The DES Performance Framework

A discussion paper from
Disability Employment Australia

July 2012
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Introduction

This discussion paper is provided to industry in the lead up to the DES performance framework review. It represents the first step in Disability Employment Australia’s consultation process, and will be used to gauge stakeholder views, and to inform the ongoing development of our position.

The next step will be the formation of a Performance Framework Working Group. This group will be convened by invitation, but please get in touch if you (or your organisation) would like to be considered for the group. The working group will consider responses to this discussion paper and provide technical and strategic expertise to Disability Employment Australia regarding the review.

Additionally, stakeholders will have the opportunity to participate in a roundtable consultation, similar to World Café style consultations. This consultation is planned, but not yet scheduled, and more details will be made available soon.

In the meantime, interested parties are invited and encouraged to provide feedback, by getting in touch with our Policy Officer, Bevan Burkin.

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Background

Following the DES-ESS procurement announcement, Minister Ellis provided an undertaking to DES Reference Group members to review the DES performance framework (‘the framework’), with a view to including qualitative measures.

In November 2011, the *Senate Inquiry into the Administration and Purchasing of DES* highlighted perceived vulnerabilities to the integrity of the framework. It additionally demonstrated the widely-held perception that the ‘JSA framework’ was not suited to the DES cohort at all.

The inquiry brought allegations of morally and ethically questionable practices to light. DEEWRR labelled such practices ‘sharp’, although in earlier iterations of its quasi-market employment...
solutions, said practices were referred to as ‘gaming’. The quasi-market system appears vulnerable to manipulation.

Despite claiming to find no evidence of sharp practices during the inquiry, DEEWR later did find evidence of such practices, further evidencing the vulnerability and unsuitability of the framework. In an effort to stop sharp practices, DEEWR shifted program settings and introduced further complexity with new ‘non-payable’ guidelines to protect the integrity of the DES system.

Disability Employment Australia did not support DEEWR’s decision to impose further administrative complexity, rather we recommended that DEEWR step back from the detail, and take a principled, risk-managed approach to non-payable outcomes. Additionally, upon DEEWR’s release of its intended changes to the outcome guidelines, we called upon the Minister to expedite the promised review of the framework.

This discussion paper is presented to the sector without knowledge of the Terms of Reference for the performance framework review. Views on the scope of the terms of reference are invited.

Our position
The Minister’s undertaking offers an opportunity for a thorough review of the DES performance framework. It is an opportunity to reflect on lessons-learned, and to review and develop the framework to ensure it is fit for purpose, within the context of:

- The Disability Services Act
- The National Disability Strategy
- DES Program Objectives

The objects of the Disability Services Act are centred on increasing the social inclusion of people with disability through increased economic independence, employment and integration in the community.

The objective of the Program Services is to help individuals with disability, injury or health condition to secure and maintain sustainable employment. The Program Services will increase the focus on the needs of the most disadvantaged job seekers and will achieve greater social inclusion. The Program Services will boost employment participation and the productive capacity of the workforce, address Skills Shortage areas and better meet the needs of employers.

(Source: DES Deed, Provider Portal)

What do we know about the review?
The DES-ESS request for tender document contained information that may assist members in responding to this discussion paper. DEEWR has indicated that it believes the controls introduced to the non-payable outcome guidelines will protect the integrity of the performance framework. Would a change to outcome weightings warrant a zero basing of performance data? How might this effect DES-DMS?

The Government is also committed to working collaboratively with employment service providers to build a strong and vibrant employment services sector that continuously improves and builds on good practice to achieve outcomes for unemployed Australians.
In support of this principle, the Government has agreed to a review of the DES performance framework to ensure the need for accountability and transparency directly relates to the quality of services and improved outcomes for people with disability.

In the second half of 2012, prior to the final issuing of DES–ESS Deeds, a review of the framework will be undertaken in consultation with the DES Reference Group to ensure the framework continues to effectively support high performance and genuine sustainable Employment Outcomes in the open labour market.

Depending on the outcome of this review, it is anticipated that DEEWR will not zero-base the performance data on 4 March 2013.

(Source: DES-ESS Request for Tender)

Now is the time to bring the aspirations, goals and objectives of people with disability, and employers, into the centre of DES performance. The program has 2.5 years of data to benchmark performance. It is time to work collaboratively to understand quality from the perspective of candidates with disability and employers, in addition to Government and providers.

DEEWR and the sector together develop a set of performance management tools that meet the government’s goal of managing political risk as well as providing an enabling environment for innovative, flexible and individualised service delivery (Nevile & Lohman, 2011).

This discussion paper is presented to stimulate thinking and to start a continuous dialogue around the review of the DES performance framework. It represents the first step in our consultation process. Although we have made efforts to be thorough, it is difficult for us to capture each issue and nuance; therefore we encourage stakeholders to get in touch and to share experiences, thoughts and ideas.

