5 in 10 females with a disability compared with 8 in 10 without disability, and, 6 in 10 males with a disability compared with 9 in 10 without disability are in employment (Progress Report to Council of Australian Governments 2014, pg. 55). This gap is too large, and effective, enduring supports must be put in place to underpin change in this paradigm. This requires coordinated, positive collaboration between Government, employment service providers (specifically DES) community and employers. DES is a major part of any solution.

In general The Personnel Group welcomes the Australian Government’s focus on improving outcomes for people with a disability in gaining and maintain employment, and provides the following general and specific responses to the discussion points and related information provided in the Discussion Paper, issued November 2, 2016.

**Key Overarching Statements**

1. There appears to be little reference to the National Standards for Disability services, with the exception of the Provider Panel, and participant choice component.

*Recommendation: That any new Deed and Guidelines adopt a stronger focus of the NSDS, as currently there is conflict between same in the compliance aspect of service delivery.*

1. The Government is seeking to manifestly change the DES program across a number of deliverables. This change has not been trialled, tested or referenced in other employment programs to date. The veracity and efficacy of proposed changes are non-evidential at this stage.

The Government should take note of the Harper Panel Review stating ..’Governments can progressively introduce change through trials or pilot schemes’. (Harper Report, Part 3 Competition, pg. 253), and potentially trial changes within a State to ensure full transition is smooth and relevant.

*Questions for Consideration: What assurances can the Government give that implementing, such large change with the most vulnerable jobseeker cohort is best practice. What happens if the disruption is too great for the industry? Has the Disability Employment Taskforce established these changes to be of ‘overriding public interest, and has the Taskforce applied a risk management overlay to applying these principles to human services?’ ” (Harper Review, Part 3 Competition Policy, pg.97). Does this proposed change align to ‘..for competition policy to focus on making markets work in the long term interests of consumers” (Harper Review, Part 3 Competition Policy, pg.96) Should this significant disruption first be implemented through mainstream jobactive services?*

1. Government’s desire to move to larger employment regions aligned to the current jobactive contract.

*Recommendation: That the program remain in an ESA structure. Embeddedness in local community is key factor for DES and the participant cohort. Large employment regions, theoretically attract larger providers who do not have, and in some instances desire community connectedness. This would be detrimental to the participant cohort. This is supported by the Harper Review, ‘diversity of providers should be encouraged while not crowding out community and voluntary services’ (Harper Review, Part 3 Competition Policy, pg.219), and ‘services are at their best when they comprise longstanding and sophisticated networks made up of people, places and institutions that are grounded in relationships of trust’ (pg 225*

1. The Government cannot distance themselves from the quality of services delivered to Australians (Harper Report, Part 3 Competition Policy, pg. 224). In this context, recognition must be given to the fact that regional and remote services are ‘different’ from metropolitan service delivery in the context of scale, community expectations and linkages. Of concern, will be if the Government are using ‘participant choice to move’ as the mechanism for measuring ‘quality of services’.
2. The Discussion Paper does not address the issue of the impact on either the individual or the Provider of breaks in employment. The current arrangement does not support positive outcomes for either party.

*Recommendation: That outcomes be based on cumulative hours and be available once the participant has reached benchmark for the number of weeks, not necessarily consecutive or within the current defined timeline*.

The role of Local Government in building capacity within their regions also has a part of play in a robust, effective DES landscape. An overarching concept that must underpin any new innovative program is that of ‘convergence’ to achieve better results. Government, federal, state and local, business and social supports must be positively connected to solve social problems. Unemployment is a serious social issue.

Government needs to positively influence, through effective promotion, and the availability of financial and other supports the desire of business to support their community. In turn, localised communities, through local government must also facilitate solutions – drawing on its unique vantage point and knowledge of business and social landscape. The concept of ‘shared business value’ (Preston P, 2016, Marrying Economic and Social Objectives in your LGA, 1st Ed.), where businesses support localised societal challenges needs to be part of core business strategy. This does not remove the Australian Government’s stewardship for employment services, but consideration must also be given to how local governments can become a driving partner in addressing the unemployment issue within their community, especially in planning and supporting business to employment people with a disability.

**Response to Discussion Points**

**Discussion Point 1: More Choice for Participants**

* The ability to change providers should be limited to two transfers in the first year.
* Referral to the initial provider should require mandatory registration, no allowances for the provider not to take on any first referral.
* Provider choice in taking on transferring participant.
* For participants who don’t want to choose, and through choice have the right not to choose, referrals allocated on an even distribution basis. This is supported by COSS, stating ‘…people value choice if they have the appropriate information about what services are available and power in deciding how a service is delivered and resources used’ (Harper Report, pg. 300) *Also related to discussion point 4.*
* High performers should not automatically get all new referrals. This premise does not support local capability in having the scope to improve services as decreasing numbers correlates to decreasing income – thereby decreasing services. There has to be a form of safety net for Providers approved by the government, but not the current market share approach.
* How is the Government going to ensure that participants do not lose their place in the queue, how is the risk of disconnection with the industry going to be managed when participants switch providers. Where is the appetite to move Providers, in relation to ensuring Mutual Obligation is maintained? Will participants be able to fall through mutual obligation requirements by Provider hopping?

