

Estimates Committee Hansard

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EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION COMMITTEE

NOTE: The section at the end that is highlighted – it is the view of the sector that the Department was denying the strong criticism of them that had been made including sending a petition to the Minister re the data issue.

Senator CASH: Thank you for that. I now have a number of questions which I will ask on behalf of Senator Boyce. I am sure she has been in the committee before, so you might be familiar with the types of questions that I will be asking. The first lot is in relation to the Employment Support Services and the funding for it. One of the issues that has been raised is that the ESS program has not had service and outcome fees adjusted for indexation or wage costs since December 2007. My understanding also is that the ESS draft exposure tender document provides no increase in service fees or outcomes to address indexation or wage costs from March 2013 to March 2018. Does the department have any thoughts in relation to what has been termed a 'funding inadequacy' affecting the disabled clients of this service when, according to the Australian Institute of Health and Welfare, expenditure per employment service user fell by 17 per cent between 2004-05 and 2009-10? Should the projected indexation of wage cost increases over the period of the next ESS contract be responded to with extra funding? Clearly, Senator Boyce has concerns in relation to the adequacy of the funding under the contract.

Ms Parker: We undertook consultation on the ESS request for tender and putting the service out for tender. There were a number of providers who were very opposed to having any kind of tender and wanted the service to be rolled over. In that sense I guess you would say there would not have been any indexation if the contracts had been rolled over. We are rolling over some of the contracts. So the providers that are the highest performers—four and five star—are having their contracts renewed without having to re-tender, so it is a continuation of service. The others will tender and it is true that there is no increase. However, in the budget for Building Australia's Future Workforce last year there were a number of additional measures that were put into the program to assist job seekers with disabilities. They included employer brokers and there are a number of others we can run through which provide additional injection of funding for disability employment services—not directly to their service fees, if you like, but certainly putting more money into services for job seekers. Our view in the department is that the fees are generous and certainly we are expecting DES-ESS to possibly get thousands of applications to run the program. We have a huge interest in it from overseas and locally. We do not think that it is going to stop anyone applying to run the program. Clearly, government has to make a decision about what it will fund and we would all like to see a lot more money in every program, but it has to be a decision of government.

Ms Buffinton: In DES-ESS in particular there are two levels of funding—taking into account, not surprisingly, funding level 1—of people who have a high level of impairment but possibly will not need quite as much ongoing support and so forth. Whether you are a JSA provider or a DES provider, certainly a lot of people who came to those consultation processes looked at the fees. We pay our quarterly fees in the DES-ESS at twice that of the funding level 1 and they are higher than those for the disability management service. On top of that, we also understand that for those who help people with moderate intellectual disability, it often takes a lot more support. There is a pilot at the moment which is a 70 per cent additional funding level weighting. Within the DES fees, if you were to look at the JSA fees, the disability management service fees and the employment support fees, you would see quite a major escalation—understanding that these are people who do take a great deal of support. There is a lot of base funding in there.

Ms Paul: The best test in the tender will be, as Ms Parker was saying, to see how much interest there actually is. So far there is quite a lot.

Senator CASH: In relation to performance data transparency, the minister has told parents of people with intellectual disability that contracted ESS services are able to achieve high-performing employment outcomes for all disability groups. Why hasn't the national/state labour market region employment service area and provider performance data by primary disability groups been published to verify the minister's statement? Are you able to provide that data?

Ms Parker: We are aware of the issue. We have a disability employment services reference group and we work with all the peaks and other interest groups. We are certainly aware that there are different groups

that want very specific data. We do not try to withhold data, but disability is an area that is quite difficult to break down into very specific data. A lot of people have multiple disability. There are groups that want data on one specific type of disability and others that want data on multiple disability. We are working through this and we are trying to provide as much data as we can to people. In the end, it is not a simple exercise.

Senator CASH: On the national/state labour market region employment service area and provider performance data by primary disability groups, do you have that data and are you able to provide that to the committee?

Ms Buffinton: We do have that data—in fact, as part of this tender. We are two years into the Disability Employment Service, so now we have a whole range of providers, if you like, with sufficient data. As part of this tender, we want to make sure that, whether you are part of DES-ESS or from some other background coming into this tender, people know their potential case load by employment service area and whether there is a need for a specialisation in that area. What we are undertaking as part of the tender process—now that we have two years of data which we needed to build—is to put that information on the labour market information portal.

Senator CASH: Whatever data you can provide will be good.

Ms Parker: We can provide it to you, noting that it is a work in progress. We are very well aware of the sector.

Senator CASH: All people are saying is that they want the data.

Ms Parker: Yes, absolutely.

Senator CASH: It also goes back to the minister's statement. Upon what basis is the minister able to say that contracted ESS services are able to achieve high-performing employment outcomes for all disability groups, if the minister has not actually seen data that would support such a statement?

Ms Parker: I am not aware of the statement or when it was made, but we can look into it.

Ms Buffinton: Regarding four- and five-star providers, for example, it is actually slightly higher for those who are specialist, and certain categories actually get a slightly higher outcome rate than generalists.

Ms Parker: I imagine the minister was referring to the previous program. We have said fairly clearly that it is achieving much better results. There is no question about that result.

Senator CASH: According to the ESS exposure draft, the Commonwealth grant guidelines require demonstration of value for money through purchasing high-performing services, which meet the needs of specific groups. Why does the ESS exposure draft not require tenderers to list past performance outcome data by primary disability groups?

Ms Parker: It depends what they are tendering for. If they are putting in a tender and they want to run a specialisation by primary disability then we certainly want to know about their past performance. We want to know what they are able to do. In general terms, we do not say to each one tendering, 'Tell us everything you have done with every disability group.' The tenderers will mostly be providing general services. For those who put in and say, 'I want to be a specialist; I'm a mental health specialist,' we will clearly be requiring them to tell us why they are—

Senator CASH: There will be some circumstances in which you actually do require that level of data; it is just not across the board in relation to—

Ms Parker: No, not in every sense. Many of them will be required to service a range of disability.