The National Disability Strategy: A new policy environment

In 2009, the former DEN and VRS programs were slated to merge into the DES program, a program that would (rightly) be fully uncapped, similar to earlier iterations of the Job Network and Job Services Australia. Accordingly, the architecture of the JSA performance framework, which had been judged as reliable and valid in its context, served as the model for the specialist DES system.

When determining the key performance indicators (KPIs) for the DES program, the Industry Reference Group (IRG) considered:

[...] what performance indicators are required to best capture the policy objectives set by the Australian Government, including the demand driven model (Industry Reference Group, 2009, p. 12).

After two years of the DES contract, there is a pressing need to revisit how the KPIs operationalize the objectives of DES, in the context of a new policy environment – a policy environment with significant implications for employment services.

In 2010, the Australian Government announced a major disability policy shift when it released the National Disability Strategy 2010 – 2020.¹ For the first time in Australian history, Governments

¹ It is worth noting that DEEWR omitted this policy shift in its 2012 exposure draft for the DES-ESS request for tender.
agreed to work together to provide ‘leadership for a community-wide shift in attitudes’ (Commonwealth of Australia, 2011).

The National Disability Strategy (NDS) calls for a new approach to guide policies and program development to drive improved service outcomes. The strategy is important in the context of Australia’s ratification of the United Nations Declaration on the Rights of People with Disability (UNDRPD). The NDS focuses efforts towards an enabling and inclusive society – a society that provides equality and the opportunity for each person to fulfil their potential.

With more than 60% of DES participants not achieving an employment outcome (Australian Government, 2011, p. 21), the program settings are hardly providing equality of opportunity. Government acknowledges that people with disability are more likely to be socially excluded, be in poor health, lack access to goods, services and facilities, and to be discriminated against (Commonwealth of Australia, 2011, p. 12).

Government also agrees these poor outcomes provide impetus to increase effort. DEEWR can engage more people with disability into employment by ensuring that the social, economic and human rights imperatives of the National Disability Strategy inform the review of the DES performance framework.

The Strategy will help ensure that policy settings, including health, education, employment and income support systems and infrastructure are properly designed to help meet the aspirations of people with disability, and to maximise productivity across all sectors of the population wherever possible (Commonwealth of Australia, 2011).

Disability Employment Australia acknowledges the review of the framework is to be completed before the new DES contracts commence in 2013. Many of the issues presented in this section are done so simply to stimulate thinking about what the DES program sets out to achieve (by looking at who it was built to serve), and how the framework can best drive those aspirations.

What this policy reflection does tell us, is that disability necessitates a different approach; it is complex and multidimensional. It also tells us that job candidates with disability might achieve more outcomes, if those outcomes reflected individual aspirations and they were better supported through person-centred, individualised strategies. In light of this, is the DES performance framework fit for purpose?

What have we learned?
The current framework started with the DES contract on 1 March 2010. The industry now has two and a half years of data that can be analysed, benchmarking is now feasible. What do we know about the framework?

- It operationalises the objectives of the program
- It is not transparent (the ‘black box’)
- It is vulnerable to manipulation
- It drives behaviour
- It is predominately used for procurement
Industry Reference Group (IRG)
The DES performance framework (‘the framework’) is a product of industry consultation, designed to align with 2009-2010 Government policy objectives. Specifically, its reforms to DES service delivery, namely the uncapping of services, focus on outcomes and incentivising training and skills development (Industry Reference Group, 2009, p. 4). Prior to the commencement of DES, DEEWR commissioned an independent review of the framework, and that review considered the tool suitable for use (Access Economics, 2010).

While the framework was a product of industry consultation, many of the recommendations made by Industry Reference Group members were not accepted, or were considered unviable or unreliable:

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Rejection Reason</th>
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<tbody>
<tr>
<td>Benchmark performance (absolute)</td>
<td>• Considered carefully, but lacked reliable historical performance data to determine benchmarks (as at August, 2009)</td>
</tr>
<tr>
<td></td>
<td>• Lack of technical solutions to adjust retrospectively; however, recommended benchmark analysis during first contract period.</td>
</tr>
<tr>
<td>Include Job in Jeopardy outcomes</td>
<td>• Technical difficulties measuring small JiJ population</td>
</tr>
<tr>
<td></td>
<td>• JiJ cohort too dissimilar to Bonus cohort to include there</td>
</tr>
<tr>
<td></td>
<td>• Ongoing Support has different weightings in DMS and ESS</td>
</tr>
<tr>
<td></td>
<td>• Training considered higher priority.</td>
</tr>
<tr>
<td>Measure wages and hours</td>
<td>• Concerns regarding quality, reliability and comparability of the data</td>
</tr>
<tr>
<td></td>
<td>• Removal of measure had small (half-star) or no effect on 92% of sites.</td>
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Table 1 Responses from 2009 IRG Report

The IRG recommended that a Technical Reference Group including provider representatives be formed to work with the Department to develop and test improvements and simplifications to the regression methodology for the new Disability Employment Services.

