ensuring a service focused on achieving long term, sustainable employment and thus recognise the rationale for the proposed shift in funding emphasis from service to outcome fees.

EPlus further notes that DES participants vary widely in their capacity and readiness for placement, and may require higher levels of initial assessment, preparation and support to re-enter work or study than many job seekers in the *jobactive* service. This preparation often needs to occur through sustained case management over a period of time. We believe it is appropriate that the DES funding structure reflect the higher level of investment required in the participant prior to placement with a greater weighting on service fees than *jobactive*.

EPlus believes the precise funding split (potentially from 70:30 to 50:50) between service and outcome fees is less important than the relative funding attached to each outcome milestone. This is particularly important given the proposal to introduce both a 4 and 52 week outcome to the DES service.

The experience of *jobactive* providers in the first year of contract implementation has been that deferring the bulk of outcome payments to later milestones – 26 weeks - places considerable pressure on business sustainability, particularly in regions which subsequently experience a labour market downturn. While

performance models are adjusted to reflect these regional variances, the funding model remains largely immutable. This has the potential to impact the quality of service to higher need job seekers who require more preparation and support before placement into employment.

EPlus recommends caution before 'back-ending' the bulk of provider funding to the 26 or 52 week outcome mark. While these milestones are legitimate indicators of performance and remain relevant to Star Rating measures, the net effect may be to reduce provider viability, discourage innovation, limit investment in harder to place job seekers and prevent new provider entry into more challenging employment markets.

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

Key questions

1. What should constitute an employment outcome under DES in a modern Australian economy?
2. How should the DES funding model incorporate the growing number of short term jobs available in the economy?
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?
4. How should job seekers be supported in the period between the 26 week outcome and the 52 week outcome?
5. What level of payment should be attached to the 52 week outcome while keeping total DES expenditure within the current funding envelope?

EPlus response

We endorse the Government's recognition of the changing nature of the Australian economy and rise in short term and casual employment. We believe that these jobs can offer important and accessible pathways into sustainable employment for many participants.

We understand that for many participants the achievement of a 4 week employment outcome represents a significant step and we support the broadening of the funding model to include 4 week outcomes. We believe a four week outcome to be a more authentic and reliable measure of participant progress than a placement fee.

Given the established connection between a 26 week outcome and sustained employment, we question the relevance of a 52 week outcome payment, particularly where these funds would be drawn from funds otherwise payable to Providers at the 26 week outcome milestone.

We believe that as a measure of Provider performance it remains appropriate to consider 52 as well as 26 week outcomes.

Discussion Point 13: Service Fees

Key questions

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

EPlus response

EPlus recognises the need to re-align the balance between service and outcome fees in the DES model to place more emphasis on the generation of sustainable employment outcomes.

We believe that in the absence of caseload or market share, it is appropriate for the funding structure for people with a disability to retain a higher proportion of funding in service fees than for employment services.

EPlus further recommends that service fees are risk-adjusted in proportion with outcome fees. While recognising this creates some potential to diminish the incentive to achieve outcomes for harder to place participants, we believe this is essential to offset the additional investment providers need to make in terms of time, resources and purchasing for clients who require sustained support prior to entering the workforce.

We believe this is important to ensuring servicing strategies are tailored to the individual needs of these participants and provide appropriate levels of support for participants with the capacity to work but with multiple barriers to employment. If service fees are not also risk-adjusted we believe there is a risk that providers will default to generic servicing strategies which are less effective, with a resultant downward push on outcomes for more disadvantaged participants.

We note that such an approach would align with the present Government's Investment Approach to Welfare Reform. By investing appropriate amounts in job seeker preparation at an early service point, there is the potential for measurable gains to reduce welfare costs, particularly when coupled with an improved assessment and outcome funding model that puts the focus on long term sustainable work.

Discussion Point 14: Pro-rata service and outcome fees

Key questions

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

EPlus response

EPlus acknowledges the importance of pro-rated service and outcome fees in a model where participants have greater freedom of movement between providers.

We recommend that service fees are pro-rated based upon the period of time serviced. In the event that a participant transfers to another provider, it is appropriate that the original provider be asked to refund the balance of the quarterly service fee so this amount can be redistributed to the participant's new provider.

