

Questions and Answers

Disability Employment Services 2018

Registration of Interest

The following questions and answers are specific to this Registration of Interest (ROI) process. Please also refer to the *Disability Employment Services Reform 2018 – Frequently asked Questions* that arose in response to the Disability Employment Services Reform 2018 - Industry Information Paper available below.

1. What is the closing time and date for registering my interest?

The ROI Form must be submitted by **2.00pm Canberra local time (AEST) on Tuesday, 29 August 2017**. It is recommended that you submit your ROI **well before the closing time and date**.

2. If I am not able to submit my ROI by the due time and date, can I be granted an extension?

No, extensions will not be given.

If an application is late or the Community Grants Hub is requested to approve a lodgement after the closing date, the [late application policy](#) available on the Community Grants Hub website will apply. Late registrations will be considered at the sole discretion of the Department where exceptional circumstances can be demonstrated.

3. What is a lead organisation?

A lead organisation must be an incorporated body which is able to enter into the Grant Agreement.

If you submit a group application, you must nominate a lead organisation for the registration of interest/application. The lead organisation, if your application is successful, will sign the Grant Agreement, receive the funding and take legal responsibility for performing the activities and meeting the outcomes of the Grant Agreement.

4. Where should I go for further information?

Please email your enquiries to support@communitygrants.gov.au or for general enquiries call the Grants Hotline on 1800 020 283.

Information on Disability Employment Services can be found on the [Engage](#) website including:

- Disability Employment Services 2018 Reform Industry Information Paper

Other useful information (links) include:

- [Disability Employment Services](#)
- [DES Deed](#)
- [Labour Market Information Portal](#)
- [DES data](#) including the population of current caseloads in each ESA by new funding model categories.
- [DES Program Guidelines](#)
- [Discussion Paper](#)

- [DES Star Ratings](#)
- [Compulsory participation requirements](#) for participants
- [Independent Registered Assessor Program \(IRAP\)](#) for an overview of the IRAP process or to obtain assistance/guidance from an IRAP assessor
- [Information Security Manual \(ISM\)](#)
- [Protective Security Policy Framework \(PSPF\)](#)
- [Certification with the National Standards for Disability Services](#)

5. We have made changes to the organisational details that were pre-populated in the Registration of Interest Form (I.e Organisation name and ABN). Can you confirm this is acceptable and will not jeopardise our registration?

This change is acceptable and will not affect your Registration of Interest.

6. Can the lead organisation nominated at ROI stage be changed for a particular ESA at the grant application stage?

No. The organisation nominated at the ROI stage must be the same as that specified for an ESA at the grant application stage.

7. Are we required to submit multiple ROIs if we are applying as a group/consortium for some ESAs but as a sole applicant for other ESAs?

Yes. Where the organisation(s) making an application for a particular ESA differs from the organisation(s) applying for other ESAs, separate applications will need to be submitted. For further information on eligibility requirements, see Section 4. Eligibility of the Disability Employment Services – Registration of Interest Guidelines.

8. I am currently a member of the National Panel of Assessors can you please confirm categorically that I do not need to register my interest through an unrestricted registration of interest process currently running for DES providers? (19.2) If not when do we have to apply and will it come up on the grants hub as a separate application or be contained within the DES application process.

Applicants intending to apply for DES-NPA 2018 do not have to register their interest for the DES 2018 Application process. Application for DES-NPA 2018 is not part of the DES 2018 application process, although it will occur at the same time.

Information regarding the DES-NPA 2018 grant application process will be published soon on the [Community Grants Hub](#) website.

Questions and Answers added on 28 August 2017

9. Will the DES Outcomes by Disability Type (and ESA) be updated to December 2017 and be made available to DES participants and employers in the transition period and at 1July 2018 to assist them make an informed choice about which provider to choose?

Yes, the December 2017 DES Outcome Rates by Disability Type report will be produced and is expected to be published on the [Labour Market Information Portal website](#) in January 2018.

10. Will Star Ratings for March 2018 be provided to DES participants and employers in the transition period and at 1 July 2018 to assist them make an informed choice about which provider to choose?

The March 2018 DES Star Ratings will be calculated and made publicly available, as per standard practice. However, these will be the last DES Star Ratings calculated under the current Performance Framework and current DES Deed. June 2018 DES Star Ratings will not be calculated, as the new 2018 DES Performance Framework will be implemented from 1 July 2018.

11. What performance information from new providers who receive a Grant to operate from July 2018 be made available to DES participants and employers in the transition period and until July 2019 (when Star Ratings will be available for these new entrants) to assist them make an informed choice about which provider to choose?

DES will continue to be underpinned by a sound Performance Framework based on the principles of efficiency, effectiveness, and quality. The March 2018 DES Star Ratings will be calculated for existing providers and made publicly available, as per standard practice. However, these will be the last DES Star Ratings calculated under the current Performance Framework and current DES Deed. Potential new providers will need to have been operating for a minimum of nine months before a Star Rating will be calculated.

Similar to previous employment services transition arrangements, the Department will allocate Participants connected to a Relinquishing Provider to a Gaining Provider (which could be a new entrant) for transfer during the transition period. Participant choice to an alternate provider will be facilitated by allowing participants who have not yet commenced with their new provider to request a real time transfer to an alternate provider for a period of four weeks following the transition transfer dates (yet to be announced).

Participants will continue to have access to information about Providers using the information published against the Connections for Quality indicators on [the Australian JobSearch \(AJS\) website](#) . Connections for Quality allow all Providers to showcase their organisation and any specialty services, relationships, or achievements that set them apart, particularly at a local level. Providers will be encouraged to utilise Connections for Quality to promote how their local service strategies and community connections help them deliver their services for the unemployed. The information available on Connections for Quality will further inform Participant choice.

12. The risk adjusted funding levels 1-5 by primary disability type published in Q16.11 have allocated people with autism, specific learning, speech and intellectual disability more strongly towards Level 1 the lowest funding amount as they are considered to have the highest probability of finding work. Why hasn't the actuarial model taken into account the number of hours and specialist skills required to assist these groups attain employment – usually greater in the case of people with cognitive impairment?

Fees for Disability Employment Services (DES) are for support to people with disability to gain employment. Under the new DES program, jobseekers will be allocated to one of five funding levels for each of Disability Management Service (DMS) and Employment Support Service (ESS). Funding Level 1 is the highest probability of finding work and the lowest funding amount. This new allocation is based on the principle of risk-adjusted funding, that is, that outcomes for harder-to-place jobseekers (those with more severe barriers to employment) are encouraged through better fee differentiation and a higher level of support. The calculation of funding levels have been informed by numerous factors including demographic characteristics such as age and education, jobseeker classification instrument score, and labour market factors such as change in the national unemployment rate and geographical location.

The basis of payments is a universal standard in the sense that is the way in which fees are determined and paid for eligible participants with a disability across the program as a whole. DSS acknowledges that all providers and their employees go the extra mile for assisting jobseekers with a disability. The Australian Government is already investing more than \$3.1 billion over the 4 years from 2017/18. It is up to the discretion of DES providers how they invest their services fees and outcome payments and ongoing support fees to assist participants secure or maintain employment.

13. At least 46,700 DES participants are in employment at June 2017- either post placement (32,500) or ongoing support (14,000). Will they be able to change provider during these stages and how will the employer be informed about a change of provider?

Consistent with current arrangements, DES participants will be able to transfer providers during any phase of the program, including Post Placement Support and Ongoing Support. Depending on whether the employer is aware of the participant's involvement in DES and the specific circumstances of the participant, the relinquishing provider, gaining provider or participant would advise the employer about any change.

Disability Employment Services Reform 2018 – Frequently asked questions

The following questions were asked via the Engage website as part of the Industry Information Paper that was released in June 2017.

Please note these questions were updated on 7 August 2017.

TOPICS:

1. General
2. Grant Application process
3. Registration of Interest (ROI)
4. Invitation to Treat (ITT)
5. DES Panel / Provider Requirements
6. Safeguards Providers to participants
7. Removal of Market Share
8. Provider Capacity
9. Participant Choice and Control
10. Participants changing Providers
11. Assessments –JSCI/ESAt/JCA/Moderate intellectual disability
12. Funding Model
13. Risk-adjusted funding
14. Fees and Outcomes
15. Ongoing Support
16. Data Breakdowns
17. Indexation
18. Star Ratings / Performance Framework
19. National Panel of Assessors
20. PaTH Internship
21. Pathway/Education
22. Job in Jeopardy/Work Assist
23. School Leaver Trial

1. General

1.1 When will the DES Reform changes take effect?

The new DES model will come into effect on 1 July 2018. Current DES contracts will continue to 30 June 2018 to ensure sufficient time for transition to the new arrangements for DES participants and providers.

1.2 What consultation was conducted with the disability community, providers and employers regarding the changes?

The DES Reform changes are a result of extensive consultation with people with disability, disability employment providers and employers, about priorities for reform of DES. In April 2015, the Australian Government established a Disability Employment Taskforce to develop a new Disability Employment Framework and a new DES model.

The taskforce consulted with people with disability, their carers and families, disability advocates, DES providers, disability peak bodies and employers of people with disability to identify areas for reform. The work of the taskforce informed the development of the discussion paper *New Disability Employment Services from 2018* which outlined specific proposals for reforming DES focusing on three key areas:

- improving participant choice and control over the services they receive, and from whom they receive them, to help improve participant satisfaction with the DES program
- generating greater competition between providers to help drive innovation and service delivery improvements
- developing better incentives for providers to service all participants equally and to reward providers commensurate to the difficulty in placing the participant into sustainable employment
- A Disability Employment Reference Group was established in November 2016 to support the public consultation process and provide expert advice on some of the specific proposals being considered. Members of the reference group included DES providers, and organisations representing the interests of people with disability, employers, and DES providers.

The Department of Social Services (DSS) also hosted an employer forum with successful employers of people with disability and organisations representing employers, and presented at many sector conferences and forums to engage with participants, providers and employers to provide information, answer questions and receive comments, laying the groundwork for change.