The IRG sought to develop a framework that was consistent with the new design principles; was simpler and more transparent than old arrangements; but which also promoted continuous improvement.

Discussion questions

To what extent have the 2009 IRG objectives been met?

How does the framework promote continuous improvement?

How does the framework encourage adoption of evidence-based, best practices?

In what ways is the framework transparent?

ESAt/JCAs
The ESAt/JCA process has an enormous influence on the performance framework as it determines the requirements for outcomes through a speculative assessment of future work capacity. In most
cases, this process is the gateway to DES. Members have reported a decline in the quality of assessments from 1 July 2011 when responsibility shifted exclusively to DHS. The ESAt/JCA serves little purpose for participants, and many disagree with its determinations.

A common problem reported is that of a Job Capacity Assessor (JCA) classifying a client as only able to benefit from sheltered employment (capable of less than 8 hours per week), which denies access to DES even when open employment is the client’s explicit goal (Waghorn, 2011, p. 5)

**Recommendation 10**

The Committee recommends that the Commonwealth Government work with employment service providers to streamline assessment processes for job seekers with a mental illness and ensure that the assessment criteria for and requirements of job seekers with a mental illness are compatible and consistent across the services.

*(Standing Committee on Education and Employment, 2012, p. xix)*

**Discussion questions**

How could people with disability have a greater say in determining their employment benchmark?

Should people already on DSP be manifestly eligible for DES? How does the ESAt/JCA help?

**Possibly valid, reliable ... but is it built for purpose?**

While the JSA performance framework might be valid and reliable, it has become apparent that its adaptation to DES is not fit for purpose; it relies too heavily on throughput and rewards short-term outcomes and contains perversities to exit and churn participants instead of supporting them. It does this in the context of a vulnerable cohort (many with long-term support requirements); thereby running the risk of being irrelevant to the very people it aims to help.

The processes used to achieve successful employment outcomes are lost in the drive to meet unrealistic performance targets. The demand for service, expressed in terms of large case loads, works against the possibility of establishing ongoing rapport and tailored, individualized service delivery for clients. In short, the competencies of traditional human service case management are not conducive to the output imperative demands of the system (Wright, Marston, & McDonald, 2011, p. 313).

**Low risk, homogenous services**

Similarly to the Job Network and Job Services Australia, the performance framework and contracting regime has resulted in low-risk practice and convergence of homogenous practices in Disability Employment Services. In the context of self-determination, the framework should drive providers to diversify their service offerings, and to offer more choices to job candidates with disability (and employers).

Providers work in a monopsony – a single-customer market. In this case DEEWR is the customer, and DEEWR is quite specific as to what it wishes to purchase (evidenced by a 300+ page contract). DEEWR is also explicit that it seeks to purchase the same ‘product’ (outcomes) for a smaller price each year. Even though job candidates and employers (end users) are vital links in the employment
equation, providers are not accountable to either stakeholder (other than through the Disability Service Standards, which are not measured by DEEWR). Service convergence characterises employment services reform in Australia.

In fact, in the ten years between the two studies there was a marked increase in the level of routinisation and standardisation on the frontline. This suggests that the sector did not achieve the enhanced levels of flexibility so often identified as a desirable outcome of reform (Considine, Lewis, & O’Sullivan, 2011, p. 811).

**Discussion questions**

**How might services be diversified and innovation encouraged in a revised framework?**

**How might a performance management framework encourage individualised (goal-oriented) practice?**

**Focus on throughput**

With its origins in Job Services Australia, the question must be asked, is the framework too focused on throughput for the DES cohort? Intermediate Labour Market (ILM) programs seem to suit the current framework. The following extract describes a model of disability employment identified in DEEWR’s (2008) *Employment assistance for people with mental illness* literature review. The characteristics of this approach resonate with the highest performance weightings and payments in the DES framework. However, this is not an approach designed to achieve permanence in the labour force, a key objective of the program.

![Image: B—Prevocational training and transitional employment](image)

The DES framework contains bonus outcomes for training and rewards short-term employment outcomes. Providers are not penalised on the ‘time to outcome’ measure by placing candidates into training courses. The DES framework was designed to handle throughput, but may inadvertently
encourage throughput (or churning) by considering six months work as sustainable and incentivising exits from Ongoing Support. DEEWR's response has been to introduce complexity around guidelines and controls in an effort to stop providers adopting a model (such as the one described above) that suits the letter rather than the spirit of the framework (and the circle continues).

Tight and demanding regulation certainly succeeds in reducing error and providing a political response to fraud. Competition amongst contractors does promote efficiency. What neither quasi-markets nor tight regulation succeeded in doing on their own was to promote innovative solutions for the most vulnerable (Considine, Lewis, & O'Sullivan, 2011).