Senator CASH: How can the delegate from the department making purchasing decisions in the interests of all job seekers with disabilities, if performance outcome data of existing ESS providers by primary disability is not published and the selection criteria does not require tenderers to demonstrate past performance for primary disability groups?

Ms Parker: That is the answer to my previous one. I am the delegate. What I will be looking for through the process, and there are a range of steps obviously, is that providers have answered very specific selection criteria. Part of that is to tell us about their expertise and understanding of disability employment services and part of it is about their governance arrangements. There are criteria about their relationships with other services and there is past performance. Past performance asks them to tell us whether they have already been a disability employment services provider, in which case we have our own data and we know how they have performed, and to tell us if they have delivered somewhere else, overseas. If they are a JSA provider then we will take that into account because they have worked with job seekers. They are all weighted slightly differently.

If they are someone tendering to be a specialist provider then they do need to provide evidence of how they have performed for that cohort. As I said before, we do not require every tenderer to put in what they know about every primary disability. The aim of this is to get job seekers with a disability into quality, sustainable jobs and to support them to stay in those jobs. That is what I am looking for as the delegate.

Senator CASH: Is the department aware of the petition that was presented to the minister by the National Council on Intellectual Disability requesting that the minister publish current provider participant numbers and outcome rates by job seeker characteristics, including intellectual disability and moderate intellectual disability at the labour market regional level?

Ms Parker: Yes, and that is the same question we have been discussing. We are getting the better data, so we will look to what we can provide. There is nothing to hide; it is about having quality data that we feel is defensible.

Ms Paul: For a reasonably new program too—these things take some time to get records.

Senator CASH: Is the department able to explain why you are unable to publish ESS past performance outcome results by primary disability groups at a national/state, LMR, ESA and provider level as at 31 March 2012, prior to the release of the ESS request for tender, and every quarter thereafter, so as to enable job seekers with disabilities and their families to make informed decisions about their employment assistance, to enable current generalist providers to demonstrate past performance for all primary disability groups when tendering and to inform the minister or the department of any gaps for service for specific disability groups that need to be addressed by the purchasing strategy?

Ms Parker: I think we have answered that. Ms Buffinton did mention that we are putting up information where we have it. There are two parts for tenderers to put in if they want to be a specialist. Part of that is to demonstrate to the department and to myself as the delegate that there is a need for that service in an area. So, part of the information we have is what has already been in the area. Have we been running services that are for mental health and a whole range of disability services? Are they getting outcomes? Therefore, we would probably want to continue to have them. In other words, there are enough job seekers with that disability in that ESA so we would want to continue to have a service. We also have labour market information. None of it is perfect. We tell providers whatever we have, what labour market information we have, population, the types of disadvantage in an area and we also require that person tendering to say to us, 'I want to run a mental health service; I know I have the clients in that area and I know that people will come and there are jobs to be found in that area'. So there are two parts to that. As I said before, we provide the data. But we do require people tendering to pitch for the service, if you like.

Senator CASH: I suppose the issue that Senator Boyce is pursuing—and I know she does a lot of work in this particular area—is the fact that the Australian Federation of Disability Organisations and the National Council on Intellectual Disability have repeatedly requested that the department publish this data, particularly in relation to the guidelines under the ESS exposure draft and what the tenderers must meet by way of Commonwealth guidelines, and the point that they do not seem to be able to have that data.

Ms Parker: No, as I said, we have provided some data and we are working to provide more data. But there is another component to this. We are encouraging providers who do not yet exist to reply. That includes, where appropriate, international providers. It is open for them to do so. We really do not want to create a tender that is so complicated and based on past performance in an area in Australia that will exclude other providers from applying. There is a balance here between how much information you give people and very specific details—'we want exactly this here'—to tell us what you can provide and what you can bring that is different and will get people jobs, and keep them in jobs.

Senator CASH: Do you consult with the Australian Federation of Disability Organisations and the National Council on Intellectual Disability in this regard?

Ms Parker: Very regularly.

Senator CASH: So you do know of their calls to provide this information?

Ms Parker: Yes, and they are on our Disability Employment Services—

Ms Paul: They have two members.

Senator CASH: They do regularly bring this up with you?

Ms Parker: Yes. It is a very positive relationship. They bring enormous expertise to the table and we work well with them. We know that they would like more and we are certainly doing our best to provide more.

Ms Paul: It is also fair to say we are very confident in the selection criteria and the approach to the tender. We were very confident that we went through a lot of consultation just to get to that RFT. We do confidently believe that we will have the right rigour in being able to select the successful providers. On the other hand, you have this data question—which is a range of questions—and those two issues are not completely overlapping. We can still be confident in the tender while certainly saying that we are improving our data effort. We want to improve our data effort. That, in a way, is not too surprising with a new program and with only a certain amount of history of provider records coming in. It is a work in progress. It is probably worth making that distinction as well.

Ms Buffinton: In fact, AFDO and the NCID are supportive of the tender because, at the end of the day, they feel that this is an opportunity to look at the whole variety because we have never had that opportunity to look at those who might like to enter. The other aspect is with the star ratings. Both the programs are currently using and going ahead with specialisation. Something that is very important to AFDO is that clients with disability can pick the best possible providers. Now that we are publishing those stars quarterly, and they are cumulative over time—it is not just how you have been in the last three months—clients can make an informed choice of the best providers in the current system, which is an important part of what AFDO wants.

Senator CASH: That concludes my questioning.

CHAIR: That is the conclusion of our questions in program 3.3.