



RESPONSE TO DES REFORM DISCUSSION PAPER

CAMPBELL PAGE

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Community. Employment. Opportunity

Campbell Page is a not-for-profit organisation, dedicated to transforming people's lives by securing employment for the most disadvantaged. To move people out of poverty, everyone must have access to the opportunity of sustainable employment. We are a high performing provider of services. We partner with government and the community to help individuals get on the pathway to employment stability.

No-one should be denied the opportunity of secure employment because of where they live or the circumstances into which they are born. That's why we bring together individuals, employers and industry in a movement that provides access to sustainable employment. Our reach extends from youth, Indigenous and family programs through to education, training and employment services, including the employment of people with disability.

With roots as a youth drop-in centre in 1985, Campbell Page expanded into an iconic community hub situated on the corner of 'Campbell' and 'Page' streets in Moruya, NSW. Campbell Page today spans across New South Wales, Queensland, Victoria, South Australia and Tasmania. At the core of our values, we believe that anything is possible and that we are in it together. That's why we provide a wide range of services and programs, helping individuals across varying communities receive access to the support they need to find long-term employment.

As a provider with a strong history in the DES environment, we welcome the opportunity to provide feedback on the DES reform Discussion Paper. Our response builds on our previous contributions to the reform process and the input provided by Dale Cleaver, Campbell Page CEO, through his participation on the DES Reference Group convened by the Department. It is our position that Australia's Disability Employment Services are based on a solid framework, which through careful and considered enhancements and greater community support can deliver greater outcomes for people with disability.

Our response seeks to provide our general thoughts on proposed directions of the framework, as well as providing some specific responses to the questions raised by the discussion paper. We want to offer options aimed at achieving a balance between key shared priorities: between accountability and flexibility; between shaping behaviour and model complexity; and between quantitative and qualitative performance.

General Feedback

As we highlighted in our position paper in July 2016 it is critical that the DES programme maintains its currency and is well placed to support people with disabilities as the world of work continues to change and social reforms like the National Disability Strategy normalise participation and raise the expectations of both individuals and the community.

The general directions for reform highlighted in the paper are positive, and fundamentally seek to improve the current programme, building on many of the current strengths of the framework. This more transitional approach to change means that new ideas and measures are able to be trialled and tested in a more managed environment, presenting less risk to all stakeholders.

Campbell Page continues to support the key principles for change. As an organisation we are driven to assist as many people as possible realise their potential and reduce their disadvantage through employment, and support the notion that we can achieve greater outcomes.

We know that undertaking consultation of this nature is complex, and that the ideas outlined in the paper are exactly that – ideas. We understand that breaking the programme down into separate and distinct elements make for easier discussion and collection of feedback. What is most important to us as a provider of DES however is looking at the total picture, because all of these elements are intrinsically linked and cannot be considered in isolation of one and other. In some cases there are significant impacts that arise when measures are considered together which cannot be ignored.

A key example of this is the interaction between decisions related to participant choice and control in changing providers, contact requirements, the pro-rating of service fees and the shift in funding towards outcome fees. All of these areas are flagged for separate and distinct discussion but need to be considered as a whole due to the impact each measure has upon the other and the way services need to be operationalised as a result. While we have done our best to tackle our responses to each area in a way that “joins the impact dots” we will eagerly await the release of the final model and the opportunity to again provide feedback on the complete picture at that time.

Are Choice, Control and Mutual Obligation Mutually Exclusive?

As members of all four peak industry bodies, Campbell Page has attended many consultation sessions since the release of the reform paper. One key issue that has been raised consistently at those meetings is how participants with mutual obligation requirements can be managed in an environment that increases participant choice and control.

There is an underlying assumption that choice and control and mutual obligation are two mutually exclusive concepts that can't be managed within the same programme. We firmly believe however that it is critical that all people with disability who require support to engage in the labour market are able to access specialist disability employment services regardless of their income support payment type, activity test requirements or lack thereof.

It is important to recognise that there are precedents already set within other voluntary employment related programmes like the Department of Employment's Transition To Work. Participants volunteer to participate and meet their mutual obligation requirements by being in programme. Participation in DES should continue to be treated in a similar vein.

