SCHIZOPHRENIA FELLOWSHIP

"Succeeding Together"

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Schizophrenia Fellowship of NSW

Submission in response to the proposed new Disability Employment Services from 2018

December 2016

Schizophrenia Fellowship of NSW Inc.
Locked Bag 5014 |Gladesville NSW 1675
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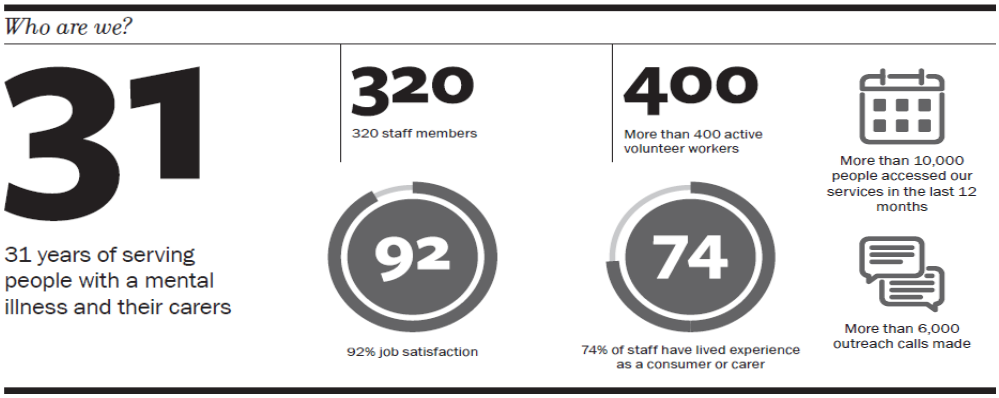
About the Schizophrenia Fellowship of NSW

SF NSW is a specialist mental health recovery organisation, with a 31 year history, committed to improving access to services and the circumstances of people living with severe and complex mental illness.

SF NSW delivers trauma-informed recovery-oriented psychosocial support programs and services for carers and consumers. This includes specialist mental health Disability Employment Services (DES), care coordination, housing, social inclusion, clinical and peer supported services. Each year, 10 000 people, across 33 sites in NSW and ACT, access our services.

The Fellowship:

- Delivers specialist mental health Disability Employment Services (DES) in 5 locations in NSW and the ACT.
- SFNSW also provides Employment-PHaMs, where client goals are ultimately to obtain employment. Our support workers assist the client to identify a number of achievable goals required to be completed before employment can be obtained.
- 74% of our employees, and 75% of our Board, have lived experience as a mental health carer or consumer.
- Has successfully transitioned 63 patients out of in-patient psychiatric units with no suicides or suicide attempts in the recently trialled the Hospital to Home Program.
- Provides crucial carer and respite services, including for young carers.
- Is the largest, or one of the largest provider of Day to Day Living Program, Personal Helpers and Mentors Program (PHaMs) and Partners in Recovery in the country.
- Provides Medicare rebatable clinical services through Sunflower Health Services.



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Executive summary

SF NSW appreciates the opportunity to provide comment on the discussion paper for New Disability Employment Services from 2018.

This includes the 5-star rated Burwood, a 4-star +30 service in Shoalhaven and a 3 star +9 service in Port Macquarie. SFNSW acquired the DES contract for Port Macquarie in November 2014; within 12 months of acquisition SFNSW has worked to increase this from a 1-star to a 3-star + 9 service.

As such, organisations such as SF NSW, are well placed to comment on and anticipate real impacts of changes in disability employment policy. SF NSW delivers services and coordinates care for people across silos of sectors, funding and policy through the building of relationships and trust with other providers, funding bodies and most importantly, individuals and the communities they operate in.

SF NSW supports further attention to the following in the proposal for new Disability Employment Services 2018, particularly ensuring:

- A responsible model that allows agility to respond to a participant's individual needs/goals
- Fee structures are appropriate
- Fee levels are adequate to ensure provider sustainability
- Flexible benchmarks
- The use of innovative supports
- Review of outcome measures

SF NSW would welcome the opportunity to participate in further discussions towards the development of the proposal for Disability Employment Services 2018.