DES is available to the most disadvantaged job candidates, who often experience discrimination, and poor health, in addition to being unemployed. The National Disability Strategy sets out to guide programs and policies to meet the aspirations of people with disability. We know that disability is complex and multidimensional – are candidates benefiting from homogenous services? Does the convergence of practice limit the choices of participants?

Discussion questions

In what ways does convergence of practice limit choice and control? Why?

Is the current DES performance framework fit for purpose? Why?

If no, what should be measured to determine fit for purpose? Why?

Ongoing Support

Members report that there is a perverse incentive with the framework for a provider to exit a participant in Ongoing Support when their job is at risk. In order to maximise performance in this measure, the provider essentially needs to independently exit (or maintain employment) each participant that it takes an Ongoing Support fee for. The perversity occurs where the provider has prior knowledge that the placement was going to cease. Rather than intervene and try and keep the job going, there is an incentive to exit (which guarantees performance in the measure, whereas providing the support is riskier). The participant can then start again in another period of DES. DEEWR has found evidence of churning, and as a result, program settings were adjusted to ensure participants attended another ESAt/JCA before restarting in DES.

It has been suggested that the Ongoing Support measure in DES-DMS is also vulnerable to manipulation. A provider can easily maintain a 100% score in the Ongoing Support (5%) weighting by providing Ongoing Support (claiming a fee, then exiting as independent) to a single participant.

The Ongoing Support phase of DES is one of its distinguishing features. The DES-ESS request for tender asked tenderers to detail their capacity to assist people with disability through career transitions. The Ongoing Support phase provides numerous opportunities for a provider to interface with an employer.

Discussion questions

How should Ongoing Support be assessed? Why?

How might disincentives in Ongoing Support be removed?
How might Ongoing Support be valued as the distinguishing feature of DES?

How might qualitative employer/employee feedback inform assessment of Ongoing Support? Should it?

How might Ongoing Support better support career transitions?

Relative need

‘Relative need’ in the Disability Services Act means that those who have the highest support needs get assistance first. Relative need plays out quite differently in an uncapped program that is relatively assessed – those with the most need represent the highest risk, especially in a contract with higher caseloads and non-indexed fees; a contract that rewards quantity over quality.

Feedback from members indicates that the uncapping of the program did not result in an increase of complex (volunteers) cases – in some cases, caseloads have become less complex and links to the disability community have been diminished.

Discussion question

How might a revised framework ensure those who have the highest support needs are prioritised for assistance?

Speed to outcome

The speed to outcome measure (although desired by voiced consumers), when assessed relatively, can drive providers to refer as many candidates to vacancies as possible, in an effort to get across the quarterly finish line. This has implications for the quality of job matches and is a cause of concern for employers, the other key stakeholder in the employment equation. This concern is evidenced in the 2011 report Employer perspectives on recruiting people with disability and the role of Disability Employment Services.

The main challenge identified by users and non-users of DES alike is job matching—getting the right person for the job in order to ensure productivity, sustain motivation and to encourage long term employment (Australian Government, 2011, p. 9).

It takes time to get to know a new participant and it takes time to develop employer relationships. It takes time to build disability confidence and it takes time to make a quality job match. The drive to get full outcomes as quickly as possible is an admirable goal. It may, however, be resulting in an unintended consequence – providers are not always focused on providing recruitment solutions to employers. Tellingly, DEEWR acknowledges that DES takes time.

The whole notion of DES is that it might not be that the instant you arrive you immediately get a job placement: it is a matter of what the employment service can do to value add (Standing Committee on Education and Employment, 2012, p. 179).

Discussion questions

How might employers receive better quality job matches?

How might efficiency that is relative to effort be valued in a revised framework?
**Shifting program settings**

DES is becoming increasingly technocratic, characterised by shifting program settings and increased resources around contractual compliance, instead of sharing and adopting evidence-based practices.

In an intensely competitive quasi-market, with constantly shifting program settings, providers are vulnerable to trivial and/or administrative breaches of their contracts.

**Case Study: Lodging a job and claiming an outcome**

Lodging a job and claiming an outcome fee are key processes for a DES practitioner. To lodge a job and claim an outcome fee, a provider needs a sound understanding of at least three sets of guidelines (job placement, outcomes and documentary evidence).

Outcome guidelines: Version 4.0; three policy changes, four process/narrative clarifications, one amendment and one formatting change.

Documentary evidence guidelines: Version 2.6; five policy changes and four narrative clarifications.

Job placement guidelines: Version 2.0; four policy changes and two narrative clarifications.

Within a two year period, this represents a total of eight versions of guidelines, containing twelve policy changes, and ten policy clarifications – there are 41 other sets of guidelines.