It should also be acknowledged that increasing choice and control for participants also increases their accountability and responsibility in the programme – choice and control does not come without requirements such as greater engagement and buy in to services, responsibility for decision making and negotiation around service needs and wants. These things will require a change in the structure of service and participant relationships and we can't think of activity-tested participants as a separate cohort to volunteers in this environment.

What's Missing?

There are two key areas which are absent from the discussion paper that we believe are critical to the future programme – support across the working life course and the issue of indexation.

Support Across the Working Life Course

When the initial paper was released on the future of DES for 2018 and beyond – one of the key features of the proposed model was support across the course of a person with disability's working life. There was recognition that connecting to the workforce is often only the first link in the chain for people with disability and assistance is often required to support ongoing success in that role, participation in opportunities for career advancement, or to change roles. We are disappointed that this has been left out of the current discussion.

As an organisation we feel it is important that the framework produces flexible and holistic services that enables interventions across the life course – from a person's first job and beyond, including to retirement, depending on need. We agree that Ongoing Support should remain a central feature and that Job in Jeopardy needs significant improvement, but we also feel that we should be able to support participants further their careers or even change career directions once they have had the opportunity to “get a job”.

We also believe that it is critical that the programme recognises an individual's journey towards employment and the time this can take. This includes the development of skills through education and training, through medical, psychological and allied health interventions and that often this distance travelled is significant, particularly for participants with complex needs and multiple barriers to employment. We believe that ensuring there is no time limit on services and the use of pathway outcomes that recognise these distances travelled as additional ways ensure more participants are able to move into the world of work.

Indexation

While the paper details changes to the way fees are paid to providers, the ratios and focus of payments, it is silent on ensuring that the funding envelope not just provides for the current cost of service, but maintains pace with the real costs of doing business, particularly when it comes to human resources, in particular wages.

In 2013 NESA noted in its paper “Strengthening Disability Employment Services in Australia” that between 2010 and 2013 the average annual wage for employment services frontline staff had risen by around 3.5% annually,, and CPI had increased by 9.4% over that same period. However funding against the Deed had remained completely static – essentially leading to an erosion of the funds available for service provision.

It is now the end of 2016 and the programme still remains without indexation. Wages have continued to rise with many organisations increasing staff pay annually to keep pace with the cost of living.

Campbell Page considers it critical that the future DES model includes indexation of payments over time. The recent jobactive tender provided a mid contract payment increase and we believe that a similar solution should be considered for DES to ensure the quality of services can be maintained over the long term.

Response to the Discussion Points

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?**

Campbell Page supports increased choice for participants. While we understand the potential complexity that comes from having an open market environment where participants are free to choose the provider that best suits their needs regardless of location, region or distance, it is an important piece of the choice and control puzzle.

We acknowledge that there may be some reluctance within the industry to support full freedom in terms of choosing providers given the potential financial and administrative implications – but to our mind there should be no restrictions as long as the provider is able and willing to service the participant outside of their nominated operating ESAs. However, the provision of services outside of an assigned ESA should be voluntary for providers.

In respect to moving between providers in principle we support the ability of participants to move voluntarily and the proposed limits outlined in the discussion paper. We also support the maintenance of the current more formal options for moving provider including due to relationship breakdown, better servicing and transfer by agreement. However these measures have potential impact on the service quality and continuity, as well as administrative and financial impacts that we would like to see modelled and have the opportunity to further consider.

A model designed to support and encourage participant choice needs to provide participants with time to exercise that choice in an informed way. We would advocate that DHS/Assessors should be required to provide participants (who have not already pre-selected a provider before they attend) with information about relevant providers and a period of time to do their research and then make a decision. This should include access to an advocate to support choice if needed. We would suggest a period of between 2 & 5 days should be available. Empowering choice in this way would also assist in mitigating the potential churn of participants that could occur if they were under informed during the initial referral process.

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?**

Providers and participants are best placed to determine how contacts should happen. Our position is that there should be complete flexibility within the system to deliver contacts in a way that works for both participant and provider depending on individual circumstances. This is a critical aspect of participant choice, and modes of and amount of time taken for service delivery should be agreed to with the participant.

While we recognise that there remains a belief that there are some circumstances where face-to-face in person meetings may be required – such as for service registration – with the way technology is expanding this is perhaps not as strong a case as it has been historically. We support the definition of face-to-face including video conferencing and that other means of communication are considered acceptable methods for participant contacts.