**Discussion Point 2: Provider/Participant Contacts**

* Face to face appointments should be mandatory on a monthly basis, additional servicing should be as agreed to provide the services outlined in the Job Plan.
* Wherever possible visual technology only should be the preferred medium for appointments outside the face to face schedule.

**Discussion Point 3: Job Plans**

* Job Plans should remain the guiding document for service delivery and should remain the ‘contract’ between parties. If this necessitates increased input, then so be it.
* IMT should automatically download to Job Plans.
* Caution needs to be exercised with regard to participant rights to change providers, if the existing Provider can demonstrate that non vocational barriers are being addressed which impede jobsearch.
* Both the provider and the participant need to be held accountable for the outcomes of the Job Plan. This changing focus on mutual obligation must be inherent in the program.
* Current Job Plan needs to evolve to also meet the Disability Support Certification requirements, of identified long term goals. Current Job Plan compliance does not allow for the DSC to be met in the Job Plan.

**Discussion Point 4: Better Information for Participants**

* To address the provision of better information for participants, it is in the first instance the responsibility of the Australian Government to provide information in a manner that meets the needs of the participant. DES exposure needs to increase through an active national TV marketing campaign.
* The current Connections for Quality does not meet the needs of participants.
* Imposing the burden of full program awareness to the Provider will further distance the smaller community providers from the market place. Small providers will not be able to compete with advertising budgets/campaigns of large providers, and this should not be a determining factor in participant choice.

**Discussion Point 5: Participant Controlled Funding**

* A mandated participant controlled account should not be implemented.
* Participants have choice in where their funding is allocated through the ability to move providers if they are not receiving services that meet their needs.
* Providers should be able to work individually with a participants to progress them into long term employment, using funds in a discretionary manner. Access to financial supports for client directed purchases is a point of difference in a competitive marketplace and should remain so.
* There is also a risk of participants using quarantined funds repeatedly by changing providers regularly without an outcome.
* Should quarantined funds only be able to be used to address aspects of the Job Plan, or alternately if participants are guaranteed a portion of funds for self-selection, should there be no restrictions if it moves the participant towards employment.
* Creating another set of Guidelines, which cannot be all encompassing, leads to further confusion and time wasting.
* Quarantining funds also leads to diminished level of support available through the Provider.

**Discussion Point 6: Entering the DES Market**

* As the proposed model is untested, it would be recommended that existing 3 star and above providers remain in their ESA without restriction until the first review point (18 months).
* All Providers must be NSDS compliant from Contract acceptance.
* Careful consideration needs to be given to the composition of the Panel, who are the gatekeepers, it cannot be a peer panel.
* The Government’s approach of a Provider refresh at 18 months is acceptable.
* New Providers should be established within three months of Contract acceptance.
* Providers who deliver across a broader footprint within the ESA, need to have consideration for the specific labour market conditions in remote parts of ESAs. A bonus point system could be implemented for success in smaller towns.
* A Providers ability to cross ESAs to support an existing employer is welcomed.
* Innovation across the industry needs to be further developed and may be affected by too many market entrants. Moving to a strong outcome based payment model will restrict this, and as is the evolving case with NDIS providers, indirect staffing levels are needing to decline for the organisation to stay profitable. The sole focus of providers on front line service delivery staff will lead to decreased innovation and the continuity of outdated service delivery practices. The National Disability Services (Harper Report, pg. 247) notes:

“Increased competition would be counter-productive if it undermined the ability of not-for-profit disability support services to cooperate and collaborate, particularly in relation to community development and the production of social capital”.

Also relative to discussion point 11.

**Discussion Point 7: A Single DES Contract**

* A single contract for EA and PPS is desirable, Ongoing Support Contract could be a concurrent contract but viewed separately, identifying those providers who do not provide onsite training and support not to be part of this deliverable.

**Discussion Point 8: Removing Market Share Restrictions**

* Whilst this is beneficial, care must be taken when applying this to regional and rural ESAs. The Government as the purchaser must ensure that they are not setting business up to fail.
* There are high costs of entry to the market, accordingly larger providers may have more scope to enter and be able to withstand a financial impact in one ESA, supported by another.

**Discussion Point 9: ESAs**

* The Personnel Group believes that the geographic footprint should be ESA based as is the current arrangement. From a regional perspective, the labour conditions vary greatly within an ESA, and larger regions will add a significant level of complexity to performance assessment.
* The stated approach to a one contract system, negates the need to reduce the number of ESAs.

**Discussion Point 10: Preventing Market Failure**

* A careful review of the impact of removing market share restrictions in regional and remote areas must be undertaken and understood prior to any decision.
* All Providers must provide full coverage of the ESA or region, and must be able to demonstrate same. Providers who fail to have active/current participants from across the ESA should be questioned.
* Review of participant directed transfer from a Provider in a specific part of an ESA needs to be closely monitored to ensure fairness in Provider outcomes.
* Market failure can be defined as a < percentage of an average caseload commencing employment within a defined period of time. This would then reflect either a downturn in labour conditions or poor performing provider.
* Market share, where allocated, should be equal among the approved Providers, providing that coverage is the same.
* Stronger links to Centrelink for Providers to deliver concurrent services in small towns needs to be investigated. A localised coordinated response to reducing participant burden in engaging with multiple services on different days (transport and access issues), would drive greater results.

