

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2016-2017 Additional Estimates Hearings

Outcome Number: 3.1 Disability, Mental Health and Carers Question No: SQ17-000187

Topic: DES Discussion Paper - Fee Structure

Hansard page: Written

Senator Carol Brown asked:

1. The DES Discussion Paper states 'the current funding model weights service and outcome fees equally. However, actual expenditure indicates that 60-70 per cent of total DES expenditure is on Service Fees' (see Page 37). There is usually a lot of work that goes into preparing a DES participant to be job ready before referring them to jobs. Is the Government looking at changing the fee split between Service Fees and Outcome fees?
2. Can the Department give some detail about proposed changes to the service fee / outcome fee split?
3. The DES discussion paper proposes new outcome payments for 4 and 52 weeks of employment (page 42-43 Discussion Paper). How will these be funded and will these new payment points mean that the Performance Framework (eg Star Ratings) will have to be amended?
4. Has the proposed model of Risk-Adjusted outcome fees been built and if so has the model been tested with providers or will it be tested before the 'new DES' is implemented?

Answer:

The *New Disability Employment Services from 2018* discussion paper canvassed possible changes to the structure of fees including a possible shift from service fees move towards outcome fees. In putting advice to Government on proposed program changes, the Department is considering all feedback received in response to the discussion paper. The features of the program from 2018 onwards are subject to decision by Government.