(Source: DEEWR Program Guidelines as at 16 July 2012)

**Discussion questions**

How might outcomes become less complex?

In what ways are the current outcome requirements too narrow?

How might revised outcome requirements better reflect the objectives of the programs and the *Disability Services Act*?

**Conducted competition**

Competition between providers has intensified ever since program management shifted to DEEWR. Employers do not get access to the full talent pool as a result. The competition is so intense that industry knowledge has become a commodity that nobody wishes to share.

In an environment of secrecy and with only one purchaser to please, contractors lack incentives to communicate good practice to others, including to the contractor (Considine, 2003, p. 75).

Consequently, best practice is hard to identify and replicate on a wide scale (this is exacerbated by constantly shifting program settings). The artificial competition created by DEEWR’s monopsony has been criticised by academics for stifling innovation and collaboration.

A commitment to a privatised transactional contract model for delivery has reduced capacity for collaboration between providers, limited sharing of best practice and constrained innovation (Bowman & Horn, 2010, p. 10).
The case of contracting employment services and the principle of competition has to some extent muted the social advocacy role of third-sector organizations and church groups (Wright, Marston, & McDonald, 2011, p. 314).

In its 2011 review of the JSA system, the taskforce acknowledged that the system could be improved to encourage collaboration between providers.

DEEWR should revisit perceived ‘penalties’ within the Star Rating system that discourage vacancy sharing.

**Discussion questions**

How might benchmarked performance remove disincentives to collaborate?

How might employers get access to the full talent pool?

How might vacancy sharing be encouraged?

**What should it drive?**

The DES performance framework should be designed to ensure that it meets the objects of the *Disability Services Act*. It should drive personalised service strategies and recruitment solutions for employers. Competitive employment in the open labour market should be the optimal outcome.

**Absolute benchmarking**

The merits of assessing provider performance against set benchmarks were discussed in the 2009 review of the framework. There are clear benefits to benchmarking performance.

- Providers have certainty over expected performance levels;
- Increased transparency for all stakeholders; and
- Increased scope for collaboration and cooperation among providers.

Three approaches to benchmarking were described in the 2009 IRG report.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute benchmarks</td>
<td>Pre-determined, simple and nationally consistent.</td>
</tr>
<tr>
<td>Negotiated benchmarks</td>
<td>Individually negotiated on an ESA basis, to take account of local labour market conditions.</td>
</tr>
<tr>
<td>Relative benchmarks</td>
<td>Pre-determined, but adjusted nationally to account for local conditions.</td>
</tr>
</tbody>
</table>

**Approaches to benchmarking**

Benchmarks would need to be:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate</td>
<td>Reflect the objectives of the program and take account for the diversity of participants and labour market conditions.</td>
</tr>
<tr>
<td>Unambiguous</td>
<td>Well-designed; components are easily identifiable.</td>
</tr>
</tbody>
</table>
**Specific** | Specified in advance.
---|---
**Measurable** | Widely applicable and independently established to ensure transparency.

**Characteristics of benchmarks**

The 2009 Industry Reference Group report considered that benchmarked performance for the 2010-2012 Deed as an unviable option for three reasons.

- Lack of reliable historical data to set benchmarks (as DEN was previously capped)
- Lack of a DEEWR technical solution to retrospectively move benchmarks to take account of factors not known at start of a performance period
- More time being needed to understand the requirements of various stakeholders

**Discussion questions**

**How might performance be benchmarked? Should it?**

**How might benchmarked performance provide greater transparency?**

**Pathway outcomes**

DES is designed to be a capacity building service; this is evidenced by DEEWR purchasing outcomes based on future work capacity.\(^2\)

It has been suggested that the weightings in the framework are not sufficient to encourage providers to consider pathway outcomes for their candidates. It has also been suggested that the policy settings that limit a provider to claiming only one 13 or 26 week outcome in a period of service contribute to this reluctance.

While the achievement of open, competitive employment is (rightly) the optimal outcome, indeed the primary outcome that DEEWR wishes to purchase, DEEWR needs to ensure the candidates’ journey and the efforts of providers are factored in.

**Recommendation 5**

The Committee recommends that the Commonwealth Government examine ways to further support social enterprises that effectively transition people with mental ill health into the open employment market.

*(Standing Committee on Education and Employment, 2012, p. xviii)*

This is *not* to suggest that transitional employment, or intermediate progress, is directly comparable to the ‘optimum goal’ of competitive (open) employment. Rather, we question if the framework discounts pathways? The national average for 13 and 26 week pathway outcomes is very low (especially in comparison to equally weighted outcomes).