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

* The ratio should be 50:50 of the total amount available.
* The Personnel Group does not support a 52 week payment taken from either/both of the 13 and 26 week outcome payments.
* Service fees are essential to provide ongoing job search support and participant development, and are currently appropriate for the support. This payment ceases once employment commenced, and whilst there is room for manipulation, the assessment process (Star ratings) penalises Providers who maximise on EA payments.
* How can the Government ensure that Providers moral obligation to use Government funds on the achievement of outcomes for participants be enforced?
* The risk based payment approach is acceptable in the context that currently the same outcomes are paid regardless of bench mark hours, based on funding levels. Funding level allocation is distorted.

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

* The Personnel Group agrees with the transfer of the Job Placement fee to a 4 week outcome fee.
* The Personnel Group does not agree with the 52 week outcome fee, resourced through diminished 13 and 26 week fees.
* Outcomes must be aligned to both bench mark hours, and a rate reduction of any Centrelink Benefit.
* A change in wage subsidy payments to that currently proposed for Transition to Work, of a 40% payment after four weeks should be applied to DES to offset employer perceived costs.
* Cumulative outcomes should be available in the DES contract, which will then cater for short term and seasonal work. Increased rate reduction could be applied against seasonal work for an outcome to be taken.
* The Government should consider excising Ongoing Support from the DES contract, and Providers who complete OS are paid on a instance basis. Individual client/government contracts would apply to ensure OS was relevant.
* 52 week indicator should be a burden of responsibility on the employer, not the DES, if ongoing support is removed from the DES package.

**Discussion Point 13: Service Fees**

* Service fees should not be risk adjusted, but may be based on level of activity between the jobseeker and the Provider.

**Discussion Point 14: Pro-rata Service and Outcome Fees**

* Service fees should be paid monthly in advance, with no transfer of funds pro-rata’d during the month if a participant transfers. Changing to monthly payment, Providers would generally maintain a steady flow of income.
* There will always be a gap when transferring from the day the person exits a service to when they are physically seen by the new Provider. Being allocated to a Provider and on their caseload does not mean services are being provided.

**Discussion Point 15: Determining Eligibility and Employment Outcomes for ESLs**

* Students with a disability are less likely to complete Year 12 than students without disability (National Disability Strategy 2010-2020 Evidence Base, pg. 39). It is therefore imperative that DES are able to fully support young people whilst still in school. Other research states that if a person with a disability obtains employment whilst at school, they are more likely to remain employed post school. Statistics also state that a ESL who leaves school without any work experience is likely to be unemployed for up to five years.
* Access to students and supporting out of school hours employment is critical to the individual’s and DES program’s ongoing success.
* Qualification as an eligible ESL should be determined by either medial or educational professionals.

**Discussion Point 16: Improving the Gateway**

* There needs to be multiple entry points to DES, including assessments that could be linked through GPs, ESAt, Schools, Rehab Providers. All referral sources should have assessment tools specific to establishing the ability to undertake employment within the parameters of the individual’s disability and personal situation.
* Providers who have strategic alliances with medical professionals should not be able to refer participants to themselves, but may elect to be contracted as an access gateway for DES.

**Discussion Point 17: Assessments Review**

* Referral information should be comprehensive and could be part of the Job Plan structure.
* Where ESAts are delayed more than five/ten working days, the Provider should be able to use an assessment tool to commence the participant subject to change.
* There needs to be a minimum appointment time for assessment, 10 minute phone call is not sufficient.
* Ongoing Support assessment should be a workplaces skills assessment not OS assessment, with the employer having a shared investment in the individual’s long term tenure.

**Discussion Point 18: Ongoing Support**

* Ongoing support payment eligibility should be defined as 8 hours employment or above.
* The current arrangement of minimum contacts is sufficient for the new program.

**Discussion Point 19: Job In Jeopardy**

* JIJ and OS should be contracted similarly and not within the EA/PPS framework. This would allow specialists in OS/JIJ to enter the market for existing workers.
* A name change is required, Providers are all titling the program as they see fit. The Personnel Group uses Retain and Rebuild (your workforce).
* JiJ funding should be reflective of time spent with the employer/employee and not length of program. A straight fee for service could be implemented, that was signed off by the employer.

**Discussion Point 20: Transition Issues**

* From the date of announcement, exiting Provider outcome payments can be altered to average past performance, with a large emphasis on back end of contract payment.
* Early transition availability needs to be supported for exiting Providers.

**Other**

Overall, Providers in the DES space should be able to access transparent performance data, including a comprehensive understanding of Star Ratings regression to drive improved performance. Establishing a new framework where Providers can adapt more quickly to changing circumstances through having valid and reliable data will lead to better outcomes for the industry.

In addition, the JSCI must also be transparent and consistent, when changes occur in measurements, these should be advised to the DES Provider.