Regards,

Dr Ellen Marks
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Summary of Recommendations

Recommendations Q1

- Remove restrictions on participants choosing a provider.
- Allow a reasonable number of voluntary transfers over the period of a year.
- Restrictions on the number of voluntary transfers should be reviewed should the participant request.
- Provide accurate, relevant and accessible information on providers.
- Develop an industry Code of Conduct and compliance activity strategy in order to prevent anti-competitive activities by providers.

Recommendations Q2

- Face-to-face requirements should be retained.
- Face-to-face requirements determined from a minimum requirement and above according to individual assessment of need.
- Enable providers to make greater use their own information technology platforms to meet requirements and above.

Recommendations Q3

- Job Plans removed from formal reporting requirements.
- Reduce prescriptive nature of Job Plans to allow work towards meaningful goals.
- Fee-for-service for goals achieved under a Job Plan.

Recommendations Q4

- National online tool with accessible and transparent information.
- Stewardship role for Department.

Recommendations Q5

- Retain current funding mechanism
- Carefully considered transition period.

- Potential for a mixed model of funding comprising of partial block funding for the provider and participant-led funding.
- Financial support for shared decision making.

Recommendations Q6

- Panel open to entry by new providers at all times, review applications on a 6 monthly basis.
- Panellists should be reviewed at a time period no less than 18 months.

Recommendations Q7

- A single contract for DES-DMS, DES-ESS and Ongoing Supports , this would be beneficial for services in mental health due to the episodic nature of the illness.

Recommendations Q8

- Conditional removal of market share restrictions.
- Develop industry Code of Conduct and compliance regulations.
- Consider alternative funding models for areas with a lack of commercial drivers such as rural, regional, and specialist providers.

Recommendations Q9

- Financial support should be available to support costs of removing ESAs to DES providers.

Recommendations Q10

- Maintain stakeholder engagement to identify market failure.
- Ensure legislative requirements are responsive to need for change should market failure be identified.
- Develop innovative funding models that build sector capacity.
- Set fee structures that are reflective of all costs of providing service.

Recommendations Q11

- A mixed model of service fee and outcome fee should be developed, where the service fee reflects the real cost of providing service.

Recommendations Q12

- Employment outcomes based on what the participant is able to do and on what the employer can provide.
- Relax benchmark hour requirements.
- Retain employment placement fee.
- Extend permissible break of 20 business days for people living with a mental illness if they become unwell without impacting outcome payment.
- Job Seekers who are working should be able to go on holidays, family leave etc. if approved by the employer, without affecting outcome for provider.
- Relax office staffing requirements to allow more 1:1 support on-site for smaller providers.
- Allow flexible models of support.

Recommendations Q13

- Service and outcome fees should be risk adjusted.
- Risk adjustment based on evidence.
- Address review process to ensure inconsistencies between initial assessments conducted by DHS and actual barriers to work can be smoothly accounted for.
- Service fees should be based on the individual circumstances. Service fees should be paid when a provider can prove **attempted** service provision for clients with mental health issues.

Recommendations Q14

- Service and outcome fees pro-rata on time basis.
- If a provider is no longer a member of the Panel, they receive payment for the proportion of time they provided the service.

Recommendations Q15

- Allow eligibility for DES services at all levels of schooling.

- Level of disadvantage assessed by DES provider, individual and key supports including the school.

Recommendations Q16

- Refer to q4

Recommendations Q17

- Review initial assessment process to ensure agility to respond to barriers identified by DES providers.

Recommendations Q18

- Ensure funding levels reflect a stepped model of care.
- Flexible supports should be able to be provided.
- Level of supports determined by participant and provider based on individual need.

Recommendations Q19

- Increase JiJ fees to adequately support intervention activities
- Change the name of JiJ to Job Retention Support.
- JiJ remains separate to Ongoing Support.

Recommendations Q20

- Gradual transition closely monitored and supported by government.
- Flexible contracting arrangements for early exit from the market.