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\(^2\) It should be noted that the ESAT/JCA is a speculative assessment of future work capacity and it is not an evidence-based tool; it serves little purpose for participants, who often disagree with its determinations.
The low pathway rate is concerning in light of the fact that nearly 60% of DES participants are not achieving any employment outcome (Australian Government, 2011). Does the framework drive providers to seek as many employment outcomes as possible (at whatever level) or does it divert attention away from capacity building activities, instead driving providers to focus on those candidates able to start work sooner? Put another way, only 742 job candidates with disability, out of a potential 62,307, achieved a twenty-six week pathway outcome. In the DES-ESS Request for Tender, DEEWR describes a pathway outcome as:

A Pathway Outcome recognises progress towards the achievement of sustainable Employment, such as through Education or substantial part-time work.

If a pathway outcome recognises progress towards the achievement of sustainable employment, why is non-ongoing employment a non-payable pathway outcome?

If DES is a capacity building program, and pathway outcomes represent progress, why is there such a disparity between the full and pathway outcome rates? Anecdotal industry feedback and observation indicates an unwillingness to work towards any outcome that is not a full outcome. While as an aspiration this is laudable, in practice it risks DES participants being left behind (parked).

The second risk is ‘parking’, where more costly to help participants receive only minimal services and make little progress in a programme. If such participants secure employment through their own efforts this represents a ‘windfall’ gain for the provider (Finn, 2009, p. 42).

If the framework encouraged greater uptake of pathway outcomes (with full outcomes always receiving the highest rewards), would program efficiency (outputs) improve, thereby ensuring better value-for-money?

Discussion questions

How might the framework better encourage and reward pathway outcomes? Should it?
How might (other than hours-worked) pathway outcomes be distinguished from full outcomes?

How might the outcome weightings be adjusted? Should they be?

Should a pathway employment outcome be valued more than a full education outcome?

**Bonus outcomes**

Financial and performance bonus outcomes are paid when a participant achieves an outcome in directly related employment (employment related to education) or in an Australian Apprenticeship. Non-financial performance bonuses are attributed to a provider when an Aboriginal or Torres Strait Islander participant achieves a full or pathway outcome.

The IT system is set up to easily (at no additional cost) attribute ‘star rating credits’ to a provider for different types of placements, for different cohorts.

Additional Star Rating credits are an established feature of the rating system (for example, in respect of Indigenous job seekers) and can be implemented without additional cost (JSA Taskforce, 2011).

It has been suggested that the bonus outcome measure is a ‘wasted’ measure because it is not applicable to all job candidates. It has also been suggested that financial incentives exist for providers to seek qualifications for their participants to address the skills shortage.

**Discussion questions**

Is the bonus outcome a relevant measure?

How might the bonus measure be considered a ‘flawed’ measure?

What else might trigger a (non-payable) bonus outcome?

What else might trigger a payable bonus outcome?

**Job in Jeopardy outcomes**

From 2006, the workforce participation policies of the Australian Government have focused on the supply side of the labour force (job seekers). Given that people with disability are more likely to experience discrimination in the labour force than people without disability, should incentives be built into the DES performance framework to encourage supply side strategies (employer engagement)?

Demand side policies have been downplayed as a means of combating unemployment, focusing instead on supply side strategies (Marston & Larsen, 2010, p. 388).

Job in Jeopardy (JiJ) outcomes were removed from the framework. There is a compelling case for DEEWR to reconsider its position and to drive providers to seek these outcomes. On DEEWR’s own evidence, employers are much more likely to retain an employee with mental illness, as opposed to recruiting a candidate with mental illness (Australian Government, 2008, p. 27).

This suggests that the stigma associated with mental health could be addressed through a strategy aimed at employers and their current employees with disability. This is especially important...
considering people with psychiatric disability have the highest unemployment rate of all disability types (and make up the largest cohort in DES).

However, uptake of the Job in Jeopardy initiative has been relatively low. In 2008, DEEWR released the report *Promoting best practice use of job in jeopardy assistance and intermittent support*, which found poor Job in Jeopardy uptake a result of employers having no knowledge (or understanding) of Job in Jeopardy and that its language was too negative (p. 2). Additionally, providers found the guidelines complex (Australian Government, 2008a) and reported that the funding was insufficient to make Job in Jeopardy viable.

It is important to note these findings were made when Job in Jeopardy outcomes were included in the DEN performance framework. However, it is equally important to note that DEN was not an uncapped contract.3

Despite increased funding made available for Job in Jeopardy in the DES contract, our members indicate that Job in Jeopardy uptake is low because DEEWR does not value the outcomes. This is seemingly evidenced by the removal of Job in Jeopardy outcomes from the performance framework. In contrast, other cohorts eligible for direct registration (that are recognised in the framework) receive more attention, for example, Eligible School Leavers.

If disability increases with age, and Australia is experiencing an ageing population, as well as skills and labour shortages, and Government is making efforts for people to keep working for longer, then it makes sense to incentivise providers, through the performance framework, to work with employers and build their disability confidence to retain their current employees through Job in Jeopardy.