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?**

In an environment of greater participant choice – more flexibility in plans will be required. We firmly feel that the systemisation of plans has been one of the biggest issues and failings of DES. Historically, providers of disability employment services created highly tailored and individualised plans with participants that were not driven by specific codes and requirements from an IT platform. These plans included goals and the steps required to attain them from both the participant and the provider. Unfortunately, current Job Plans are reflective of the rules and requirements associated with participation requirements and not the participant aspirations. As a result, we wouldn't support further prescription in relation to Job Plans.

While some participants are likely to take to having input into their plans with gusto – many will need time to develop the capacity to exercise choice and fully engage in services. This is because much of the current system is built on and around compliance and predefined input requirements, rather than mutually developed aspirations and service goals. This will need to be taken into account during the initial phases of the future programme.

It is important that both providers and participants are held accountable for the outcomes associated with the Job Plan – and that it is not simply a tool related to job seeker compliance. Currently, the tailoring of plans is a key component of the provider's assessment under the Disability Service Standards and as such providers face scrutiny and accountability for delivering the services and supports outlined. Additionally, participants are able to access the CRRS if they are dissatisfied with service provision. This coupled with the ability to “vote with their feet” should provide a level of accountability for providers.

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)?**

Choice is only as good as the information it is based on. If we want participants to be able to truly engage in the choice process – it will be critical to ensure they are armed with sufficient information in order to make high quality informed decisions, and both providers and the Department have a role to play in the provision of this information.

We agree with the list of readily accessible information outlined in the discussion paper. However for the purposes of transparency, if participants are able to provide feedback about the services they were provided, or we were to go down the path of a “Trip Advisor” style ratings platform – providers should have a right of reply and the ability to provide feedback on their experience with the participant, and the Department must take a role in ensuring that the information made publically available is accurate and unbiased.

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?**

While we support increased choice and control, based on the information available to us we believe that significant capacity development would need to be undertaken with participants if any form of participant controlled funding was to be successful.

As a provider of the previous Job Network, Job Services Australia and now jobactive programme, we strongly advocate against the introduction of any type of Employment Fund modelled on jobactive for the DES environment. The Employment Fund is administratively burdensome and hard to manage from a life of contract perspective. Additionally, it limits the opportunities and ways in which the funding can be used – which are not necessarily congruent with participant choice and control.

We believe that piloting of options should be undertaken to test and evaluate ways of integrating participant controlled funding within the DES environment. One possible solution to begin to test participant capacity in utilising funding they control may be to make a nominal amount of funding available in Employment Assistance phase for the participant to spend on training, clothing, work preparation, health interventions etc. as they choose (no right of refusal of spend from providers) and outlined in the Job Plan. Participants could then receive a second amount when moving into PPS for work related items (travel costs, clothes, protective gear etc.) and then again in the Ongoing Support phase. The critical part will be informing the choices around how the funds are spent, and the acknowledgement that once spent they are not replenished. This would be like a notional account that would travel with the participant and could be managed through their my.gov.au account.

In any participant controlled funding arrangement there will need to be clear and transparent information about what costs are to be met by each stakeholder, and to ease any confusion there should be minimal crossover in items/spend areas. One of the key areas of participant dissatisfaction and complaints now dealt with at a local level often arise from misinformation and miscommunication about what DES can and can't fund.



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?**

We support the move to a panel arrangement for services to support increase contestability and competition within the market. We are also pleased that provider specialisation is still available under the proposed procurement framework.

In relation to how often should the panel be open to new entrants, it is important that the market is given an opportunity to bed down post the initial transition before additional opportunities are provided. Our preferred option would then be to open the market up on an as needs basis. That is - as providers are being removed from the market, or demand is increased beyond current market capacity, the market should be opened. This ensures a flexible and responsive procurement process. In lieu of that, a formal process that occurs every 18 months would be our next preferred option. We believe that every 12 months is far too often and would result in significant volatility. How often panellists are reviewed and what criteria they are reviewed against should be determined based on organisational risk profile parameters.

The potential criteria outlined in the discussion paper looks fair, it resembles the current tendering requirements to a large degree, which we are organisationally comfortable with. There should be significant focus on the ability of providers to demonstrate their ability to deliver similar programmes.

We recognise that the move to a panel arrangement is seeking to increase competition and choice in the market place - it will be critical not to “over purchase” as this is a distinct risk to market viability and the quality and sustainability of services.