Responses to specific questions in the discussion paper

Discussion Point 1: More Choice for Participants

1. *What, if any, restrictions should there be (for example, 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?*

SFNSW supports the empowerment of consumers through the control to choose providers, where a choice of providers exists and where the individual is capable of, or supported to, exercise control in decision-making. Therefore, restrictions should not be placed on participants in terms of regions or distance from the provider. However, this would require further innovation in service model delivery for those outside the ESA of the provider, which has the potential to restrict the ability of the provider to engage in active on-site employment support.

There are many reasons why a participant may wish to move providers, some of which are likely to be less apparent than a star-rating. Further consideration is needed in order to satisfy that neither provider nor participant is disadvantaged. The ability to transfer after short periods is likely to reduce coordination of supports and instability in workforce requirements. Therefore the number of voluntary transfers should be restricted within reason over the period of a year, although this should be reviewed on appeal.

This could be partially alleviated by encouraging participants to take time to make the initial choice of provider. This should be supported by providing accurate and adequate information about local providers through websites, similar to the developing proposals in Health such as a "MyDoctor" website, or Prostheses List registers. The information listed about a provider should extend beyond star ratings alone, to include customer satisfaction, compliance against the Deed and Compliance against National Standards.

It will be important that compliance activities are undertaken by the Department, to ensure that anti-competitive behaviours are not employed in order to attract participants. An Industry Code of Conduct and compliance strategy should be developed which ensures that activities seen as enticing participants, such as the incentive of a laptop, coffee vouchers etc. are not to

be undertaken. Financial penalties, criminal penalties or termination of contracts should be imposed on those providers acting outside the Code of Conduct.

Recommendations:

- Remove restrictions on participants choosing a provider.
- Allow a reasonable number of voluntary transfers over the period of a year.
- Restrictions on the number of voluntary transfers should be reviewed should the participant request.
- Provide accurate, relevant and accessible information on providers.
- Develop an Industry Code of Conduct and compliance activity strategy in order to prevent anti-competitive activities by providers.

Discussion Point 2: Provider/Participant Contacts

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?*

SFNSW supports retaining face-to-face requirements as part of DES service delivery, however, several changes to the current system could improve service delivery and service experience. For example face-to-face requirements should be determined according to individual assessment of need.

Furthermore, measures should be in place which enable providers to make greater use their own information technology platforms to meet requirements, particularly when the participant chooses, or their needs require, alternative methods of contact. This will allow providers to deliver individually tailored assistance to a larger number of job seekers, while improving participant's choice and control and in the pursuit of their goals as well as in planning and delivery of their required support.

Recommendations:

- Face-to-face requirements should be retained.
- Face-to-face requirements determined according to individual assessment of need.
- Enable providers to make greater use their own information technology platforms to meet requirements.

Discussion Point 3: Job Plans

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?*

Reform of the current approach to Job Plans has the potential to improve participant goal setting and therefore employment outcomes. The prescriptive nature of Job Plans, with a focus on addressing employment barriers and finding sustainable employment, is not conducive to the participant setting career goals and the provider being able to engage in genuine career planning activities. Furthermore, Job Plans no longer meets BSI auditing as they do not include a clear goal. This needs to be considered according to Disability Standards.

Job Plans impose a significant administrative burden on providers who are required to report to the Department in order to meet National Standards. A balance between high levels of accountability, to achieve national goals and local flexibility, which enables providers to reduce administrative burden and work with the participant towards meaningful goals, needs to be reached. This may be achieved by removing Job Plans from formal reporting requirements while embedding them in national benchmarking standards that contribute to star ratings of the provider[1].

[1] Mploy (2011), "Building Flexibility and Accountability Into Local Employment Services: Country Report for Denmark", OECD Local Economic and Employment Development (LEED) Working Papers, 2011/12, OECD Publishing, Paris. http://dx.doi.org/10.1787/5kg3mktsn4tf-en

In order to increase incentives and provide appropriate levels of accountability alternative models could be considered. For example, an additional fee could be introduced, whereby each time a Career Planner assist the client to achieve a goal using the Job Plan Tool and evidence is uploaded evidence uploaded (e.g. certificate), a fee is claimed by the Employment Provider. This incentivises the Career Planners to work effectively with the client to progress through barriers, once these barriers are worked on the person becomes that closer to employment. Incentives for the client should also be included, for example, petrol cards, travel voucher or cards.