1.3 How will the DES Reforms result in better services for people with disability?

The new DES arrangements will give participants greater choice about the services they receive and how they receive them. If they are not happy with the services they are receiving, they will have more capacity to change providers. Providers will have to deliver innovative and effective services to attract and retain participants, rather than relying on referrals from Centrelink.

If they wish, participants may choose a provider outside of their Employment Service Area (ESA), if they feel these services are best for them. Further, new flexible contact methods will remove many of the geographical restrictions that currently inhibit participants to meet their provider face-to-face.

Additionally, the new 52-week outcome payment will mean that providers have further incentive to support individuals with disability to secure sustainable employment.

1.4 Does the number for active DES participants on pages 33-36 of the industry information paper exclude or include participants on a suspension?

Table 6 lists all DES participants in employment assistance as at 31 March 2017 by ESA and risk adjusted funding band. This includes suspended participants (ie those participants with an exemption from having to participate in DES).

The term 'active' is potentially misleading and will be removed from the label for Table 6 in the Industry Information Paper.

1.5 Am I able to view a recording of the webinar or read through a transcript?

Yes. A recording of the webinar is available via the 'Information Sessions' tab on the DES Reform [Engage](#) website. You may also read the transcript from the webinar and view the slides in both Word and PDF format.

1.6 Can a provider use a mobile site or sites such as a bus or caravan as a method of providing coverage within an ESA?

The Department does not preclude the delivery of Services from a mobile site, provided it will meet the requirements of a site. This will include the requirement for the site to:

- be accessible to people with disability;

- be presented in a manner that upholds and maintains the good reputation of the services;
- be located in the Employment Service Area that the Provider has been approved to deliver services in;
- meet or state and federal requirements for the delivery of a service; and
- provide a safe environment where all reasonable steps have been taken to avoid acts or omissions which the Provider could reasonably foresee, or would be likely to cause injury to Participants or any other persons at the site.

The applicant will also be required to provide the location/s of the site/s from which services will be delivered, as part of the application process.

1.7 Will the new DES reforms impact sheltered workshops or Australian Disability Enterprises (ADEs)?

The DES reforms focus on the Government's service that provide assistance to place eligible people with disability into While participants working in an ADEs will continue to be able to access DES, if they are eligible, the reforms to DES do not impact the ADE arrangements.

1.8 Will there be financial outlay to obtain the ESS online case management platform, as a new provider?

The Department does not charge for access to ESS.

1.9 Is it up to a provider to manage the capped caseload? If a provider opted for a caseload of 100 and had 100 clients but 40 of these were on a medical suspension could you continue to accept new clients to bring you up to the 100 active clients?

Suspended participants will not count towards the calculation of a site's maximum caseload.

1.10 What are the funding amounts for each payment? (We are currently not a DES interested in becoming a DES, so don't know the funding levels).

The fee structure is available in Appendix 2 of the Industry Information paper.

1.11 Provide further understanding of what makes a specialist and/or generalist service?

This is explained in the glossary of the Industry Information paper.

Generalist Services means services delivered for all DES participants regardless of the nature of their disability, injury or health condition.

Specialist Services means services delivered for a group of participants with specialist needs under a separate contract catering to that group of participants.

1.12 Is there a description of "willful non-compliance"?

More information on Compliance Framework arrangements will be published on the [DSS website](#).

1.13 Why does DSS require an additional Independent Registered Assessor Program (IRAP) accreditation for providers who have completed the certification process through the Department of Employment?

More information on Compliance Framework arrangements will be published on the [DSS website](#). A re-scoping exercise (gap analysis) would need to be undertaken for DES. This will be achieved by completing the new SoA Phase 1. It is a self-assessment and an IRAP assessor is not required for this stage. Department of Employment is working on simplifying the SoA Phase 1 process.

1.14 I noticed the glossary also has an error relating to the 'Eligible Job Seeker' definition, as it relates to a client aged at least 14 and not yet 65 years. I assume this should be to 'not achieved age pension age' as per the 1 July 2017 changes?

The *Disability Employment Services Reform 2018 - Industry Information Paper* defined an Eligible Job Seeker as, among other criteria, job seekers that 'are aged at least 14 but have not yet attained 65 years of age'. This is incorrect. This should read as 'are aged at least 14 but have not yet attained the Age Pension qualifying age', to reflect recent changes to the Age Pension qualifying age. A correction to the Industry Information Paper will be uploaded to the [DSS Engage website](#).

1.15 Can I confirm that 'Porous Boundaries' – is for Participants and not Service Providers?

Yes, a participant will be able to choose a provider in ESA other than the one in which they reside. Participants will need to be able to travel to the site in which the provider is delivering services at least for the initial interview which must be conducted face to face.

While a Provider can market its services outside of the ESA in which it has an agreement to deliver services from, it can only deliver the service from within the ESA.

Please refer to published Q&A 18.10 for further information on how star ratings will work in these circumstances.

1.16 Is the 'IT accreditation for New Service Providers' the same as the IRAP process?

Yes, Australian Government agencies are required to ensure that where contracted service providers are engaged, they comply with the policies and protocols of the Protective Security Policy Framework (PSPF). DES Providers must obtain accreditation within 36 months from commencement of the Grant Agreement. The security assessment is independently conducted by an Information Registered Assessor Program (IRAP) assessor. Accreditation, once granted, is valid for three years from the time of accreditation, however if there is a variation to the organisations that affects the risk profile of their IT Systems during this time DES providers must seek re-accreditation for these changes.

1.17 How will the Department monitor ESA location capacity during the application process?

Applicants will be applying for business at the ESA level and will be required to nominate the locations where services will be delivered. Applications will need to include details of how the entire ESA will be serviced through a combination of full time, part time and outreach service locations. Applicants will be expected to provide full coverage at the ESA level.

1.18 Can you advise the cost of IT certification?

There will be an additional cost, but the size of the organisation and IT needs and the price should be relative. The security assessment is independently conducted by an Information Registered Assessor Program (IRAP) assessor. Accreditation needs to be achieved within three years from commencement of the Grant Agreement.

1.19 Would a current ADE provider be able to provide DES to only workers in their ADE and how would their application need to look in terms of capacity and ESA coverage? Would a special school be able to provide DES to only their school graduates and how would their application need to look in terms of capacity and Employment Service Area (ESA) coverage?

Specialisations can only be defined by job seeker characteristic and/or disability type. For example: physical, mental health, Aboriginal and Torres Strait Islander or youth at risk can be specialisations. Providers will need to be able to provide full coverage of an ESA; however it is up to the provider to determine its Maximum Caseload capacity.

1.20 How will payments be transitioned from the DES Deed onto the DES Grant from 1 July 2018?

Payment details during the Transition Period will be determined following consultation with the Transition Reference Group. Further details will be released through the Grant Opportunity Guidelines.

1.21 Will participants' length on program reset as of July 1 2018?

No, a participant's period of service will continue on 1 July 2018, rather than being reset. However, the Department is consulting with the sector to discuss transition arrangements through the Transition Reference Group. These arrangements will be set out in transition documentation.

1.22 Based on the current DES providers, what is the proportion of not-for-profit and for profit providers?

Approximately 76 per cent of DES providers have not-for-profit status and 24 per cent with a for profit status.

1.23 Are you able to define the participant characteristics of each of the 5 categories in DMS and ESS?

The model essentially assigns participants a funding level based on their likelihood of achieving employment. As set out in Q&A 13.2, the most important factors in assigning a participant to a funding level are:

- Demographic characteristics: Age and gender;
- Duration variables: multiple duration measures such as time since first commencement, time since the start of stint, and the proportion of time in the program over the past 3 years.
- Labour market effects such as regional internet vacancy index (IVI) and the change in the national unemployment rate.
- Job Seeker Classification Instrument (JSCI) related variables: JSCI score being the key variable, which is a composite of various barriers from the jobseeker classification.
- Disability indicators: presence of 11 different disability or health conditions.
- Other program characteristics: These include benchmark hours, eligible school leaver, current funding level and job-in-jeopardy flags, including the allowance or benefit received by the jobseeker.
- Provider information: The organisation, contract area and specialist flag.

- Barrier and Condition flags: Over 300 indicator variables related to specific employment barriers and conditions for the jobseeker

2. Grant Application Process

2.1 What approach will be taken for this DES Grant Application process?

DSS will undertake a staged approach in releasing information to the market. The Industry Information Paper released in June 2017 will be supported by information sessions for interested parties, including a public webinar.

The release of the Industry Information Paper will be closely followed by a Registration of Interest process. The Registration of Interest process will be open for a four week period. It will provide the basis for a Restricted Application Round.

NB. Only those organisations who register through the Registration of Interest process will be eligible to apply, or to receive an Invitation to Treat, through the restricted Grant Application process.

Directions on how to access the DES 2018 Grant Funding Round Application pack will be provided to all organisations that register interest. The Application Pack will include:

- an Application Form
- the DES Grant Opportunity Guidelines
- a Draft DES Grant Agreement
- preliminary Questions and Answers.

In the interim, DES Program information such as the *New Disability Employment Services from 2018* Discussion Paper, the current Disability Employment Services Deed, and current DES Program Guidelines are available to provide clarification or background context to interested parties on the www.dss.gov.au website at the locations outlined in the Industry Information Paper.

2.2 When will the selection criteria be available?

The selection criteria will form part of the Grant Opportunity Guidelines which will be provided to all registered organisations as part of the Application Pack, which is expected to be made available in August/September 2017.

2.3 If I don't apply, or am not successful, in the Grant Application process will I be able to apply in the subsequent DES intakes or rounds?

In general, failure to succeed in a round does not preclude applying again in a subsequent round.

The reforms will make it easier for new providers to join the DES market and deliver employment services, and for existing high performing providers to expand into new areas.

A panel of DES providers will be established for an initial five-year period. Following this initial intake, subsequent application processes will be undertaken for DES on a regular basis, up to once a year, to allow new providers to enter the market or existing providers to move into additional regions there will be options to extend the DES Grant Agreements multiple times beyond July 2023, up to a maximum additional 10 years (i.e. up to, but not beyond June 2033).