We recommend the 100% of outcome fees are payable to the original provider, where a participant has been successfully placed and is tracking towards an outcome. This recognises the significant investment that the original provider has made in preparing the job seeker, and will encourage providers to continue to maintain levels of service prior to a planned exit from a panel or transfer of a participant to another provider. It will be essential to discourage providers from attempting to attract participants to transfer to their service post-placement.

Should a provider cease to be a member of the Panel due to poor performance or voluntary exit from the Panel, we believe it is appropriate that any pending service fees would default in full to the participants' new provider without pro-rating.

EPlus notes however the potential for service disruption where an original provider has committed to a purchase on behalf of a client, and the participant subsequently transfers (for example, where payment is being made in instalments prior to and after transfer). EPlus therefore recommends that any pending service fees travel with the participant, less any pre-existing purchase commitments made by the original provider.

Discussion Point 15: Determining Eligibility and Employment Outcomes for ESLs

Key questions

1. Who should be able to qualify under revised assessment criteria for ESL?
2. How could the level of disadvantage and work capacity be assessed for secondary school students?

EPlus response

EPlus recognises the challenges identified in the Discussion Paper in relation to bridging the gap between school and work for young people with a disability. The growth of post-secondary on-the-job vocational education and training in the form of apprenticeships and traineeships as an effective pathway into full-time work suggest that the DES system has a part to play in bridging this gap, without replicating the education provided by schools

Our experience as a *Transition to Work* provider provides strong evidence of the value of engaging with young people prior to their exit from study to prevent them becoming disengaged from both work and study. We endorse the proposal to expand the category of school leaver eligible for DES services to include students undertaking Year 11 or 12 studies.

EPlus recommends that the Government further consider the potential for DES providers to co-service in conjunction with schools, for all early school leavers with a disability rather than only for students with significant disability which is currently the case. This aligns with recommendation 34 from the Australian Human Rights Commission 'Willing to Work' report and would facilitate early intervention and reduce the number of young people with disability who fall through the cracks upon leaving school.

EPlus further recommends that the Government consider extending the proposed PaTH internship model to young people aged 15-24 participating in DES. We believe that providing small business in emerging industries (for example, technology-based) industries with exposure to young employees with a disability for short placements will have a strong, positive effect on employer perception and engagement with DES.

Discussion Point 16: Improving the Gateway

Key questions

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

EPlus response

EPlus is supportive of measures that simplify and improve the gateway to DES services, particularly initiatives focused on broadening eligibility to expand access to DES and address gaps, for example those in their final year of school.

We advocate for a broad promotion campaign to compliment the efforts of DES providers and improve information on the benefits of a diverse workforce and the services participants and employers are able to receive. We view access to clear relevant information about services and funding that participants can expect from DES providers as essential to gaining the best outcomes.

Discussion Point 17: Assessments Review

Key questions

1. What other aspects of ESATs/JCAs should be examined in the review?
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 suggestion 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?
3. How should the revised assessment process fit with other options for DES reforms outlined in this Discussion Paper?

EPlus response

EPlus recognises the need for better assessment of work capacity if DES seeks to produce a higher rate of sustainable employment for more participants using an outcome-based funding model.

We fully endorse the proposed review of the current assessment process to achieve improvements in reliability, validity and utility. We would welcome changes to ensure participants are assessed by a practitioner with relevant qualifications and experience to assess their particular condition or impairment.

There have been instances where physical impairments are being assessed by mental health clinicians and those with complex mental health issues are assessed by physio therapists. Whilst we acknowledge the co-morbidity of physical and mental health issues for many participants, and thus many individuals present with a wide range of barriers to employment, we would like to see an improvement in the alignment of assessor capability and expertise and the conditions being assessed.

EPlus further notes that any assessment methodology which is applied at a single point-in-time may have reduced efficacy when compared with sustained, ongoing assessment of an individual's needs, behaviour and

capacity over a service period. Some conditions may be episodic in nature, resulting in an inaccurate assessment on a particular day. To this end, EPlus recommends greater separation of ESAts and provider's own assessments, which in many circumstances will be better able to accurately evaluate the participants' present condition.