Recommendations:

- Job Plans removed from formal reporting requirements.
- Reduce prescriptive nature of Job Plans to allow work towards meaningful goals.
- Additional fee for goals achieved under a Job Plan.

Discussion Point 4: Better Information for Participants

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)?*

SFNSW supports transparent and open information, readily accessible to participants, providers and employers. To this end, a gateway should be developed which includes a national database of:

- provider ratings
- participant satisfaction
- employer rating by providers
- employer satisfaction with regards to provider support

Such reforms are parallel to those seen in hospitality, travel and healthcare. For example, reforms in health currently under consideration include addressing the lack of knowledge about the costs of specialised care, as those referring patients to private providers are unable to access information regarding outcomes of the provider and the extent of out-of-pocket-costs. For employment services

this could greatly enhance referral processes and incentivise providers and employers to improve employment outcomes.

The Department should have primary carriage of this, which includes moderator functions to ensure that information and reviews are accurate and that incidents reported incorrectly via this platform can be reviewed. Claims made by providers could be checked through uploading of documents, through systems which currently exist for special claims.

Recommendations:

- National online tool with accessible and transparent information.
- Stewardship role for Department.

Discussion Point 5: Participant Controlled Funding

1. *There is considerable literature and experience in participant controlled funding in personal care. Is there any evidence of the effectiveness of participant control of third party funding in employment services?*
2. *In such a model, how much funding, if any, should be quarantined for job seekers to use through an account, how should this funding be made available to participants, and how could there be simple 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 an associated organisation?*

SFNSW does not support the attachment of funding to the participant in the form of the Job Active user accounts given the paucity of evidence that this model works in employment services, particularly for those living with a mental illness[2].

[2] Youth Mental Health Trials Career Accounts

It is also critical that funding for employment is not transitioned into other streams such as the NDIS; international examples have shown that individual support funds are almost exclusively used for personal care rather than services such as employment support[3].

Funding should be provided in a way that allows flexible use of the funds through shard decision making between participant, carer if there is one, and provider. SFNSW services have found that flexible use of funds is extremely beneficial when a whole-of-life approach is taken. Employment outcomes can be significantly improved if a DES provider, or the funds holder, is able to use funds to help a person become physically ready for a job through a gym membership for example.

It is absolutely crucial that the fee that is provided is adequate to cover the costs of delivering services. It will also be critical to ensure that any transition of funding into other payment structures occurs in a considered and gradual manner.

Further consideration is needed in order to ensure provider sustainability, which has been a central concern for community services during the roll-out of the NDIS. One possibility to ensure access to services remains if a consumer-led model were employed, is the use of a mixed model of funding; whereby a portion of block funding is provided in a competitive process between providers and the remainder of funding be attached to the participants. Block funding should cover all business costs such as infrastructure, investment, financing and profit margins, as well as the majority of service delivery costs.

Supports for decision making would be fundamental to such a model and must be financially supported. Many of our clients who are likely to be eligible, or who are eligible, for consumer-led funding through the NDIS, require significant support with decision making. Lessons to be learnt from the NDIS include that specifically-trained mental health assessors and those who provide care coordination are needed.

For those who do not want to access funding, as we have experienced as a significant problem with the NDIS, the established relationships and trust between DES providers (and other community services) and the potential participant are vital. To this end, data collection requirements and contact with potential participants must be handled with extreme sensitivity.

Additionally, for funding that currently exists through avenues such as the NDIS, concerns remain with the interface between DES and the NDIS for NDIS participants seeking employment. There is

[3] (Riddell, 2008).

potential for those who cannot access DES (i.e. those who can work less than 7hrs) to purchase fee-for-service DES services using an NDIS package. Furthermore, NDIS fee-for-service participants should not be included in outcomes measured according to benchmark hours.