New providers will be able to enter the DES market during the term of the DES Panel, to serve out the remaining time of the DES Panel. For example, a provider may enter the market after the DES Panel has been in effect for three years out of five, and will then serve out the remaining two years of the DES Panel term. Initial selection of providers will occur in the second half of 2017. Combined with improvements to participant choice and control, these new market arrangements will help stimulate innovations in service delivery.

2.4 What is the expected start date for Stage 2 Grant Applications?

Organisations that completed the Registration of Interest process will be invited to submit a Grant Application in Stage 2. Stage 2 – Grant Application will open the second week of September 2017 for a period of six weeks.

2.5 Will the same depth of organisational information which has previously been required be required in this Grant Application process?

While the application process is non-competitive, applicants will need to provide all the information outlined in the Grant Application pack and will need to demonstrate their suitability as providers of DES.

The Department will include specific details on the information required in the Grant Opportunity Guidelines and the Grant Application Pack.

2.6 Is there a date for when the grants process will commence?

Stage 1 – Registration of Interest will open the first week of August 2017, and will be open for four weeks. Organisations that completed the Registration of Interest process will be invited to submit a Grant Application in Stage 2. Stage 2 – Grant Application will open the second week of September 2017 for a period of six weeks.

2.7 Why is the financial and credentials check not undertaken at an earlier stage of the process, as this would potentially eliminate some organisations from proceeding to the next stage?

The purpose of the Registration of Interest stage is to gauge the level of interest of organisations seeking to deliver DES and in which areas around Australia. The ROI stage is not seeking to assess which organisations are eligible to deliver services. Assessment of an organisations eligibility to deliver DES, including their financial viability, will occur in stage 2 of the process.

2.8 With the Grants application being managed by Grants Hub, will Contract Managers, who have the knowledge about the program, be involved in the process?

Yes, the departments state delivery network, which includes Account and Contract Managers, will be involved in an Assessment centre. Assessments will be reviewed and moderated across Australia.

2.9 If an organisation applies for DMS or ESS only, are you locked in?

An organisation will only be eligible to deliver the service for which it has applied, and/or been successful in gaining the opportunity to deliver the service in any given Employment Service Area (ESA).

For illustration, if an organisation applies to deliver DMS only in an ESA, and is successful, they will only be eligible to deliver DMS in the ESA. If the organisation is seeking to grow its business and deliver ESS, it would need to apply when the new opportunity became available during the Grant Agreement Period. This is likely to be around 18 months following the current application process.

2.10 Will DSS provide a list of all organisations who have expressed an interest to provide a service in a specific ESA?

DSS is committed to ensuring the DES Grant application process is fair, transparent and subject to appropriate scrutiny. To this effect, the Department is required to maintain the confidentiality of organisations bidding to deliver DES.

2.11 We currently have an ABN with the partnership of individuals and wondered if you can clarify if this is considered a legal entity, or whether we also need to have a partnership agreement in place

The Industry Information Paper provides information business arrangements for entities wishing to submit a Grant Application. Entities wishing to submit a Grant application must make their own independent assessments and investigations, and obtain their own legal, business and other professional advice, when deciding whether to apply for DES business.

2.12 Could an organisation which currently has a 2-Star rating be selected for the Panel if they apply through the Grant Application process?

Yes. It is a merit based assessment against the selection criteria, therefore the Department would make this decision based on how well the organisation meets the selection criteria and the evidence provided.

2.13 Will a draft of the Grant Agreement be made available in advance?

The Grant Agreement will be released with the Application Pack for the Restricted Application Round (Stage 2). However, the new Grant Agreement will be based on the DES Deed which is available on the [DSS website](#).

2.14 Will the grant application process be different for each bidder?

The Department is trying to make the application process as streamlined as possible for organisations where the Department already has information pertaining to the delivery of DES.

2.15 When applying to be on the panel, is one applying nationwide or by ESA?

You are applying to be on a panel for each ESA.

2.16 In previous models the best few got business. Is it now open to anyone?

The Department will allow all suitable organisations to enter the DES market, provided they satisfy the criteria to deliver employment services to people with disability. Having a large, diverse range of providers will increase participant choice and encourage innovative service delivery.

2.17 Could you please provide clarity around the definition of “non-competitive process” on slide 44 of the [PowerPoint](#)?

Organisations applying to deliver DES-DMS and/or DES-ESS will be assessed against the selection criteria included in the Application Pack in Stage 2, not against the applications of other providers applying for business in the ESA.

2.18 Will attachments such as organisational charts be permitted as part of the application?

No, attachments and links will not be permitted as part of addressing the selection criteria, however for organisations required to provide financial viability documentation, attachments will be necessary.

2.19 Will it be possible to have a main site in a region or state (with a site code), and then also deliver employment services from other sites in that region (without having multiple small sites with site codes).

We have found that our sites with very small client numbers are vulnerable to staff changes and labour market forces that could be better managed from a central or main site with larger numbers.

This would mean that we would do more outreach and flexible service delivery, but would ultimately deliver a better service with a more consolidated approach.

Providers are required to provide details on all sites they wish to deliver DES from in each ESA. These can be a mix of full time, part time or outreach sites. All sites are required in the system, with a corresponding site code, to allow for referrals from Centrelink.

2.20 I request clarification about the release of draft criterion prior to the application process for DES commencing?

In moving to a non-competitive process the Department has looked to streamline the purchasing process where possible. The Department did consider the issues you have raised prior to finalising the two stage purchasing process. It was determined that a six week opening period for Grant Applications was sufficient time for potential applicants to determine their ability to delivery DES services and submit a quality Grant Application that would meet the Department's expectations.

2.21 In the grant application, what level of detail with DSS want to see for the proposed full time, part time and outreach sites as part of ESA coverage?

This information will be made available in the Grant Opportunity Guidelines at the commencement of Stage 2.

2.22 I am writing to enquire about the timeline for the next DES contract beyond 2018. I have read the discussion paper and the details on your website around the extension of existing providers until 2018 and would be keen to understand when you anticipate the next RFP process so commence (if at all)?

Organisations wishing to deliver DES from 1 July 2018 must complete the Registration of Interest process (Stage 1). Stage 1 will open on 2 August 2017 for a period of four weeks. All registered organisation will receive an invitation to apply for Stage 2 i.e. the Restricted Application Round. Stage 2 will open the second week of September 2017 for a period of six weeks. An Application Pack will be provided for all organisations who register their interest during Stage 1.

2.23 Could you advise when the application criteria will be released? This would enable a much more efficient and quality bid without disturbing on-going service delivery.

The final application criteria will be included in the Stage 2 Grant Application Guidelines to be released as part of the Stage 2 Grant Application Process. In line with the DES Reform Industry Information Paper, the indicative date for Stage 2 is mid-September 2017. Applicants will be required to respond to a number of assessment criteria in the restricted grants application process. Below is a **DRAFT, high level** overview of the assessment criteria and related character limits and are subject to change. The final **detailed** wording and requirements for the selection criteria will be included in the Stage 2 Grant Opportunity Guidelines.

General Criterion - Intended service types, Employment Service Areas and site locations

Identify the service type(s) (DMS/ESS, Generalist/Specialist), Employment Service Areas (ESAs) and proposed site locations that your organisation is applying for.

(Note – the format for response will be a downloadable Excel template form that will need to be completed and returned as part of the application)

Assessment Criterion 1 - Management and Governance

Demonstrate how your organisation's management and governance arrangements will drive performance and quality service delivery.

Limit: 15,000 characters for response.

(Note – Providers who are offered an ITT will not be required to address this criterion)

Assessment Criterion 2 - Understanding of, and strategies to deliver, Disability Employment Services

Demonstrate how your organisation will deliver employment services for people with disability and achieve sustainable employment outcomes.

Limit: 15,000 characters for response (if applying for ESAs identified in the application as metropolitan locations)

Limit: 15,000 characters for response (if applying for ESAs identified in the application as regional locations)

(Note – a maximum of 30,000 characters would be available if an applicant was applying to deliver services in both metropolitan and regional ESAs)

Assessment Criterion 3 - Understanding of, and strategies to deliver, Disability Employment Services for specialist cohorts

Demonstrate how your organisation will deliver employment services for people with disability in specialist cohorts and achieve sustainable employment outcomes.

Limit: 5,000 characters for response (for each specialisation)

(Note – this criterion only needs to be responded to if the applicant is seeking to deliver specialist services to a particular cohort of participants)

Assessment Criterion 4 - Past performance

Demonstrate your organisation's experience and past performance delivering disability or employment services (or similar services) relevant for people with disability.

Limit: 25,000 characters for response (if applying for ESAs identified in the application as metropolitan locations)

Limit: 25,000 characters for response (if applying for ESAs identified in the application as regional locations)

(Note – a maximum of 50,000 characters would be available if an applicant was applying to deliver services in both metropolitan and regional ESAs)

2.23 (a) The character limits in the Frequently Asked Question 2.23 for criterion 2, 3 and 4 suggests Applicants only write one response for all ESAs classified as regional they are applying or, and one response for all ESAs classified as metro, rather than a response for every ESA. Can you confirm this interpretation is correct?

Yes this is correct, you do not need to provide a response for each ESA. Noting that the regional and metro responses only apply for criterion 2 and 4. Criterion 3 will only be responded to once for each specialisation you apply for.

2.23(b) In the response there is also a note about Assessment Criterion 1 that Providers who are offered an ITT will not be required to address this criterion. Would the Department also consider allowing Providers that are offered an ITT to also not need to provide a response to Assessment Criterion 4 on Past Performance, given that they have already demonstrated their experience and performance in delivering services to people with disability - by being an existing provider offered ITT?

No. All applicants will be required to address Assessment Criterion 4 regardless of whether they are an existing DES provider.

2.23 (c) If a Provider is issued an ITT, and is also submitting a Grant Application for new service types, new ESAs or existing business that was not offered an ITT, will the Provider need to address Assessment Criterion 1 (Management and Governance)?

No, if the Provider is accepting at least one ITT, the Provider would not need to address Criterion 1. However, if a Provider is declining all of their ITTs, they would need to respond to Criterion 1.

2.24 When submitting my response to the General Criterion as part of my DES application, what format must this be in?

Upon submission of the General Criterion response it must be saved as an Excel™ file in .xlsm format to allow it to maintain formatting and structure.