How much time providers need to set up will vary depending on their existing operations/infrastructure or market connections to piggyback off and/or the type of service delivery they are offering to the market. The average time to secure leases and fit out offices is around three months.

We believe that ESA coverage should be a pre-requisite of application and appointment to the panel. Minimum viable caseloads will vary depending on the service delivery model, but we believe that it is critical providers have some guarantee of business by way of a minimum starting caseload, which can then be built upon as the market matures.



Discussion Point 7: A Single DES Contract

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

We believe that all providers should have capacity to deliver all programme elements required under the framework if they choose to remain in the market after 2018. It is important to recognise that Ongoing Support is an extension of Post Placement Support, which all providers should provide to their participants to support them to an outcome, and as such providers who may not deliver high levels of Ongoing Support under the current Deed should not be considered incapable of delivering such services.

Additionally, under simplified contracting arrangements – in a responsive and flexible market environment where participant choice is at the heart of service delivery – quality providers will structure their businesses in a way that ensures they meet the needs of the participant demographics in the areas in which are servicing. Failure to do so in in this new market environment seriously impact contract viability and as such would result in poor performance and removal from the market.

Discussion Point 8: Removing Market Share Restrictions

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

Campbell Page supports the removal of market share restrictions as they relate to the potential to grow a caseload. We have circumstances currently where we are unable to accept referrals into our specialist contracts due to being at business tolerance, an issue which would be alleviated under this proposal. We do however recognise the role that market share plays in the stability and viability of the current programme and the inherent risks that could arise with its removal.

In relation to universal coverage, there are a number of options available to ensure coverage while maintaining a competitive marketplace. These could include required conditionality for panel members seeking to operate in particular areas or requiring whole of ESA coverage options. There will also need to be more than one provider appointed in most ESAs to support initial choice (except in low yield areas where caseloads would not support multiple providers). It must also be noted that with the relaxation of ESA boundaries in relation to participant choice, adequate choice of provider will not require more than one provider in an ESA given participants could choose to look outside the ESA they reside in for provider options.

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?**

Campbell Page strongly supports the maintenance of the current ESA boundaries. It is important that boundary discussions are considered in the context of moving to participant choice and control in accessing services and the removal of market share. If participants have the ability to choose to be serviced by whichever provider they seek to access – wherever they seek to go to – then the discussion around ESAs is solely relevant to ensuring service coverage.

As a provider of jobactive services, our experience is that increasing the size of ESA's/reducing the number of ESAs in line with the current Employment Regions (ERs) utilised by the Department of Employment provides no foreseeable positive impacts for the DES environment, but would possibly produce difficulties in managing market failure and ensuring coverage. For example while we only provide services in one region, in order to meet region coverage we were required to open 17 sites, something that many small providers could find difficult. This would then lead to the need to increase the numbers of providers within an area. This would increase the management requirements for the Department and could also lead to over-purchasing.

We have heard the suggestion made that moving to ERs would make it easier for providers of multiple employment services programmes. As a provider of both DES and jobactive we would say that we have no problem managing the different boundaries, and don't see this as a reason to support change.

Discussion Point 10: Prevention 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?**

There is no doubt that some of the changes proposed in relation to market share, procurement, competition, and funding could result in increased risks of market failure.

The types of circumstances that could be recognised as market failure include:

- limited outcome achievement across all providers (operating in areas with limited labour markets in an outcomes driven environment)
- high levels of participant dissatisfaction with service provision available in the market
- multiple providers withdrawing from an area
- inability of providers across the region to meet minimum viable caseloads (issues with over purchasing)
- high levels of inappropriate referrals/suspensions/issues with ESAt quality impacting funding levels

Market share or minimum viable caseloads will be critical to market stability particularly in areas with limited participant numbers and/or limited labour markets. We believe that an approach that considers the minimum viable caseload on a case-by-case basis is critical, as the “magic number” will vary depending on a variety of factors including the service delivery model and area demographics. Additionally, it must be acknowledged that there are some areas where only appointing one provider is the best option.

We believe that the system will need a mix of both pre-emptive and reactionary interventions to prevent market failure regardless of which direction the framework design goes.