Similarly, those wanting to access DES who are currently excluded due to their partner's non-beneficiary should also be able to utilise DES services through the NDIS.

Recommendations:

- Retain current funding mechanism
- Carefully considered transition period.
- Potential for mixed model of funding methods comprising of partial block funding for the provider and participant-led funding.
- Financial support for shared decision making.

Discussion Point 6: Entering the DES Market

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?*
b. *ESA coverage?*

The Panel should be open to entry by new providers at all times, with the Panel to review applications on a 6 monthly basis. Panellists should be reviewed at a time period no less than 18 months to ensure stability of staffing and leasing arrangements and market stability in the ESA.

Minimum performance requirements and capacity to deliver services should essential for panel entry. This should include:

- Star rating
- Regulatory compliance including accreditation via the National Standards
- Capacity to transition clients
- Rationale for a new provider in the ESA

Caseload requirements are necessary however, should be adequate for new entrants to remain financially sustainable while achieving required goals.

Recommendations:

- Panel open to entry by new providers at all times, review applications on a 6 monthly basis.
- Panellists should be reviewed at a time period no less than 18 months.

Discussion Point 7: A Single DES Contract

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

SFNSW supports changes that would simplify contracting arrangements. Simplified contracting arrangements would be beneficial for services in mental health due to the episodic nature of the illness. Currently SFNSW is accredited against the National Standard to deliver both DMS and ESS and therefore it is likely that other providers have the capacity to do so.

Recommendations:

- A single contract for DES-DMS, DES-ESS and Ongoing Supports, this would be beneficial for services in mental health due to the episodic nature of the illness.

Discussion Point 8: Removing Market Share Restrictions

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?*

SFNSW supports the conditional removal of market share restrictions. Currently small providers are given small market share and are unable to employ more staff, resulting in poor outcomes and poor star ratings. However, it is not desirable that disability employment is seen as a free market, there remains an important stewardship role for government to engage independent oversight, regulation and monitoring of policy impacts.

Maintaining diversity of providers, with a mix of generalist and specialised providers, and therefore choice and quality in the DES market should be a priority. Removal of market share should be conducted in parallel with other compliance strategies to ensure that perverse incentives are not employed.

Failure of the market following removal of market share restrictions is not new, particularly in healthcare. For example, when the Pathology industry removed licence restrictions, large providers were able to out-compete smaller providers through high rental prices for pathology collection centres co-located to GP surgeries (therefore a guaranteed referral stream). This has created havoc for the Pathology industry- where smaller providers unable to offer these incentives were out-priced from the market, resulting in a duopoly of large providers.

To maintain diversity of providers in DES, it would be important that an Industry Code of Conduct is developed which ensures that activities seen as enticing participants, such as the incentive of a laptop, coffee vouchers etc. are not to be undertaken. Financial or criminal penalties and termination of contracts should be imposed on those providers acting outside the Code of Conduct.

Provider diversity could also be maintained through loading of fee structures such as rural/ regional loading and loading for specialist providers operating in those domains where commercial drivers are less apparent.

Recommendations:

- Conditional removal of market share restrictions.
- Develop industry Code of Conduct and compliance regulations.
- Consider alternative funding models for areas with a lack of commercial drivers such as rural, regional, and specialist providers.

Discussion Point 9: ESAs

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?*

ESA boundaries should remain in the interim whilst other reforms are implemented to minimise disruption as removal of ESA boundaries could create financial burden and disrupt service provision. However, longer-term reforms should investigate the possibility of removing ESA boundaries or other solutions that address the problem for those who are unable to access supports across boundaries, for example if a school is located in a specific ESA region but the student's home is located in another, the DES provider in the school ESA cannot support 'out-of-region' students, therefore affecting the student's ability to participate.

Recommendations:

- Financial support should be available to support costs of removing ESAs to DES providers.

Discussion Point 10: Preventing Market Failure

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?*

Key to identification of market failure in maintenance of strong relationships with stakeholders and monitoring of policy change impacts in a timely and responsive manner.