2.25 If an organisation intends to apply as a Specialist Services Provider, do you have to still meet the criteria of "Ability to Provide Full Employment Service Area (ESA) Coverage" or can you just have lesser coverage concentrating on a smaller area?

Regardless of whether a provider is delivering Generalist or Specialist Services, a provider will still be required to provide sufficient coverage across the entire ESA for that cohort.

2.26 When will the Financial Viability forms be available?

They will be available when the grant application pack is released in September (Stage 2 of the Grant Application process).

2.27 Can Service Providers receive the Financial Viability forms prior to receiving the application form to allow for sufficient time to complete the application?

No. The Financial Viability forms will be available in Stage 2 of the Grant Application process.

2.28 Will the grant process recognise that you have previously worked in another ESA if you want to expand?

That will be taken into consideration as part of the Assessment process.

2.29 How will a consortium be assessed?

The requirements for assessment of Consortia will be set out in the Grant Opportunity Guidelines. It is anticipated that the Department will assess the governance arrangements of the consortium and organisational risk for all members and may consider other relevant information the Department holds, or obtains, on any member of the consortium, including any performance in disability, employment or related services.

2.30 How do we as a company get a financial check when it's a new company?

New companies need to follow the instructions as per Section 11 (New and Restructured Entities) of the Financial and Credentials Information Form, which will be included in the Grant Opportunity Guidelines Application Form on the GrantConnect website.

2.31 How do we do a financial check on a new company to check viability and how much money do we need up front?

New companies need to follow the instructions as per Section 11 (New and Restructured Entities) of the Financial and Credentials Information Form, which will be included in the Grant Opportunity Guidelines Application Form on the GrantConnect website.

2.32 What are the financial probity standards for new multi-disciplined community service providers, i.e. IFRS Standards, 3yrs Audited Accounts, Minimum level EBIT % or Surplus % or capital reserves qualification; and/or organisational size?

New companies need to follow the instructions as per Section 11 (New and Restructured Entities) of the Financial and Credentials Information Form, which will be included in the Grant Opportunity Guidelines Application Form on the GrantConnect website.

2.33 Two individuals wishing to apply as single entities. Can one individual be a current DHS employee?

There may be a conflict of interest, or perceived conflict of interest, if an applicant has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer. More information will be made available in the DES Grant Opportunity Guidelines with respect to Conflicts of Interest. Applicants will be asked to declare, as part of their application, any perceived or existing conflicts of interests or that, to the best of their knowledge, that there is no conflict of interest.

2.34 Can we apply for just mental health specialist level 4 and 5 only?

No. Providers cannot specialise in specific funding levels. Specialist client groups can be defined by job seeker characteristic and/or disability type. For example: physical, mental health, Aboriginal and Torres Strait Islander or youth-at-risk can be specialisations. Specialist providers must be able to accept eligible participants for that specialisation from both Centrelink or through direct registration.

2.35 Two Individuals wishing to apply as a new entrant. Would this be an individual entity or be as part of a group application?

This would depend on whether you are applying as two separate entities, or a single entity. Applicants must make their own independent assessments and investigations, and obtain their own legal, business and other professional advice, when applying for DES business.

2.36 Can you apply for both specialist and generalist services or only apply for one or will only be awarded for one either specialist or generalist?

Providers can choose to deliver both generalist and specialist services, or only one of these services.

3. Registration of Interest Process

3.1 If an organisation completes the Registration of Interest for a particular Employment Service Area, are they bound to continue with the Application process?

All organisations wishing to deliver DES from 1 July 2018 must complete the Registration of Interest process (Stage 1). All registered organisation will receive an invitation to apply for Stage 2 i.e. the Restricted Application Round and/ or ITT (if eligible). If a registered organisation subsequently decides not to deliver DES from 1 July 2018, they are not obliged to proceed with the Application process.

3.2 Will providers need to indicate their current market share at the ROI stage?

No. Applicants will only be asked to indicate which services (ie DES-DMS and/or DES-ESS) and which Employment Service Areas they are interested in delivering these services.

3.3 Will providers need to nominate which ESA they apply for and will they be bound by it?

During Stage 1 – Registration of Interest (ROI), applicants will be asked to nominate in which Employment Service Areas (ESAs) they wish to deliver DES. Providers will not be obligated to select the same ESAs in Stage 2 – Grant Application that was not identified in the ROI process. That is applicant may be nominate additional, less or different ESAs in Stage 2 to what was nominated in Stage 1.

3.3a Can providers apply to deliver a specialist service and/or a generalist service that they have not indicated in stage 1?

All interested parties need to ensure that they complete the ROI process or they will not be eligible to apply for a Grant through stage 2 of the process. In regards to changing service types between stage 1 and 2, yes changes to service types and ESAs will be accepted however it is incumbent on organisations completing the ROI process that the organisation will provide accurate information where possible.

3.4 When completing the Invitation to Treat do providers need to duplicate organisational details for each ESA that they express an interest to provide DES in?

All organisations will need to register their interest (ROI) when the process commences in the first week of August 2017. The ROI process will require organisations to provide the following details:

1. minimal organisational details,
2. the ESA(s) they intend to apply for, or will accept through the ITT process, in the restricted round; and
3. for each ESA:

- A. provide an indication of the DES services (DES-DMS and/or DES-ESS) the organisation wishes to deliver/continue delivering for each ESA, and
- B. where appropriate, the type of specialist service the organisation may wish to deliver per DES service (ESS and/or DMS) per ESA.

3.5 What information will be required for providers to submit at registration stage?

Stage one is an unrestricted Registration of Interest for **ALL** organisations wishing to provide DES services from 1 July 2018. This includes organisations that are likely to be offered an ITT in Stage 2. This unrestricted stage will collect:

1. the organisational details of all interested parties,
2. the ESA(s) they intend to apply for in the restricted round,
3. an indication of the DES services (DES-DMS and/or DES-ESS) the organisation wishes to deliver/continue delivering for each ESA, and
4. any specialist service the organisation wishes to deliver.

3.6 If you receive an Invitation To Treat for ESS in a particular ESA, have you also been given tacit approval for DMS?

You would be required to submit an application for the DMS business in this situation, however, in these instances the application process would be streamlined where possible.

3.7 Regarding providing a maximum capacity for your specialization during the ROI process, can you review it?

Maximum capacity will not be requested at the Registration of Interest (ROI) stage, only through the restricted grant application process.

The maximum capacity is not about capping intakes so much as making it possible for services to indicate a limit they might wish to deliver services to. Providers drive their business by having appointments open in ESSweb. There will be no right of refusal – unless it's about agreed specialisation or capacity. Providers can set themselves up to suit the business they want to provide. You will be able to change your maximum capacity during the term of the Agreement, with approval only required from the Department if you wish to reduce your capacity.

3.8 Is there a firm date in August when the ROI process will open?

The Registration of Interest will open the first week of August 2017 for 4 weeks. An indicative timeline is available on [DSS Engage](#).

3.9 I am writing to enquire about the timeline for the next DES contract beyond 2018. I have read the discussion paper and the details on your website around the extension of existing providers until 2018 and would be keen to understand when you anticipate the next RFP process so commence (if at all)?

Organisations wishing to deliver DES from 1 July 2018 must complete the Registration of Interest process (Stage 1). Stage 1 will open on 2 August 2017 for a period of four weeks. All registered organisation will receive an invitation to apply for Stage 2 i.e. the Restricted Application Round. Stage 2 will open the second week of September 2017 for a period of six weeks. An Application Pack will be provided for all organisations who register their interest during Stage 1.

4. Invitation to Treat

4.1 If I was a high performing provider that merged with another organisation to form a partnership, consortium or other arrangement, will my high performance earn me an Invitation to Treat?

No, this would be considered a new organisation. New organisations that do not have at least a three Star Rating for June 2017 for DES-DMS or DES-ESS as an entity, will be required to respond to all Grant Application selection criteria. The assessment of the entity's application will be based solely on its written response against those selection criteria, regardless of whether some or all of the entity members have a June 2017 Star Rating or Ratings. Applicants may reference the Star Ratings information of members in its written response, for consideration during assessment.

4.2 For providers who operate both DES-ESS and DES-DMS contracts in an ESA, and assuming that a provider achieved 3 or above Stars for one of these contracts and 2 or below Stars for the other, will an Invitation to Treat be offered for both contracts in this ESA?

No, an Invitation to Treat will only be offered for the contracts at 3 or above Stars (or that otherwise meet the criteria for an ITT). That is, if a provider receives an ITT to deliver their 3-star DMS business in an ESA, but not their 2-star ESS business, they will only be eligible to continue to deliver DMS in the ESA unless they also applied for and were successful in gaining ESS business in the ESA through the formal application process.

4.3 Does the Department know how many providers will receive an Invitation to Treat?

Not at this stage; final invitation to treat numbers will be known when the June 2017 DES Star Ratings are released.

Based on March 2017 Star Ratings data, 54 DMS providers (out of 68 or 79 per cent) would have received at least one ITT for DMS business in an ESA. Seventy-nine ESS providers (out of 103 or 77 per cent) would have received at least one ITT for ESS business in an ESA. For DES providers, across both DMS and ESS, 98 providers (out of 120 or 82 per cent) would have received at least one ITT for DMS or ESS business in an ESA.

4.4 Is it possible for an Invitation to Treat to be issued with the June Star Rating rather than waiting until the Grant Application purchasing window is opened in September?

While the formal ITTs will be issued alongside the opening of the Grants application process in September 2017, the June 2017 Star Ratings, to be released in August 2017, will, *de facto*, identify contracts that will qualify on the basis of performance for the Provider to be offered an ITT. As such, the contracts that qualify on this basis for ITTs will be public knowledge. An indicative timeline published on engage.dss.gov.au outlines the milestones. The Grant application process opens.

4.5 If as a DES provider, decide to not accept some of the Invitation to Treat (ITT) offers in some of the Employment Service Areas (ESAs) I currently operate. Will those participants be transitioned to my continuing sites on 1 July 2018?

Where a current provider declines an Invitation to Treat for an ESA and exits the ESA on 1 July 2018, the Department will ensure affected participants will continue to have access to services.