Types of interventions could include:

- thorough modelling of each ESA (we believe that this information should be made available to the sector to assist in provider decision making as well as departmental)
- limiting the number of providers in an ESA
- rebalancing the service/outcome fee ratios in an ESA
- changing the provider mix within an area

Discussion Point 1 1: Ratio Between Service Fees and Outcome Fees

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

Campbell Page understands the logic behind moving to a more outcomes focussed payment environment. It is important to recognise up-front though that shifting more funding to outcomes and increasing funding for those considered harder to place may not necessarily increase programme performance. The barriers to employment faced by people with disability are significantly broader than the alignment of provider incentives and most are outside of the control of providers (community & employer attitudes, labour market structure, broader economic factors, environment and accessibility) – a key example of this can be seen in the previous JSA environment – greatest weighting of funding sat with Stream 4 job seekers, yet they yielded the lowest outcome levels.

It is almost impossible to make a call on the appropriate ratio of fees without having key questions answered in relation to how the new model will operate as it cannot be considered in isolation from virtually all aspects of the discussion paper – the devil is in the detail as it is that detail which will determine how we are able to deliver our services.

We believe that it is critical that work be done with the sector to identify the costs of achieving the outcome levels being sought and understanding the levels of investment being made at different points in the participant journey to help inform the financial modelling of the programme, and we would be happy to participate in that work.

Once greater information is available we would welcome the opportunity to again respond to this question.

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?**

One of our key recommendations for reform in the past relates to the definition of an “outcome” for the purpose of DES. It is clear that employment outcomes have remained, at the least, stagnant over a number of years, despite program change targeted at increasing performance. We continue to believe this is primarily a result of the narrow characterisation of what an outcome is, and the frameworks failure to recognise the impact of the modern economy and the way people are engaging with work.

If performance in DES is truly going to improve - a new definition of an outcome is needed. Creating a definition for employment outcomes that recognises the individual, the labour market and employer needs should be a key focus. We believe that allowing participants’ involvement in defining their outcomes, rather than using the arbitrary benchmarks set within the ESAt process should be considered. The fact that current outcomes definitions fail to account for individual aspirations and circumstances or employer need, is often a cause for frustration for both people with disability and employers accessing the system. This user-defined outcome could then be recorded in the Job Plan and utilised as the measure.

Additionally, any new way of defining an outcome needs to encompass the evolving nature of the labour market and new approaches to work. It needs to acknowledge that the traditional view of a permanent ongoing position with one employer is no longer the norm. The coupling of multiple contracts, freelancing, teleworking and greater variation in working patterns has to be embraced. A perfect example of this is the current issues with Uber and its ineligibility to be claimed as an outcome in DES because it does not pay a traditional hourly wage. We would advocate that this type of work is as valid as any other and should be recognised in the outcomes framework - particularly given it is considered income by both DHS and the ATO.

We need to support people with disability to navigate smoothly through regularly changing jobs and to develop a portfolio of skills that apply across a diverse range of roles to enable ongoing connection to the economy, rather than to a job.

As mentioned earlier in the paper, we feel that pathway outcomes that recognise the distance a person has travelled towards employment - for example through education and training, should be supported in the new framework.

We think it is important to note that the proposal to move to a 4 week outcome is a little bit “back to the future”. The predecessor to DES – DEN, included 4 week outcome payments as part of the fee structure. We believe there would be an historical data set which could better indicate if a 4 week outcome will impact on the achievement of further outcomes more than a current job placement fee does, and that this data should be reviewed before a final decision is taken.

It is also critical that we review what has happened in the jobactive model and learn from the issues they have had with 4 week outcomes – which in reality aren’t often paid until week 8 – which has significantly impacted cash flow, which in turn impacts service delivery decisions and the by extension the quality of services delivered in jobactive.

From our perspective, it is imperative that any move to a 4 week outcome payment instead of a JP fee mirrors the JP requirements. Current JP outcome requirements are that a participant’s work their benchmark hours within 10 consecutive working days – if a 4 week outcome fee is introduced, it is important that it recognises that often participants go through a period of work hardening in the initial weeks and may take some time to reach their benchmark hours consistently. Averaging their benchmark over at least 2 out of the 4 weeks would be a reasonable starting point to consider.

Recognition of the increase of short-term jobs in the Australian labour market could be achieved by allowing multiple 4 week outcomes to be claimed in a period of service. This would need to be considered in the context of any definition of a 12/26/52 week outcome and how they are permitted in terms of breaks in employment etc.