Interventions aimed at addressing market failure include:

- Rural/regional or specialist loading of fees
- Development of innovative funding models that aim to build community and sector capacity
- By having fees that reflect the real cost of services in that area and specific for the type of provider

Recommendations:

- Maintain stakeholder engagement to identify market failure.
- Ensure legislative requirements are responsive to need for change should market failure be identified.
- Develop innovative funding models that build sector capacity.
- Set fee structures that are reflective of all costs of providing service.

Discussion Point 11: Ratio between service fees and outcome fees

What should the ratio between service fees and outcome fees be and why?

SFNSW believes that the level and structure of payments with regards to service fees and outcome fees requires further consideration. While outcome fees are attractive from the point of view of incentivising positive employment outcomes, there is also the possibility that outcome payments drive providers to provide services to those most likely to succeed, whilst the most vulnerable and difficult to employ participants are not engaged. A financial model whereby both services and outcome payments are risk-adjusted is attractive.

Recommendations:

- A mixed model of service fee and outcome fee should be developed, where the service fee reflects the real cost of providing service.

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

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?*

Employment outcomes need to be based on what the participant is able to do and on what the employer can provide. Currently, benchmark hours penalise all parties if an employer is unable to offer hours above the set benchmark, preventing employment, but also preventing providers from achieving outcomes. Benchmark hours should be relaxed also in the context of a growing number of short term jobs available in the economy.

In the new model it is important that job placement fees are maintained. Additional 4-weekly outcome payments could be an incentive to provide further support, however, this should not replace a job placement fee. This is particularly important if participants are able to voluntarily transfer between providers a number of times per year.

Furthermore, outcome payments should not be based strictly upon time periods in the case where a participant becomes unwell. The permissible break of 20 business days should be extended for people living with a mental illness if they become unwell without this time impacting outcome payment. Provided the employer is agreeable to keeping the position open, the outcome should not be lost due to someone being unwell.

Job Seekers who are working should be able to go on holidays, family leave etc. if approved by the employer, without adversely affecting the outcome for provider. For example, this could be considered leave without pay for clients hired on a casual basis; a client who has an 8 hr benchmark may take leave for holidays resulting in the benchmark for 13 weeks not being achieved, unless the employer is able to provide extra working hours within that period.

Support between 26-week and 52-week should be flexible and part of shared-decision making between the participant and the provider. On-site supports are effective, however, current fee structures inhibit that ability of staff to develop in-depth understanding of the role and what the employer wants from an employee.

To this end, fees need to be increased and reflective of the costs associated with service provision including administration, which is currently a major barrier for smaller providers. This is further compounded by the current deed requirements that a DES office be staffed between 9am-5pm, which is financially unsustainable for smaller providers. This requirement reduces the ability to provide on-site support as a member of staff is required to be at the office regardless of the presence of absence of likely participants at the office site.

Recommendations:

- Employment outcomes based on what the participant is able to do and on what the employer can provide.
- Relax benchmark hour requirements.
- Retain employment placement fee.
- Extend permissible break of 20 business days for people living with a mental illness if they become unwell without impacting outcome payment.
- Job Seekers who are working should be able to go on holidays, family leave etc. if approved by the employer, without affecting outcome for provider.
- Relax office staffing requirements to allow more 1:1 support on-site for smaller providers.
- Allow flexible models of support.

Discussion Point 13: Service Fees

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

Both service fees and outcome fees should be risk adjusted and risk adjustments should be based on robust evidence. Service fees and outcome fees should be based on the individual and responsive to change.

In SFNSW's experience, there is a significant disparity between the initial assessment of a participant's barriers by DHS and those that are identified when assessed by a provider, which creates additional delays and administrative burden. This inconsistency is not necessarily a failure of DHS, but may represent the lack of relationship with a participant, who may be unwilling to divulge the full nature of their barriers to work, which become apparent at a later time point with the providers assessment. This inconsistency must be addressed and review processes streamlined if risk-adjusted payments are to be employed.