As this confidence builds, trust and rapport with the employer result, opening the door for other candidates with disability. This is in line with the objectives of the program (enhancing employer engagement to meet employer needs).

The recent parliamentary inquiry report into mental health and workforce participation was critical of the information and support provided to employers and potential participants concerning the Job in Jeopardy program. It recommended the eligibility criteria be relaxed to encourage greater uptake and awareness of the program.

**Recommendation 8**

The Committee recommends that the Commonwealth Government support and, where necessary, amend the JobAccess, Employment Assistance Fund and Jobs in Jeopardy initiatives to ensure that:

- The scope of eligibility requirements does not prohibit employees and employers who require support; and

- Ways of accessing and information about the JobAccess, Employment Assistance Fund and Jobs in Jeopardy programs and their benefits, including for employment of people with a mental illness, be clarified and readily available to employees and employers.

*(Standing Committee on Education and Employment, 2012, p. xix)*

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3 Until the introduction of the DEN Uncapped service in July 2006; however this was a separate contract to DEN Capped.
Disability Employment Australia considers the eligibility criteria suitable, but instead suggests that greater uptake of the Job in Jeopardy program can be achieved by valuing its outcomes in the performance framework.

DEEWR could incentivise providers (through Job in Jeopardy) to engage with the demand side of the labour market, to build confidence and long-term relationships that generate inclusive opportunities for people with disability. It is not sufficient to simply focus attention on the supply side of the labour market, while downplaying barriers such as discrimination, accessibility, education and social exclusion.

**Discussion questions**

How might the DES framework better reward ‘supply-side’ strategies? Should it? Why?

How might Job in Jeopardy outcomes be included in the framework? Should they? Why?

**Qualitative measures**

There is a pressure on DEEWR to include qualitative measures in the DES performance framework. In DEN, quality measures such as hours worked and earnings over time were included, as they represented an aspiration goal. However, they were removed due to concerns regarding the accuracy of the information, and the finding that the data had little effect on star rating performance.

The framework certainly warrants close ongoing attention, monitoring and evaluation, with input from interested stakeholders, to maintain their support. Presently, the star ratings appear to be heavily weighted towards quantitative outcomes (i.e. getting someone a job). This should not necessarily be at the expense of **longer term qualitative outcomes**, be these educational goals or career aspirations. In Professor Killackey’s words, this may ‘perhaps be in their long-term best interests’ (Standing Committee on Education and Employment, 2012, p. 197).

**Senate inquiry recommendation**

**Recommendation 7**

The committee recommends that the Department develop a robust and quantifiable quality assessment mechanism for services under the DES-ESS, and incorporate that assessment mechanism into the performance framework.

*(Education, Employment and Workplace Relations References Committee, 2011)*

**Parliamentary inquiry recommendation**

**Recommendation 12**

The Committee recommends that the Disability Employment Services Performance Framework be monitored and evaluated on a regular and ongoing basis. DEEWR should continue to consult with a technical reference group of stakeholders to ensure the framework’s and star ratings’ ongoing relevance and efficacy in achieving qualitative as well as quantitative outcomes for people with mental illnesses.

*(Standing Committee on Education and Employment, 2012, p. xx)*
One option would be to commission a qualitative study that would ask people with disability and employers to define quality. It could then test those assumptions with providers and DEEWR (and vice-versa within limits). Design quantitative assessment of pre-determined (and co-produced) qualitative indicators. Quality is much (much) more than using the right codes in an EPP, or the listing of hours worked and wages earned.

**Discussion questions**

What is quality employment?

What qualitative measures already exist?

How might qualitative measures be incorporated into the framework?

**Transparency**

The framework and its ‘black box’ have been criticised for being unclear and confusing. Star ratings offer little in the way of informed choice from the point of view of a participant or employer. Is Connections for Quality sufficient to provide this information?

The previously mentioned study could capture what employers and candidates value (quality) and can be used as a basis for determining transparency of relevant data (quantity).

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**Recommendation 6**

The committee recommends that the Department, in consultation with key stakeholders, consider the DES performance framework regression modelling information with a view to public release in ways that are accessible, meaningful and helpful to advancing program objectives.

*(Education, Employment and Workplace Relations References Committee, 2011)*

**Discussion questions**

What information would be helpful to advancing program objectives?

How might that information be made available?

**Concerning specialisation**

Are specialist providers compared on a like to like basis? Many members have voiced concerns that their assessment as a specialist contract has been confusing and in many cases not transparent. The DES-ESS RFT contained substantial amounts of information for specialist tenderers.

Academics are critical of the framework and indicate the policy settings themselves are hindering the employment rates of people with mental illness.

There is little room in this system for those with severe psychiatric disabilities who may be successful at work but need innovative and challenging approaches to employment support (Shankar, 2008, p. 280).
The DES program urgently needs stability, streamlined administration, and greater incentives for providers to adopt evidence-based practices. Particularly for clients with mental health conditions or psychiatric disabilities (Waghorn, 2011, p. 6).