We advocate that the introduction of a 52 week outcome payment should have as little administrative impact on providers as possible, and as such suggest a nominal fee should be trialled initially.

Participants should be able to access services during this time as they are needed – as discussed under Discussion Point 19 we recommend the introduction of an “In Work Support” phase that would include access to funding for Post Placement, Ongoing and Job in Jeopardy type supports.

Discussion Point 13: Service Fees

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

We understand what is trying to be achieved by shifting to an outcomes focused model, however in the world of disability, there is often significant upfront investment required to assist a participant to become “job ready”. It is important to remember that service fees are exactly that – fees paid to provide the required services to support participants engage in the world of work. The level of service fee should reflect the individual needs of the participant in relation to their barriers – which are often multiple and complex. To this end, they should be “risk-adjusted”.

This could be as simple as retaining 3 levels of funding similar to what is available now under the DMS & ESS elements of the programme – or as complex as mirroring the levels of risk adjustment in the outcome space. Our preference would be to keep it simple, and to ensure that service fees are sufficient to support the investment that is needed to move participants towards the labour market.

We also think it is important to learn from the issues that have arisen from the removal of service fees and their replacement with administration fees in jobactive. The quality of services provided to job seekers in that model has been significantly impacted, complaints have risen and job seeker engagement is more difficult than it has ever been as providers are trying to provide interventions and supports with limited funding available.

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?**

Campbell Page does not support the introduction of pro-rata service fees. Based on our experience in jobactive, which has taken an approach that includes pro-rating, the process is complex and administratively burdensome from a provider perspective. The result has been an increased administrative burden on the Department as it deals with the queries and issues that have risen from their introduction.

In reading the discussion paper, it is clear that this proposal around the pro-rating of service fees doesn't take into account the ways in which funds are expended on participants. Many need up front intervention, and this suggestion fails to recognise that a provider may have spent the entire amount of the service fee on a participant (training, intervention or health services etc) early in the quarter – and therefore would be financially disadvantaged by pro-rated fees should a participant transfer later in the service fee period.

It is highly possible that the disincentive to spend funding is likely to be more significant than the counterbalance of underservicing. Additionally, reducing the amount paid in service fees as proposed and the lack of guaranteed participant flow will further heighten the perceived financial risk and increase provider conservatism.

Given this model actively encourages movement between providers through the exercising of participant choice, it makes more sense from a servicing stand point not to pro-rata fees for either provider in the transfer process.

In relation to pro-rating of outcome fees there are some key points which must be considered in this context also.

It was raised during a number of consultation sessions attended by Campbell Page that there is an inherent risk in the new model that has such a focus on outcomes payments. The concern is that less scrupulous providers can and will target participants who are close/about to enter into employment with significant incentives (think RTO scandals with free laptops) – so there could be advantages in pro-rating outcomes fees in a way that ensures the provider who has gotten the participant to the point of employment is recognised and adequately funded for that work. This is particularly important in a model that has reduced services fees and increased the emphasis on outcomes fees, as outcomes fees are then utilised to cover costs of service that are underfunded in the front end.

We believe that overall pro-rating is complex and may in fact have the opposite impact to what government is seeking and should be reconsidered.

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?**

Campbell Page supports Eligible School Leaver policy returning to its roots under the previous Disability Employment Network programme which supported the transition from school to work by allowing students with disability to access supports for outside school hours work. By enabling supports for outside school hours work, the programme allowed young people with disability to participate in the workforce like their non-disabled peers at a similar age. This serves to normalise participation and put work on the agenda at a much earlier point, in turn supporting smoother transitions and opening up greater options once school ends. It also ensures that young people with disability are better placed to compete in the open labour market due to their work history.

Additionally, changes made to ESL policy under DES mean that to a large extent young people with mental health conditions miss out on ESL opportunities due to the issues around education related funding for disability. We support ESL eligibility being expanded to enable their participation. Evidence to support could include treating doctor/health professional/school staff reports/referrals.

Work capacity is currently defaulted to 8 hours and we don't see any reason for this to shift in the new model.

Discussion Point 16: Improving the Gateway

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

If participant choice is the core component of the new programme framework, then it is critical that all people with disability who want to access a DES are able to do so.