Additionally, it is hard for a specialist mental health provider to get clients with phobias and social anxiety to appointments. Service fees should be able to be claimed if a provider can prove that they have attempted to service a client through appointment schedule.

Recommendations:

- Service and outcome fees should be risk adjusted.
- Risk adjustment based on evidence.
- Address review process to ensure inconsistencies between initial assessments conducted by DHS and actual barriers to work can be smoothly accounted for.
- Service fees should be based on the individual circumstances. Service fees should be paid when a provider can prove **attempted** service provision for clients with mental health issues.

Discussion Point 14: Pro-rata service and outcome fees

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?*

Service and outcome fees should be calculated on a pro-rata basis dependent on the length of time that a participant has been with the provider. Once a participant moves provider, the remainder of the proportion of fee should follow to the new provider. For example if a

participant switches at 6 weeks for a 13 week outcome fee, the initial provider should receive 6/13 of the outcome fee, while the new provider should receive 7/13 of the outcome fee.

If a provider should cease to be a member of the Panel, the fee should be cover the length of time the provider was providing the service only.

Recommendations:

- Service and outcome fees pro-rata on time basis.
- If a provider is no longer a member of the Panel, they receive payment for the proportion of time they provided the service.

Discussion Point 15: Determining Eligibility and Employment Outcomes for ESLs

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?*

SF NSW strongly supports that all young people with a disability seeking employment have access to DES. In our experience, eligibility and evidence requirement act as a significant disincentive for schools to refer school leavers to DES providers. Since guidelines were changed in 2012, limiting DES providers to registration of students in the final year of school only, referrals have dramatically decreased.

For interventions to be effective in improving work outcomes for young people, they need to be provided in a timely manner. Changing the guidelines to allow all school leavers' access is in line with evidence-based best practice for early intervention. Early intervention has been shown to improve employment outcomes, long-term socio-economic disadvantage[4] and mental health outcomes[5], particularly for disadvantaged youth such as those with a disability[6,7] . DES providers are

[4] Pech J, McNevin A & L Nelms L 2009, Young people with poor labour force attachment: A survey of concepts, data and previous research, Australian Fair Pay Commission, Canberra.
[5] Independent Inquiry into Insecure Work 2012 Lives on hold: Unlocking the potential of Australia's workforce Australian Council of Trade Unions.
[6] Department of Social Services (DSS) 2014 A new system for better employment and social outcomes: Interim report of the Reference Group on Welfare Reform to the Minister for Social Services, Department of Social Services, Canberra.
[7] Yu P 2010 Disability and disadvantage: A study of a cohort of Australian youth Australian Journal of Labour Economics, 13, 3: 265-286.

well placed to provide planning advice and services that form an essential part engagement with the labour market[8].

Disadvantage and work capacity is best assessed in collaboration between the DES provider, the individual (and their carer), with those within the school who are best placed to inform the discussion, such as a teacher or school Career Advisor. Access to this career support should be available for all that need it, not only those who are considered unemployed or ESL eligible.

Recommendations:

- Allow eligibility for DES services at all levels of schooling.
- Level of disadvantage assessed by DES provider, individual and key supports including the school.

Discussion Point 16: Improving the Gateway

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

See response to discussion point 4.

Discussion Point 17: Assessments Review

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 suggested 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?*

[8] Sikora J & Saha L 2011 Lost talent? The occupational ambitions and attainments of young Australians, NCVER, Adelaide

3. *How should the revised assessment process fit with other options for DES reforms outlined in this Discussion Paper?*

Addressing assessment processes should be a priority in order to increase efficiencies. As noted in discussion point 13, one of the current frustrations for our DES providers is the significant disparity between the initial assessment of a participant's barriers by DHS and those that are identified when assessed by a DES provider.

The process of review is not efficient or agile and creates additional delays and administrative burden. This inconsistency is not necessarily a failure of DHS, it is the process of short initial assessments that are not adequate to assess vocational and non-vocational barriers to employment. Such short assessment periods tend to result in clinical assessments of the level of disability rather than a holistic approach to barriers to employment.