These participants will be given the opportunity to select who their DES provider will be from the commencement of the new program. Further information on this process will be outlined in the Grant Opportunity Guidelines.

4.6 In relation to being offered an ITT, will this apply to all 3 star providers or is it 3 star providers with a positive percentile?

Current Disability Employment Services (DES) Providers will be invited to continue delivering the service, under the new Grant Agreement from 1 July 2018, in employment service areas where the DES provider is identified as:

- performing 3-Stars or above for the contract (irrespective of the Star percentiles) under the June 2017 Star Ratings; or received new or additional business through the 2016-17 DES Business Reallocation process; or
- received new or additional business as a result of a gap-filling arrangement in 2017.

4.7 If a provider has a contract that is 1-star rated and another that is 3-stars rated would they receive an ITT for both?

No. The provider would only receive an ITT for contract rated at 3 stars or above. An existing provider will need to apply and be successful through the Grant Application process in order to retain an agreement in the ESA that was rated as 1-star under the June 2017 DES star ratings.

4.8 If we have a range of All Client and Specialist contracts that are 3 Stars or above - will we get an ITT offer as a bundle to accept or decline? So if we decline will we have to do the application process for the remaining?

An Invitation to Treat (ITT) will be offered to providers for each type of contract (3 stars and over). Providers may choose to accept or decline each ITT offer individually. Providers will need to submit an application through the grant application process if they wish to apply for new business or seek to continue delivering services that were rated 2-Stars or below in the June 2017 Star Ratings.

4.9 Assume that (1) there is an organisation which is currently a subcontractor to another organisation which has a DES contract AND (2) that sub-contractor does not have a DES contract in its own right AND (3) that sub-contracting organisation was currently delivering DES services in an ESA at a 3 Star or above level at June 30th 2017. The question is if that sub-contractor was to have the DES contract for that ESA novated to them (subject to DSS approval) would they still be eligible to receive an ITT, or would they be considered a new organisation and be required to submit a Grant Application for that existing business in those ESAs?

ITT offers will only be made to organisations that currently have a DES contract with the Department. Sub-contractors do not have a contract with the Department; as such they are not eligible to receive an ITT offer.

To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or changes between the close of the Registration of Interest process (ROI) on 29 August 2017 and the execution of the new Grant Agreements (est. March 2018).

If an organisation believes there are extenuating circumstances that make a novation or change unavoidable during this time, the Department will consider such requests at its discretion and on a case-by-case basis.

In addition, any novation involving organisations that may be offered an ITT (based on their star rating performance) would need to clearly demonstrate that novation would not materially alter the service delivery model that achieved the star rating in June 2017.

The Department recommends that all organisations complete the ROI process in order to submit an application in the Stage 2 Grant Application Restricted Round or for an ITT to be offered and accepted. This would include the organisation as it currently stands and the proposed organisation in the case of a novation request that may or may not be approved by the Department.

4.10 My organisation is the lead member of a consortium that tendered successfully for the DES 2013 contract and has been delivering this service since. We will more than likely have invitations to treat offered in some of our ESA's but due to some changes in our long term strategy may wish to disband the consortium and operate alone. Would any invitation to treat offer still apply or would we be considered as a new organisation, potentially risking this business?

ITT offers will only be made to organisations that currently have a DES contract with the Department.

If the current organisation (or consortium) is to be offered an ITT it will need to have completed the Registration of Interest (ROI) process in order to receive the ITT. If the current organisation (or consortium) wishes to apply for additional business or current business that they will not be eligible to receive an ITT for, they will also need to complete the Grant Application process.

If the organisation/consortium disbands, then those of its former constituent members that wish to apply to provide DES from July 2018 will need to both register interest and then make application through the Grant Application process to deliver DES.

If you intend to establish a new organisation (i.e. any deviation from the organisational structure as it currently stands), the new organisation will need to complete the ROI process and apply for business through the Grant Application process.

4.11 If a provider is offered an Invitation to Treat after Stage 1, will they have flexibility to change their delivery footprint in an ESA in terms of full time, part time and outreach service locations, in order to take advantage of the opportunities for more flexible servicing arrangements and the relaxing of ESA restrictions being introduced under the new DES?

No. The ITT offer is made based on the current service delivery model i.e. foot print. Any variation should be sought only after the ITT has been accepted and the new agreement has been executed. Any request to vary the new agreement will then be considered on its merits by the Department which may accept the variation or not.

4.12 Will organisations which have been offered an ITT need to provide organisational level governance information for each additional ESA being applied for when this information is already held by the Department?

If you have received an ITT and are applying for additional business, the application for the additional business will be streamlined and you will not be required to fill out all sections of the Grant Application Form. The Department will provide further information in the Grant Opportunity Guidelines at the commencement of Stage 2.

4.13 When will we be advised of criteria and information required at ITT?

The criteria and information required for the ITT process will be outlined in a letter of offer that will be sent shortly after the opening of the Stage 2 Grant Application process on 11 September 2017.

4.14 For providers with specialist and generalist contracts, where a specialist contract is 3 star or above will the provider receive an ITT for that specialisation only or overall ESA all client types?

An offer will only be made for the specialist contract that is eligible to receive an ITT offer (3 stars or above or which otherwise meets the ITT criteria). If the current organisation wishes to apply for current business for which they will not be eligible to receive an ITT for, they will need to have registered interest and then complete the Grant Application process.

4.15 If a provider received business as a result of the last business reallocation round and then dropped to a two star, will they still be offered an ITT?

Yes, this scenario would fall under the second dot point below. Current Disability Employment Services (DES) Providers will be invited to continue delivering the service, under the new Grant Agreement from 1 July 2018, in employment service areas where the DES provider is identified as:

- performing 3-Stars or above for the contract (irrespective of the Star percentiles) under the June 2017 Star Ratings; or
- received new or additional business through the 2016-17 DES Business Reallocation process; or
- received new or additional business as a result of a gap-filling arrangement in 2017.

4.16 After you've been accepted under ITT, are new financial checks required?

If a current DES provider is offered an ITT, it is expected that they will have already undertaken a financial viability check and will not need to complete this process if their information in the previous check is still up to date, and there is no issue with their viability. If it is not, you will be asked to complete a *Financial and Credentials Information Form* and a *Subcontractor Credentials Information Form* (if applicable) by the ITT close date. These forms and their lodgment instructions will be available as part of the Stage 2, Restricted Grants round Application Pack.

4.17 Will ITT results be published?

No, however star ratings are published. The majority of ITTs offers are based on star rating performance for June 2017.

4.18 What happens if you wish to deliver more or different services in an ESA where you have been offered an ITT?

The ITT offer will be made based on the current services and service delivery model i.e. service type and foot print of that organisation based on June 2017 Star Ratings and/or other changes that have been approved by the Department since then or are approved up until the close of the ROI process on 29 August 2017. To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or other changes after the close of the ROI process on 29 August 2017 until such time as Grant Agreements are executed (est. March 2018).

If the organisation intends to deviate from the ITT offer once it is made, it will need to complete the ROI process and then apply for business through the Grant Application process.

4.19 Provider X operates a member based subcontractor model & will look to submit an EoI in ESA's where the existing provider will become part of our member network. These existing providers will be reasonably expected to be a minimum 3 Star come the March 2017 Star Ratings and by reference to the Industry Paper, be offered an ITT in their own right. We are trying to determine the most efficient process in terms of the Novation of these contracts to Provider X i.e pre Reg of Interest or post Commencement Date?

ITT offers will only be made to organisations that currently have a DES contract with the Department. Sub-contractors do not have a contract with the Department; as such they are not eligible to receive an ITT offer.

To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or change after the close of the Registration of Interest process (ROI) on 29 August 2017 until such time as Grant Agreements are executed (est. March 2018).

If an organisation believes there are extenuating circumstances that make a novation or change unavoidable the Department will consider a novation, at its discretion and on a case-by-case basis.

In addition, any novation not yet completed and sought before the moratorium on changes (i.e. before 29 August) that involve organisations that may be offered an ITT (based on their star rating performance) will need to clearly demonstrate that a novation would not substantially change the service delivery model that achieved the star rating in June 2017, or risk losing any offers of ITT.

The Department recommends that all organisations complete the ROI process in order to submit an application in the Restricted Round or for an ITT to be offered and accepted. This would include the organisation as it currently stands and the proposed organisation in the case of a novation request that may or may not be approved by the Department.

4.20 As an existing provider that may be offered an ITT will it be on the exact same footprint in that ESA or will we have an opportunity to re-evaluate our branch location and make changes to our existing service delivery. Can we consider changing our office distribution?

The ITT offer will be made based on the current services and service delivery model i.e. service type and foot print of that organisation based on June Star Ratings and/or other changes that have happened since then and up until the close of the Registration of Interest (ROI) process on 29 August 2017, with the agreement of the Department. To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or other changes after the close of the ROI on 29 August 2017 until such time as Grant Agreements are executed (est. March 2018).

If the organisation intends to deviate from the ITT offer once it is made, it will need to complete the ROI process and then apply for business through the Grant Application process.

4.21 If you receive an ITT can you increase the number of sites you will provide services in an ESA?

The ITT offer will be made based on the current services and service delivery model i.e. service type and foot print of that organisation based on June Star Ratings and/or other changes that have happened since then and up until the close of the Registration of Interest (ROI) process on 29 August 2017. To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or other changes after the close of the ROI process on 29 August 2017 until such time as Grant Agreements are executed (est. March 2018).

If the organisation intends to deviate from the ITT offer once it is made, it will need to complete the ROI process and then apply for business through the Grant Application process.

Once Grant Agreements are executed, organisations will be able to request changes to sites for consideration by the Department. These requests may or may not be approved and will be at the sole discretion of the Department. That said, it would seem likely that adding additional sites within an ESA would be acceptable to the Department.

4.22 Are providers who are offered an ITT required to maintain their existing sites as a result of the ITT - or will they be able to alter coverage? Eg - if a provider is currently servicing an ESA and that includes 2 full time sites and one outreach site - will they be required to maintain those 3 sites as they stand in the new contract?