Discussion questions

How might specialist contract performance be assessed?

What factors make a specialist contract different to a generalist contract?

In what ways is the framework relevant to a (predominately) directly registered caseload? In what ways is it irrelevant?

Payments or performance?

What drives provider behaviour the most? Is it the drive for payments, or is it the drive for performance? The contract places high emphasis on sustainable outcomes, and places both the highest performance and financial rewards at these points.

Member feedback indicates that most providers will chase performance. Therefore it is important to ensure the drivers are placed in the appropriate places in the framework. In 2012, are there different policy priorities to 2009?

How might the evaluation of the Moderate Intellectual Disability Loading affect payments and performance, and where is this incentive transferrable? For example, the MIDL was introduced after evidence demonstrated the large costs associated with early on-the-job support. What characterises a participant with higher support needs?

Discussion questions

Should payment/performance points be split? Why?

How might the outcome weightings be redistributed? Should they be?

How might the star ratings bandwidths be redistributed? Should they be?

Terms of reference

What would members like to see included in the terms of reference for the performance framework review?
## Summary of discussion questions

<table>
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<th>Section</th>
<th>Question(s)</th>
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| **Industry Reference Group** | 1. To what extent have the IRG objectives been met?  
2. How does the framework promote continuous improvement?  
3. In what ways is the framework transparent?  
| **ESAt/JCAs** | 4. How could people with disability have a greater say in determining their employment benchmark?  
5. Should people already on DSP be manifestly eligible for DES? How does the ESAt/JCA help?  
| **Low risk, homogenous services** | 6. How might services be diversified and innovation encouraged in a revised framework?  
7. How might a performance management framework encourage individualised (goal-oriented) practice?  
| **Focus on throughput** | 8. In what ways does convergence of practice limit choice and control? Why?  
9. Is the current DES performance framework fit for purpose? Why?  
10. If no, what should be measured to determine fit for purpose? Why?  
| **Ongoing Support** | 11. How should Ongoing Support be assessed? Why?  
12. How might disincentives in Ongoing Support be removed?  
13. How might Ongoing Support be valued as the distinguishing feature of DES?  
15. How might Ongoing Support better support career transitions?  
| **Relative need** | 16. How might a revised framework ensure those who have the highest support needs are prioritised for assistance?  
| **Speed to outcome** | 17. How might employers receive better quality job matches?  
18. How might efficiency that is relative to effort be valued in a revised framework?  
| **Shifting program settings** | 19. How might outcomes become less complex?  
20. In what ways are the current outcome requirements too narrow?  
21. How might revised outcome requirements better reflect the objectives of the program and the Disability Services Act?  
| **Constructed competition** | 22. How might benchmarked performance remove disincentives to collaborate?  
23. How might employers get access to the full talent pool?  
24. How might vacancy sharing be encouraged?  
| **Absolute benchmarking** | 25. How might performance be benchmarked in the 2013-2018 Deed? Should it?  
26. How might benchmarked performance provide greater transparency?  
| **Pathway outcomes** | 27. How might the framework better encourage and reward pathway outcomes? Should it?  
28. How might (other than hours-worked) pathway outcomes be distinguished from full outcomes?  
29. How might the outcome weightings be adjusted? Should they be?  
30. Should a pathway employment outcome be valued more than a full education outcome?  
| **Bonus outcomes** | 31. Is the bonus outcome a relevant measure?  
32. What else might trigger a (non-payable) bonus outcome?  
33. What else might trigger a payable bonus outcome?  
| **Job in Jeopardy outcomes** | 34. How might the DES framework better reward ‘supply-side’ strategies? Should it? Why?  
35. How might Job in Jeopardy outcomes be included in the framework? Should they? Why?  
| **Qualitative measures** | 37. What is quality employment?  
38. What qualitative measures already exist?  
39. How might qualitative measures be incorporated into the framework?  
| **Transparency** | 40. What information would be helpful to advancing program objectives?  
41. How might that information be made available?  
| **Concerning specialisation** | 42. How might specialist contract performance be assessed?  
43. What factors make a specialist contract different to a generalist contract?  
44. In what ways is the framework relevant to a (predominately) directly registered caseload? In what ways is it irrelevant?  
| **Payments or performance?** | 45. Should payment/performance points be split? Why?  
46. How might the outcome weightings be redistributed? Should they be?  
47. How might the star ratings bandwidths be redistributed? Should they be?  

References


Bowman, D., & Horn, M. (2010). The Australian experience of employment services: what have we learnt? In D. Ban-Galim, & Sachradjda (Eds.), *Now It’s Personal: Learning from welfare-to-work approaches around the world* (pp. 8-10). Institute for Public Policy Research.