These barriers can be overcome with collaborative assessment processes with providers who are able to establish a relationship with a participant, who may be unwilling to divulge the full nature of their barriers to work initially, which become apparent at a later time point with the providers assessment. The process off assessment requires review to ensure that the processes are streamlined and agile to barriers identified by DES providers upon further assessment.

Recommendations:

- Review initial assessment process to ensure agility to respond to barriers identified by DES providers.

Discussion Point 18: Ongoing Support

1. *Should the fee-for-service funding model specify minimum 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?*

SF NSW believes that a more sophisticated funding mechanism is needed rather than a fee-for-service model. A fee-for-service model does not allow for flexibility of service based upon an individual's needs and preferences, rather contacts times are determined by fee as a necessity for financial viability of the provider.

Furthermore, minimum service contact requirements do not take into account the needs or preferences of the individual.

The types of supports that are offered and attract funding should be determined by the provider and participant rather than strictly set in regulation and inhibits the use of innovative technology.

Further consideration of a stepped model of funding is needed as described in Table 3. SFNSW supports additional intermediate steps to ensure reasonable increments between levels to support a more stepped model of care.

Recommendations:

- Ensure funding levels reflect a stepped model of care.
- Flexible supports should be able to be provided.
- Level of supports determined by participant and provider based on individual need.

Discussion Point 19: Job-in-Jeopardy

1. *How can we better define when someone's employment is considered to be at risk due to their disability?*
2. *How can we increase employer awareness of JiJ?*
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 workforce?*
6. *Should the JiJ service be integrated with Ongoing Support?*

Many of the JiJ issues identified in 2008, in the report "Promoting best practice use of job in jeopardy assistance and intermittent support"[9] still currently remain.

A fundamental problem with JiJ is that the fee structure is not appropriate. Intense consultation is needed in order to save jobs when clients become unwell with a mental health

[9] DEEWR. 2008. Promoting best practice use of job in jeopardy assistance and intermittent support. Available at https://docs.employment.gov.au/documents/promoting-best-practice-use-job-jeopardy-assistance-and-intermittent-support

issue, however, the financial remuneration provided through JiJ is not sufficient to pay for employment consultants hours to provide intensive support to the client on-site, in the DES office, and via phone calls.

The current model of JiJ does not allow enough flexibility for effective intervention for different types of disabilities. For example, it has been demonstrated that JiJ is not sufficient to support maintaining employment for young people through their first episode of psychosis- more intensive interventions may be needed and thus flexibility of the model is necessary[10].

JiJ is not utilised enough. In our experience this is because employers do not want to identify who is at risk of losing their job for fear of discrimination and litigation. Changing the name of the program could improve the palatability of the program- for example to Job Retention Support or Job Intervention Support.

For participants the process of evidence gathering is unnecessarily convoluted and there is a legitimate fear of discrimination if they were to access the program. Allowing participants the choice to not disclose their disability to the employer will not impede the ability of DES providers to successfully intervene, however disclosure is encouraged.

Recommendations:

- Increase JiJ fees to adequately support intervention activities.
- Change the name of JiJ to Job Retention Support.
- JiJ remains separate to Ongoing Support.

Discussion Point 20: Transition Issues

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

[10] Williams, P. Lee. & Lloyd, C. (2016). A review of job tenure under the Job in Jeopardy programme in first episode psychosis. British Journal of Occupational Therapy, 79 (5), 284-289.

To minimise disruption SF NSW recommends that the proposed service model is:

- Gradual: with a transition period of at least 6 months.
- Flexible: Enable providers that wish to exit the market to do so before end of contract.
- Supported: Transition will increase the need and cost of finance for Providers, and the Department should consider transition support for DES providers.
- Monitored: The transition closely assisting where market failures or service interruption occurs.
- Understand the impact transitioning has on clients living with a mental illness. It can take significant periods of time to build rapport between the participant and with an organisation/staff. Disruption of this relationship that occurs following transition has previously had severe impacts on job seekers including hospitalisation as a result of uncertainty.

Recommendations:

- Gradual transition closely monitored and supported by government.
- Flexible contracting arrangements for early exit from the market.