The ITT offer will be made based on the current services and service delivery model i.e. service type and foot print of that organisation based on June Star Ratings and/or other changes that have happened since then and up until the close of the Registration of Interest (ROI) process on 29 August 2017.

To allow the Department to manage the grant application process and establish the new DES Panel, the Department will generally not consider requests for novation or other changes after the close of the ROI process on 29 August 2017 until such time as Grant Agreements are executed (est. March 2018).

If the organisation intends to deviate from the ITT offer once it is made, it will need to complete the ROI process and then apply for business through the Grant Application process.

Once Grant Agreements are executed, organisations will be able to request changes to sites for consideration by the Department. These requests may or may not be approved and will be at the sole discretion of the Department.

4. 23 Current information suggests organisations who receive ITT will provide streamlined Organisation and Financial information. Will this streamlined information suffice for additional ESA Grant Applications, given the organisation would have met DSS requirements in the ITT?

Where possible the Department has tried to streamline the Grant Application Process. Further details on what information will be required to apply for a Grant will be provided as part of Stage 2 which will open in early September 2017.

4.24 Can you clarify if an ITT will be applied following a recent novation?

While the formal ITTs will be issued alongside the opening of the Grants application process in September 2017, the June 2017 Star Ratings will be released in August 2017 which will identify contracts that will qualify for an ITT offer. If a novation is already in effect, the organisation will have a star rating for the current business in the June 2017 Star Ratings.

If the organisation is to be offered an ITT you will need to complete the Registration of Interest (ROI) process in order to receive the ITT. If the organisation wishes to apply for additional business or if the current business does not qualify for an ITT, you will need to complete the ROI process and submit an application in the Stage 2 Grant Application process if you wish to continue delivering DES from 1 July 2018.

4.25 WA economy has been suffering. Has this been considered in the cut off for the Invitation to Treat?

The Star Ratings which have been used to determine business eligible for an Invitation To Treat already take into account labour market characteristics/trends.

4.26 Should an existing provider that doesn't receive an Invitation To Treat refrain from mentioning their prior experience in delivering DES services when applying for business through the Grant Application process?

It will be up to the applicant to address the selection criteria in line with the requirement set out in the Grant Opportunity Guidelines. This is regardless of whether the applicant is seeking to deliver DES for the first time, seeking to deliver DES in new areas or seeking to remain delivering services in the area in which they did not receive an Invitation To Treat. Further instructions on how to address the selection criteria will be available in the Grant Opportunity Guidelines.

4.27 Will a current DES Provider seeking a place on the Panel of DES Providers from July 1 2018 be able to set up a 3rd party organization to submit an affirmative response to an ITT or a Grant Application on their behalf?

The ITT process and the Stage 2 Grant Application process will be run concurrently from 11 September 2017. With regard to the submission of an application through the Stage 2 Grant Application process, applicants are referred to the DES Registration of Interest Guidelines, in particular sections one, three and four. The eligibility for stage 2 is set out in section four of these guidelines.

4.28 Should a current provider in an ESA not be offered an ITT but be successful in their grant application for the same contract in the ESA, will their (transitional) participants be advised to choose a new provider? In this scenario, the non-ITT provider will be treated the same as a new entrant in that they will be competing for ongoing new flow. Or, will the non-ITT existing provider be able to retain their existing caseload?

It is anticipated that participants with a provider continuing from 1 July 2018, whether via ITT or through winning business in the selecting process, will be able to remain with their provider or they may choose to select a new provider from this date. Information will be sent to participants letting them know there will be new providers and they can choose to change providers if they wish on or after 1 July 2018.

During the transition period, participants with an exiting provider will need to select a new or continuing provider to received services from 1 July 2018.

Where a participant, whose provider is exiting the DES market, does not choose another provider, the Department may refer the Participant to a new provider close to the participant's address.

Further information on transitional arrangements for the new model will be provided in the Grant Opportunity Guidelines and is currently being discussed with the Transition Reference Group.

4.29. Do participants with a provider who accepted an ITT also receive a letter about the transition period and the option to choose a provider, or will a letter only go to non-ITT providers' participants?

It is anticipated that participants with a provider continuing from 1 July 2018 will be able to remain with their provider or they may choose to select a new provider from this date. Information will be sent to participants letting them know there will be new providers and they can choose to change providers if they wish on or after 1 July 2018.

5. DES Provider Panel/provider requirements

5.1 How often will the DES Provider Panel be opened up to new providers?

It is likely that the DES Provider Panel will be reviewed and opened up to new providers about eighteen months into the new program, however this may change.

5.2 How long will providers have to become fully operational?

Providers who have signed a contract with the Department to be a DES Provider will be expected to be fully operational on 1 July 2018.

5.3 Are providers required to have a physical presence in ESAs or are other arrangements acceptable?

Yes, providers are required to have a physical presence in the ESAs, that is, premises that meet both DSS and participant requirements. Arrangements can vary and do not have to be restricted to the traditional standard offices, as for example, some services may operate from rooms in a local library, provided they meet accessibility requirements.

5.4 Will the Department require providers to engage with community organisations when delivering DES?

Further details of provider requirements will be outlined in the Grant Opportunity Guidelines, as well as the accompanying draft Grant Agreement.

5.5 Are flexible modes of contact applied to participants with mutual obligations?

Yes, the nature of contacts will be more flexible, however all participants will still be required to meet a number of contacts to satisfy DES program requirements.. More detail will be provided in the DES Grant Opportunity Guidelines (GoG).

5.6 Is the department going to list a minimum coverage per ESA (location or town name) that providers must service as a minimum per ESA?

No. Applicants will apply for business at the ESA level. Applicants will be required to nominate locations from where services will be delivered and details of how the entire ESA will be serviced through a combination of full time, part time and outreach service locations.

5.7 If a provider is looking to establish in a new ESA and is expected to be operational on 1 July 2018, can that organisation attract and build up business for the 1 July?

New providers are expected to be able to provide full coverage in an ESA from 1 July 2018. During the application process, potential applicants will need to consider how they will best deliver this level of service from 1 July 2018 which may include having strategies to scale up to meet demands as required.

Providers will be able to commence marketing their services to participants once the Grant Agreements have been executed in the lead up to the 1 July 2018 commencement.

5.8 Is there flexibility for smaller services to deliver services?

While providers will be asked to provide full coverage across an ESA, the DES 2018 model provides more flexibility in delivering services to accommodate small, medium and large providers. For example retaining the smaller 110 ESA boundaries, rather than moving to 51 Employment Regions as implemented in the Australian Government's mainstream employment service, jobactive ensures smaller providers do not have to cover extensive geographical areas. Further, allowing providers to nominate a maximum capacity of how many participants they wish to deliver services to, and allowing more flexible modes of contact, in agreement with participants, provides greater flexibility for providers of various sizes to develop innovative models for delivering services to people with disability and working with employers.

5.9 Who will advise of suspensions and penalties?

Centrelink will continue to grant participants exemptions from mutual obligation requirements or any suspensions or any penalties or suspension to income support payments due to non-compliance. Providers will continue to have a role in ensuring participants meet their mutual obligation requirements and in reporting non-compliance to Centrelink.

5.10 Can a DES provider be a specialist in working with Eligible School Leavers?

Eligible School Leaver policy should be conceptualised in the context of DES eligibility, rather than considered as a particular client type.

5.11 We as an organisation will be requesting additional services in the next contract (currently offer ESS, but wish to extend to DMS services also)... with the changes to market share ; DHS referrals no longer occurring; having to go and seek clients independently – how will that “look” at the commencement of the new contract. i.e. will the organisation be given a ‘base’ number of DMS clients to commence the service – or will we have 0 and need to go “poach” clients from other providers immediately.

A DES provider is not guaranteed a minimum caseload. In order to remain financially viable a DES provider will have to attract job seekers based on the services they offer and the prospect of a sustainable employment outcome for the participant. DHS-Centrelink will still refer participants to providers, based on the participant's choice of provider. To support the job seeker in their choices, a mobile application, will be available to provide them with greater information about providers and the services they can receive. Job seekers are also able to access a function on the Job Search website called Connections for Quality, where providers can promote their services. The Department will provide all participants with the opportunity to select who their DES provider will be from 1 July 2018. As part of this process, participants can choose to change to a provider that does not currently deliver DMS or ESS in an Employment Service Area (new provider). Also, as a transitional arrangement, where a participant whose provider is exiting the DES market does not choose another provider, the Department may refer the Participant to a new provider close to the participant's address. Further information on transitional arrangements for the new model will be provided in the Grant Opportunity Guidelines.

5.12 If new providers are successful in obtaining business when will they be able to commence marketing themselves to participants?

New providers that are successful in the grants round are able to promote their services before the new program starts on 1 July 2018. The Department encourages these providers to engage and build networks with existing and potential DES participants as early as possible to establish their reputation in the sector. However, these providers can only start delivering DES when Grant Agreements commence on 1 July 2018.

5.13 Will the contact frequency remain fortnightly in Employment Assistance/Extended Employment Assistance?

There are no changes to minimum quantum of contacts. That is, providers must provide each Participant with six contacts over each period of three months for Participants receiving Employment Assistance and Extended Employment Assistance

5.14 Will the 18 month contract point process be the same for new and existing providers?

There will be subsequent grant rounds during the five year term from the initial grant round to allow new entities to enter the market and existing providers to expand into new regions and service types. The process for new or existing providers is yet to be confirmed however it is the department's intention that where possible the process should be as efficient and streamlined as practical.

5.15 If an organisation intends to apply as a Specialist Services Provider, do you have to still meet the criteria of "Ability to Provide Full Employment Service Area (ESA) Coverage" or can you just have lesser coverage concentrating on a smaller area?

Regardless of whether a provider is delivering Generalist or Specialist Services, a provider will still be required to provide sufficient coverage across the entire ESA for that cohort.

5.16 How is the Department going to monitor Service Providers setting up in new ESA's? And that some Providers may see it as a potential money grabbing opportunity and not focus on getting people into employment or be committed to delivering services to participants in need?

There will be a number of safeguards in place to ensure 'appropriate behaviour' of the new panel of DES providers.