In practice, this should mean that where a person's primary barrier to employment arises because of their disability, regardless of diagnosis, location and/or personal circumstance, specialised supports to engage in work are available. Assessed work capacity (or lack thereof) and income support payment should not be the determining factor in service access. No one should be deemed to have no capacity to benefit.

Additionally, alternative referral pathways other than DHS should be recognised, such as through the NDIS planners, schools and allied health professionals – not just for voluntary participants.

Discussion Point 17: Assessment 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?**
3. **How should the revised assessment process fit with other options for DES reforms outlined in this Discussion Paper?**

One of our most longstanding concerns in relation to ESAts is that they are a medical/diagnosis based assessment that is done outside of the context of the skills and experience of providers. They lack input from the contracted experts who have expertise with particular disability types, knowledge of the local labour market, qualifications and often specialist staff who understand the interrelation and interaction between disability and the world of work. Without such context being considered – assessment results can lead to people being denied access to supports or conversely being assessed as having a greater capacity than they display. There are increased issues with ESAt availability; many are done as file reviews or over the phone, rather than face-to-face.

We agree there is a lack of utility of ESAts when it comes to utilising the information to support participant servicing and interventions. At Campbell Page we employ Occupational Assessors to undertake a further period of assessment with the participant once referred to us to support this work. We also find that there are many factors which are not permitted to be considered in an ESAt for the purpose of making referral determinations which are highly relevant to assessing service needs of the individual such as undiagnosed or untreated conditions and willingness to seek assistance and supports.

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?**

Due to the demographics of our caseloads, we do not currently provide significant levels of Ongoing Support, however we do believe that is a fundamental component of the programme and that the current payment arrangements and levels were well evidenced when implemented in 2010 and should remain.



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?**

We have previously advocated for a more inclusive approach to Jij in considering PPS, Jij and OS to be a phase of the programme called “In Work Support” which could encompass any number of interventions needed to keep a person in work over the long term. We believe this is even more appropriate in the new model given providers will potentially be supporting a person for at least a minimum of 52 weeks in employment if the 52 week outcome payment be introduced.

Issues with Jij occur now as a result of confusion and misunderstanding around the current guidelines. The policy itself is inherently good and should be better supported and promoted. It could be better served by being viewed as a safety net for people with disability who are struggling to maintain their connection to the workforce – regardless of whether it is directly “at risk” as a direct result of the disability. It is critical to recognise that the disability itself is more complex than that and as such it may be a contributing factor, or might not be involved at all. The key however is that the impacts of disconnecting from the workforce for someone with a disability are far more significant and a greater indicator of future long term unemployment than that of their non-disabled peers and as such interventions to keep someone in work/connected to the labour market should be the priority.

We do not believe that disclosure should be a pre-requisite to service given the level of stigma that remains attached to disability – not just in the workforce, but also in the broader community. Additionally, it needs to be recognised that not all “in work support” happens in the workplace.

Discussion Point 20: Transition Issues

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

The discussion paper proposes significant levels of change to the programme – which not only affects the providers who deliver services, but participants who rely on us to help them achieve their employment goals. Any form of transition will impact on the delivery of services, and how this is managed will be critical. Given the level and amount of change proposed in the paper, we feel there are significant risks in transition to the new model, particularly related to the ability of participants to exercise choice, and for providers to manage both the service and financial impacts of the new model. We have seen some of these risks play out in the recent move from JSA to jobactive and the problems that have arisen with both job seeker engagement and financial viability as a result of so much change occurring to a system at the one time.

Campbell Page believes that continuity and stability are keys to the success of any transition, and advocate for early market certainty where possible to support this. This could be achieved by offering high performing providers a position on the panel where they currently operate. This type of approach ensures that there is a level steadiness in the programme, while providing the opportunity for new entrants to enter which we understand is important to Government.

We think that breaking the transition into more incremental steps over the initial 4 – 5 years of the contract would be beneficial. We support a more “Try, Test, Learn” like approach to the implementation of some of the measures, allowing the theories behind the changes to be tested and ensure that what ends up in the model enhances the framework. It will also be important to provide support to develop the capacity of participants to fully engage with the principles of choice and control as they are realised in the new model.

We would also note that without the final model in front of us it is impossible to predict the full implications and risks of transitioning to the new model. It will therefore be important to return to this question once the decisions have been made on the future of DES and the final shape of the programme is known.