

NDS Response to the Discussion Paper on a Proposed Licensing System for the New Employment Services Model

NDS welcomes the opportunity to provide this response to the Discussion Paper on a proposed licensing system for the new employment services model. Our responses to the questions in the discussion paper are below.

Should generalist and specialist organisations be included on the same panel?

NDS recommends that a single panel be established for each employment region as it is the least complicated option.

How long should the panel be in place for?

NDS agrees with a panel duration of six years. Providers should still be able to join a panel/sub-panel and/or become a licensed provider through panel refresh exercises in an employment region (or regions) if needed within that six year period.

In what circumstances should a panel refresh occur?

As required, e.g. if sufficient licensed panellists are exited and there are insufficient sub-panellists to ensure competition, comprehensive job seeker choice and minimum service provision levels.

How else could the panel be used?

For delivery of other government programs. For enabling licenses to be granted to specialist providers on the national panel for employment regions they may not have originally applied for (but where demand in that region cannot be met by an existing panel).

How long should licences be issued for initially?

NDS agrees that licenses should be issued initially for three years.

Should an organisation be allowed to service areas smaller than an Employment Region?

The principle of flexibility should be central in this instance. For example, if there is evidence of service provision gaps for job seekers requiring specialist services in a particular area of an employment region. Alternatively, a licence could be granted for

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an employment region, with exception provisions included identifying the areas to be serviced.

Should the number of licences be capped in each Employment Region?

NDS would caution against the arbitrary imposition of licence caps, especially given the six year duration of a panel. Allowing a maximum number of licences initially may be prudent, on the proviso that additional licences could be issued if it is clear the initial limit was insufficient.

When should new licences be added to a region?

ABS labour market data should be monitored to ensure sufficient licences are allocated as well as taking into account feedback from providers demonstrating an inability to meet participant demand (including insufficient allowance for job seekers requiring specialist services).

In what circumstances should short-term licences be issued?

NDS agrees with the concept of issuing short term licences, e.g. if dictated by exceptional conditions in an employment region or regions.

How many performance groupings should there be?

NDS considers that three performance groupings should be sufficient.

How frequently should Licence Reviews occur?

NDS considers the proposed licence review time frames identified in the discussion paper are sufficient.

How often should providers receive performance data?

Performance data should be made available quarterly, at the very least, although, where possible, monthly data should also be provided.

Should provider performance be publicly accessible?

Yes. Publicly accessible performance data ensures transparency in delivery of the service model, stimulates competition and informs job seeker choice.

When should the first Licence Review occur?

NDS agrees with the licence review timeframes identified in the discussion paper.

Should the first Licence Review be any different to later reviews?

NDS agrees with the proposed procedures identified for the initial licence review.

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Should cohort specialists only be referred job seekers from their target cohort?

NDS recommends that cohort specialists should also be able to offer services to all job seekers if the specialist provider can assist them. Working with a wider range of job seekers may also ensure specialist providers maintain their financial viability.

Which cohort types should have specialists?

NDS agrees with the cohort types identified in the discussion paper. However, we would be concerned about the viability of the DES program if there is a specialist cohort for job seekers with disability.

What factors should determine where specialists are located?

Labour force and demographic data should be utilised to identify employment regions with sufficient numbers of job seekers requiring assistance from cohort specialists. We also agree with the other factors identified for consideration on page 27 of the discussion paper.

How should the new model interact with complementary programs (e.g. Transition to Work, Work for the Dole)?

NDS agrees with observations made in the discussion paper that note changes to complementary programs are not considered necessary.

How should workforce specialists operate?

NDS agrees with the principles in the discussion paper identifying how workforce specialists would operate.

How should market share operate?

Market share should operate in accordance with the initial principle identified in the discussion paper, as the portion of business (job seeker referrals) in a region over a certain time period.

How should tolerance work?

NDS agrees with the tolerance principle identified in the discussion paper. The preferred tolerance should be 10%.

Should a portion of market share remain unallocated?

Yes. This will allow providers some additional flexibility and allow job seekers greater choice of provider. NDS would like to see some allowance for direct registrations which would be outside of market share.

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How can the licensing system help cut red tape?

NDS agrees that the licensing system will help cut red tape for service providers in the initial phase of gaining access to a panel. Any current relevant information previously provided by organisations offering current government employment programs should be utilized in the initial provider panel application process, so that organisations do not have to provide this again (e.g. financial returns).

However, NDS remains concerned that funding agreements/service provision contracts have become increasingly laden with burdensome reporting and compliance obligations. The current DES contract is an obvious example of this.

What would assist smaller organisations to enter the provider market?

There are several ways of achieving this. For example, by setting aside a certain proportion of market share for smaller organisations, or limiting the number of larger organisations that can operate on a panel in an employment region. NDS remains concerned that compliance obligations such as the right fit for risk requirements may also constitute a significant barrier to entry for smaller organisations.

What measures could be included in the Provider Performance Framework?

NDS agrees with the broad principles underpinning the performance framework (and quality assurance framework) identified in the discussion paper. The performance framework should take into account provider achievement of long term employment outcomes. Education outcomes are a valid stepping stone to employment and so should also be taken into account, possibly with similar safeguards to the ones recently introduced in DES.

Service providers' ability to progress job seekers through the different levels of service provision (e.g. progression from enhanced service to digital plus or digital plus to digital only) could be included, as could the ability of a provider to attract direct job seeker registrations.

In addition to job seeker employment outcomes, successful employer engagement strategies could also be included such as multiple placements of job seekers in a particular employer, or successful job seeker placements in a large number of employers.

What features in the Provider Performance Framework would support the classification of high, medium and low performance?

Classification should be based on the achievement of performance outcome rates by providers being compared to providers in both their employment region and nationally. Local factors in employment regions such as high concentrations of disadvantaged cohorts or a stagnant labour market should also be considered.

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How can the department ensure job seekers and employers are receiving a quality service?

Job seeker and employer input on the quality of service provision should be actively sought and collected to enable a qualitative dimension to be incorporated into the performance framework.

Service quality will also be contingent on the digital platform being significantly improved so that it can be utilized as part of the future employment services.

How can providers' cyber security be improved in the new model?

The cost, complexity and compliance involved in using the Right Fit for Risk cyber security model remains a concern for NDS and its members.

What would ensure an effective transition from jobactive to the new model?

A suitable transition period is essential to ensuring an effective transition to the new model, as is ensuring that all relevant features of the new model have been suitably tested, refined and are ready to use on the commencement date.

Management of job seeker records during transition is critical, both in respect of ensuring security of job seeker information and preventing of "sharp practices" that may disadvantage both job seekers and new providers.

What lessons can be learnt from previous program transitions?

The main lessons that could be learned from previous program transitions include ensuring:

- a suitable mix of providers with a diversity of service models
- the presence of sufficient specialized services
- a reduced likelihood of a concentration of larger providers both nationally and in particular employment regions

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National Disability Services is the peak industry body for non-government disability services. It represents service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. Its Australia-wide membership includes around 1,200 non-government organisations which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.