Providers will be required to comply with their obligations under all relevant Commonwealth, state and territory statutes and regulations including consumer protections against making false or misleading claims. DSS will retain the right to terminate a provider's right to provide DES in the event the provider is found to be engaging in conduct contrary to the requirements of the program.

Other mechanisms include:

i) the design of the funding model - larger payments will be made at the back end of the period of service and in arrears

ii) the introduction of participant choice: if participants are not happy with the assistance they are receiving from providers, they will be able to move to another provider

iii) Star Ratings - performance of providers will still be monitored and will reflect their successes of getting participants into jobs. The Department will reserve the right to remove a provider from the panel of DES providers where the provider has had poor performance for at least four consecutive quarters. Refer to published answers: 6.1 and 6.2.

5.17 Referrals - Is there a cap on the number of job seekers a provider can service?

No, DES providers will have the option to set their own limits for a caseload capacity for each site. The default Maximum Caseload value will be 'unlimited,' as it is expected most providers will choose this option. A site's Maximum Caseload can be changed during the course of the Grant Agreement; however agreement from the Department will be required to lower a site's Maximum Caseload. Further information will be provided in the Grant Opportunity Guidelines.

Providers must accept a Referral or Direct Register a job seeker, who wishes to receive Services from the Provider, unless they have exceeded their Maximum Caseload nomination and are unable to have available appointments, or the Provider is a specialist and the job seeker is not part of the specialist cohort. The Department may contact a Provider if they are under their Maximum Caseload and do not have appointments available.

5.18 If a provider wishes to set up a site in a small town in a neighbouring ESA must you apply for that whole ESA?

Yes. The provider will be expected to deliver services to participants in the entire ESA. Providers will need to outline how they will service the whole ESA in the grant application process.

5.19 Is a DES provider able to be a specialist in a specific industry for example hospitality?

No, specialisations can only be defined by job seeker characteristic and/or disability type. For example: physical, mental health, Aboriginal and Torres Strait Islander or youth-at-risk can be specialisations.

This does not preclude providers with employer networks within specific industries from promoting their services to participants wishing to secure employment in those particular industries.

5.20 Who determines who are the harder to place participants?

The risk-adjusted funding model will be an automated system which will assess participant information and allocate the most appropriate funding level. The risk-adjusted funding model determines a participant's funding level by a number of factors, including labour market data, demographic characteristics, disability type and other relevant statistical data.

Those less likely to secure long-term employment will be assigned to higher funding levels, while those with higher probabilities of employment will be assigned to lower funding levels.

5.21 If a Participation Report is submitted what is to stop Centrelink given the participant back their allowance?

When a Participation Report (PR) is submitted, the Department of Human Services will make a determination in respect to the participant's income support including if and when to reinstate payment.

5.22 Can new providers supply mental health support specialised services only and what is the minimum number of site locations that could be accepted?

Yes, Providers can apply to provide generalist or specialist services only. Providers are expected to provide full coverage at the ESA level through full time, part time or outreach sites.

6. Safeguards and appropriate behaviour

6.1 What safeguards will be put in place to ensure providers are open and transparent with participants?

Providers are required to comply with their obligations under all relevant Commonwealth, state and territory statutes and regulations including consumer protections against making false or misleading claims. DSS will retain the right to terminate a provider's right to provide DES in the event the provider is found to be engaging in conduct contrary to the requirements of the program.

Both DES-ESS and DES-DMS are provided for under the *Disability Services Act 1986* (Cth). It is a requirement under the *Disability Services Act 1986* (Cth) that any organisation providing DES-ESS and/or DES-DMS is certified as compliant with the National Standards for Disability Services. Applicants that do not currently hold certification against the National Standards for Disability Services will be required to obtain such certification within 12 months of commencement of the Grant Agreement.

In addition, applicants to provide DES must pass a selection process and agree to (and comply with) the terms of the Grant Agreement. Around half of all the payments made to DES providers will only be made if and when they successfully place a participant into a job and support them to remain employed for several months or more.

DES providers must agree and commit to observe the Employment Services Code of Practice and the DES Service Guarantee.

DES providers will be subject to consumer protection provisions, including those that make it illegal to engage in misleading or deceptive conduct.

Lastly, it is expected that giving participants greater freedom to change providers will mean that providers that are perceived as not being open and transparent with participants will find it more difficult to attract and retain participants.

6.2 What do you mean by marketing your services appropriately?

Under the Grant Agreement, DES providers will not be allowed to attract participants to their service through offering inducements to DES participants that are not related to assisting the participant into employment. Also, providers cannot make false or misleading statements about their services.

6.3 The DoE has Employment Liaison Officers to go out and work with the community and employers. Are there any plans for something similar in DES?.

Not at this stage. DES Providers are expected to appropriately market themselves to both employees and eligible jobseekers with disability. DES providers are expected to have local connections with relevant employers and services to assist participants into work.

6.4 Providers are discouraged from doing this as Centrelink make referrals based on participant preferences and their best interests.

While providers will be able to market themselves directly to participant and within the broader community, they will not be able to distribute marketing materials to DHS or Centrelink Offices, in line with existing DHS policy.

6.5 Are you going to put in place rules regarding inducements to participants to attract them to organisations, or will that be a commercial decision by each organisation? Given new providers in an ESA will seek financial security through attracting a caseload.

The Department will ensure that inducements are covered in the DES 2018 Grant Agreement.

6.6 Some Centrelink offices permit co-located services in their building, as well as sausage sizzles for the participants - given 91% of participants come through this gateway is DHS now a department (office by office) that needs to be marketed to get a larger share of participants?

Centrelink will continue to refer jobseekers to DES. Participants will be asked to choose a DES provider. Further details on the referral process will be available in the DES Grant Opportunity Guidelines (GoG) which will be released with stage 2 in August 2017.

There is now, and will continue to be in the future merit in DES providers networking with their local Centrelink as part of their community engagement strategy to increase awareness of their service.

6.7 Will referrals be managed in the same way under the new contract i.e. referrals are 'controlled' through ESS Web dependent upon market share, caseload levels etc.?

Centrelink will continue to refer the majority of participants to providers, and predominately those that are receiving an income support payment with mutual obligation requirements. However, this will be determined by participant choice rather than market share as under the current DES Deed Participants will select the provider of their choice. There will be no right of refusal by the provider unless the participant does not meet the requirements of the specialisation that the provider delivers; or the provider has reached its self-nominated maximum caseload and is unable to deliver services to additional participants.

7. Removal of Market Share

7.1 Will the panel arrangements result in a flood of providers in some ESAs?

Historically, DES has had regions (ESAs) with more than a dozen different providers. It is possible that there will be more providers in more regions under the new arrangements.

Providers will still be required to provide sufficient coverage across an ESA as a whole, taking into consideration the characteristics of the ESA, to ensure participants have access.

There will be no allocated market share. Removing the limitations imposed by managing referrals within specified market shares places greater emphasis on a DES provider's capacity to promote their services to potential participants. Providers will still be referred participants from Centrelink; however the referral will be based on the participant's choice from the relevant providers.

DSS will not impose a limit on the number of participants a provider can deliver services to under the new DES model. This removes the restrictions that currently prevent providers from expanding their business and increasing their caseload.

As the DES program will no longer guarantee participant referrals, providers will need to attract business by developing a desirable service offer and establishing a proven record for effective service delivery.

7.2 Does removing market share create a bias towards larger organisations applying for DES?

DSS recognises the role small and specialised organisations play in delivering employment services to people with disability. DSS does not anticipate the removal of market share will adversely impact these organisations, as long as they maintain a high standard of service delivery. There will continue to be participants who prefer to deal with a smaller organisation or who seek out the services of a high performing organisation regardless of size.

DSS is not seeking to rationalize the number of organisations delivering DES based on size. This will be reflected in the selection criteria.

7.3 Is the intention to bring international organisations into the DES market through the Grant Application process, over Australian based organisations that have local knowledge and linkages?

The Registration of Interest and Grant Application process is open to any organisation that wishes to initially register its interest or submit an application and can demonstrate its claims against the selection criteria included in the Grant Opportunity Guidelines. This may include organisations based internationally. DSS encourages registrations and applications from a wide range of organisations as part of the intention to promote diversity in the sector.

Australia is now a signatory to free trade agreements with various countries and this requires that registrants and applicants from signatory countries be treated the same as local registrants and applicants in government purchasing exercises.

7.4 Is it possible that as many as 30 new providers could be selected for an ESA?

Based on the current total of 119 across all ESAs and the current maximum of 18 providers in one ESA, the Department does not expect the new process to generate such a large increase in provider numbers, however, the Department would not actively prevent this from occurring.

7.5 Will there be an upper level of providers for an ESA?

There will not be a cap on the number of providers in an ESA.

7.6 With no upper capacity, there is potential of businesses failing. How does this impact on Star ratings?

A business failure of a DES provider will likely be treated in the same way as a hand back of provider business to the Department is currently managed in the DES Star Ratings calculations. Where a hand back of business currently occurs, the past performance of that contract is removed from future Star Ratings (i.e. removed from the national average calculations) calculations after the contract ceases operation.

As part of the 2018 DES Performance Framework review, due to start in late 2017, the implications of potentially more business changes may be considered to inform the operation of the 2018 DES Star Ratings.

7.7 How many providers will be operating in each ESA? Do we expect a minimum/maximum number of license providers?

There will be no prescribed minimum or maximum number of providers per Employment Service Area (ESA). Historically, DES has had ESAs with more than a dozen different providers. It is possible that a number of ESAs may have more providers than currently exists, under the new arrangements. Sufficient coverage across all ESAs is a priority.

7.8 How many providers could hypothetically be granted business in one individual ESA?

The Department will allow all suitable organisations to enter the DES market provided they satisfy requirements through the selection process. Having a large, diverse range of providers will increase participant choice and encourage innovative service delivery.

7.9 Won't opening up the market to a large number of providers make the decision making process for Job Seekers overly complicated? People already have reservations about working in DES, and this new emphasis on client agency might make things more complicated for prospective participants.