EPlus believes that it will be critical in a risk-adjusted funding model to produce accurate initial assessments if these inform the level of funding attached to each participant. The assessment process should incorporate a facility for providers to request a review of the participants' circumstances.

We endorse the proposal for an ESAt instrument with sufficient utility to recommend strategies for providers, without prescribing solutions or limiting the capacity of a provider to conduct further internal assessment and propose alternative solutions based on a more detailed evaluation of the participant's needs. The funding model needs to reflect the provide costs incurred to undertake further assessments which form a critical element determining a participant's capability and forms the basis of a Job Plan.

Discussion Point 18: Ongoing Support

Key questions

1. Should the fee-for-service funding model specify monthly contacts and hours of support?
2. What minimum servicing requirements should there be for each level of support?
3. How should payments be determined for each level of support?

EPlus response

EPlus recommends that ongoing support should be tailored to the specific needs of both the individual participant and their employer, and not follow a prescribed monthly contact regime.

We believe that a fee-for-service model should not prescribe the frequency or mode of contact or hours of support. It should be a requirement on providers to negotiate these terms with the employer and participant.

The minimum servicing requirements should reflect and help to differentiate the likely levels of support required for a widely diverse group of people.

Discussion Point 19: Job-in-Jeopardy

Key questions

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?
3. Does the current fee structure reflect the services being provided and outcomes being achieved?
4. What is a more appropriate name for Job-in-Jeopardy?
5. If a JIJ participant chooses not to disclose their disability to an employer, how should providers assist them in the workplace?
6. Should the JIJ service be integrated with Ongoing Support?

EPlus response

EPlus supports the integration of the Job-in-Jeopardy program with Ongoing Support, whilst maintaining the separate eligibility criteria for each of the services. We believe this offers a more effective means for engaging both with employers and participants and offers potential to engage with employers to improve awareness prior to a job becoming at risk.

We recommend a similar service approach in each area, but eligibility for each program should be separately assessed. Funding should occur on a fee-for-service basis and reflect the various levels of support required by a diverse client group.

Discussion Point 20: Transition Issues

Key questions

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

EPlus response

EPlus has recent experience of the challenges involved in transitioning to the new *jobactive* contract.

We believe the following key challenges should be carefully considered:

- The negative impact on financial cash flow and sustainability when moving from a service fee to outcome-based funding model;
- Time and cost to out-place departing employees and recruit and train incoming staff in the delivery of new service models, particularly where ESA boundaries are changing;
- Challenges involved in on-boarding large groups of new participants at the start of the contract (particularly where movement between providers is encouraged);
- Time required to effectively establish new service requirements which are significantly changed from previous contracts (for example, Work for the Dole in *jobactive*);

EPlus recommends that care be exercised with regard to provider funding continuity during the transition period, particularly if the intention is to shift the balance of funding from service to outcome fees. This will have a significant impact on existing providers, particularly where regional boundaries have shifted. Contract changes often require significant provider outlay to set up new locations, recruit and train staff.

A funding model which is dependent on achieving long-term outcomes means that providers are unable to recoup this investment in the first twelve months, which may affect continuity of service.

This was more noticeable in the transition to *jobactive* than *Transition to Work*, where the funding model provided adequate funding from the first day of contract services, resulting in a more effective on-boarding of job seekers and quicker performance returns.

Most transition issues can be mitigated through the provision of longer lead times in relation to procurement, and a phased approach to major reform initiatives. Early announcement of contract outcomes and allowing

appropriate lead time at the start of the contract period for the recruitment and induction of new staff (at least 4-6 months) would help to facilitate an effective transition.

3. Contact information

Please feel free to contact us at any time if you would like further information or any clarification of responses in this paper.

Greg Moulton, Managing Director

P: (03) 9847 8700

greg_moulton@aep.salvationarmy.org

Kieren Kearney, General Manager Operations

P: (03) 9847 8700

kieren_kearney@aep.salvationarmy.org

Paul Diviny, General Manager Business Development

P: (03) 9847 8700

paul_diviny@aep.salvationarmy.org