Introducing more participant choice and control and removing market share for providers is designed to make DES providers more responsive to the needs of DES participants in supporting them into sustainable employment

To support the Job Seeker in their choice in provider, a mobile application and website, will be available to provide them with greater information about providers and the services they can receive. These tools will also assist providers to communicate to job seekers regarding the range of services they can receive.

If a Job Seeker is unsure about which DES Provider to select, Centrelink will present the Job Seeker with a list of providers at the site level for the Job Seeker to choose, based on proximity to where they live and then ordered by Star Ratings. Further information on this process will be provided in the Grant Opportunity Guidelines.

7.10 Will the Department be seeking more providers for an ESA in addition to those who have already been offered an ITT?

There will be no limits on the number of DES Providers who can operate within an ESA.

7.11 This process could mean more providers in areas. Will we end up with providers coming and going, new providers starting up then dropping out of the market?

It is possible for greater volatility in a more deregulated market. Organisations will need to make business decisions including assessing the level of risk in either entering the market or expanding existing business into new areas without a guaranteed level of business share.

7.12 With no market share, how can a provider determine whether a site will be mainly full-time, part-time or outreach?

This will be a business decision for the provider. Applicants will need to consider the most appropriate service delivery model to ensure coverage of the ESA/s in which the applicant is seeking to operate.

8. Provider Capacity

8.1 Previously, providers were unable to refuse prospective clients unless they were at maximum capacity. Under the new model, can a provider set their own limits?

Yes. DES providers will have the option to set their own limits for a caseload capacity for each site. The default Maximum Caseload value will be 'unlimited,' as it is expected most providers will choose this option. A site's Maximum Caseload can be changed during the course of the Grant Agreement; however agreement from the Department will be required to lower a site's Maximum Caseload. Further information will be provided in the Grant Opportunity Guidelines.

Providers must accept a Referral or Direct Register a job seeker, who wishes to receive Services from the Provider, unless they have exceeded their Maximum Caseload nomination and are unable to have available appointments, or the Provider is a specialist and the job seeker is not part of the specialist cohort. The Department may contact a Provider if they are under their Maximum Caseload and do not have appointments available.

8.2 Regarding providing a maximum capacity for your specialization during the ROI process, can you review it?

Maximum capacity will not be requested at the Registration of Interest (ROI) stage, only through the restricted grant application process.

The maximum capacity is not about capping intakes so much as making it possible for services to indicate a limit they might wish to deliver services to. Providers drive their business by having appointments open in ESSweb. There will be no right of refusal – unless it's about agreed specialisation or capacity. Providers can set themselves up to suit the business they want to provide. You will be able to change your maximum capacity during the term of the Agreement, with approval only required from the Department if you wish to reduce your capacity.

8.3 Will Providers' capacity be advertised?

Providers capacity will be used by DHS for referral purposes and will not be public information. A provider can choose to set their capacity as unlimited.

8.4 If a provider is at their nominated capacity, can they accept additional job seekers by direct registration?

Nominated capacities will provide information on a provider's capacity to service participants. Providers will be able to open appointments and accept participants beyond their nominated capacity. Where a provider has capacity and refuses delivering services to participants, the Department may seek an explanation from the provider.

8.5 Where DES Providers tender for extra business in different ESA's relevant to the new contract and where the Information paper mentions nominated capacity, does this nominated capacity mean an actual number of clients a DES Provider requests to work with or is this nominated capacity set for the Provider?

Nominated capacity is set by the provider. Nominated capacity will provide information on a provider's capacity to service participants at the site level. Providers will be able to open appointments and accept participants beyond their nominated capacity. Where a provider has nominated a capacity and refuses delivering services to participants, the Department may seek an explanation from the provider.

8.6 Does capacity include direct registrations?

Yes. Nominated capacity is set by the provider. Nominated capacity will provide information on a provider's capacity to service participants at the site level. Providers will be able to open appointments and accept participants beyond their nominated capacity. Where a provider has nominated a capacity and refuses delivering services to participants, the Department may seek an explanation from the provider.

8.7 What right does a provider have to refuse service to a participant?

Refusal of service can be done in 1 or 2 scenarios – 1) if the provider is a specialist and the participant does not have that condition and 2) if the provider has reached their self-imposed nominated capacity and is unable to open more appointments;. Refer to Q&A 8.1 for further information.

9. Participant Choice and Control

9.1 How will participants benefit from more choice and control?

It will be easier for participants to choose the provider they want, or to change their provider if they are unhappy with the support they are receiving.

Participants will have more flexibility in how they receive services, for example, video and teleconferencing will be available options, instead of always having to meet face-to-face at the provider's premises.

Finally, more information will be available to participants to help inform their choice of a provider that best meets their needs.

9.2 How will DES participants be supported to make informed choices about their DES provider?

DES participants will have access to information about local DES providers at the time of referral to help them choose a provider who best suits their needs. This should help improve awareness among DES participants about the opportunities available to them, the performance of providers and the services they can receive.

DES providers will need to actively engage participants and attract them to their business because they will no longer be guaranteed participant referrals. This should ensure more information is available to DES participants, and that there is greater diversity in the services offered.

9.3 There has been discussion around DES becoming one program. What does this mean for providers who currently deliver only one DES service type, being either DES-DMS or DES-ESS?

The distinction between DES-Disability Management Service (DMS) and DES-Employment Support Service (ESS) will be retained so providers have more flexibility to deliver specialised services. A single application process will be introduced for DES-DMS and DES-ESS, which reduces the administrative burden on providers seeking to deliver both services.

9.4 Why is the Government going out to the market again to deliver DES Reforms from 2018?

With growing public investment in services and supports for people with disability, the Government is determined to ensure job seekers with disability get the best possible services through DES.

There is room for improvement in DES performance. The expiry of current DES contracts in 2018 is an opportunity to make changes to DES to improve the number of employment outcomes achieved for people with disability.

9.5 When participants change providers under the new DES program what will providers be expected to do in terms of notifying the Department?

There will be no change to the current arrangements for this. Providers should continue to use the existing mechanisms available for this. An additional code will be created in the system that identifies the reason for change as being at the participant's discretion; this will allow the Department to keep track of the number of times a participant elects to move at their own discretion.

9.6 Is there a limit to the number of times a participant can change providers?

Yes. Participants will be able to transfer to another provider up to five times within a two year period at their discretion. This is in addition to the current reasons for which a participant can change provider.

9.7 Can participants receive DES and NDIS services simultaneously?

Yes, some participants receiving a package of support under the NDIS will be eligible to receive DES where they have a capacity to work in the open labour market of at least eight hours per week.

9.8 In regards to participants choosing their own provider, how will it work with Centrelink allocating providers?

The Department of Social Services is working with Department of Human Services to progress the change from the current 'allocation process' to ensuring participants have appropriate information to choose a suitable DES provider. Centrelink will present the job seeker with a list of providers at the site level for the job seeker to choose. Further information on this process will be available in the DES Grant Opportunity Guidelines (GoG).

9.9 Will Centrelink continue to refer participants to providers in the usual way under the new contract from 2018?

Centrelink will refer DES participants to the DES provider of the participants' choice.

9.10 When will information about participant choice be made available?

Participants who chose their DES provider at DHS-Centrelink, will be provided with a list of providers based on proximity to where they live and then ordered by Star ratings. To support the job seeker in their choice in provider, a mobile application will be available to provide them with greater information about providers and the services they can receive. This will also assist providers to communicate to job seekers regarding the range of services they can receive. In addition to the mobile application, participants will be able to access a web-based platform from 1 July 2018, to further inform their choice of provider.

9.11 Can Job Seekers be permitted 48-72 hours to make up their minds, and seek advocacy?

The Department is developing a website and a mobile application to allow participants to research the market ahead of choosing their initial provider. The Department is working with the Department of Human Services to assess whether there is an opportunity to advise a job seeker about these tools when they are referred for an ESAt or JCA, which may recommend a referral to DES. This aims to facilitate informed choice and removes the need for a 'cooling off' period.

Further, the new DES program allows participants to change providers five times over a two year period—‘no questions asked’. If a participant is unsatisfied with their initial choice of provider, they are able to use one of these discretionary transfers to change to their preferred provider.

9.12 Who will advise of suspensions and penalties?

Centrelink will continue to grant participants exemptions from mutual obligation requirements or any suspensions or any penalties or suspension to income support payments due to non-compliance. Providers will continue to have a role in ensuring participants meet their mutual obligation requirements and in reporting non-compliance to Centrelink.

9.13 What if participants want to use the performance as a guide to selecting a provider?

Participants are welcomed, and encouraged to use provider performance as a guide to selecting providers. More work is required to ensure participants understand the composition of star ratings.

It is worth noting that participants may choose their provider because of a range of factors, including, but not limited to:

- the provider’s location,
- the provider’s specialisation,
- a recommendations from another participant, and
- past performance (Star Ratings).

The Star Ratings system incentivises providers to maintain a high standard of service delivery and allows participants to quickly assess the quality of services of any site.

9.14 If there is a new player, will existing providers keep their caseloads at the start of the new Contract?

Participants with a provider continuing from 1 July 2018 will be able to remain with their provider or they may choose to select a new provider from this date. Information will be sent to participants letting them know there will be new providers and they can choose to change providers if they wish.

9.15 How are you talking to Centrelink about the referrals?

We are working with Centrelink right down to the script for referral and what will be said to participants to ensure it is the participants that are making the decisions on which provider they would like to receive services from.

9.16 If providers have ESA coverage what process is in place to get referrals?

Centrelink will continue to refer the majority of participants to the providers of their choice. Where participants are reluctant to make a choice a list of providers will be offered them based on proximity and performance. The Department is working with DHS to ensure Centrelink staff and DHS assessors appropriately encourage participants to make a choice of provider.

Providers are able to market themselves appropriately so that participants are aware of the individual services offered.

9.17 How will referrals be managed by Centrelink for participants who do not nominate a DES provider?

Job seekers are encouraged to choose their DES provider. To support the job seeker in their choice in provider, a mobile application and website, will be available to provide them with greater information about providers and the services they can receive. These tools will also assist providers to communicate to job seekers regarding the range of services they can offer.

9.18 Participants are allowed five changes over what period?

Participants can transfer up to five times over two years, without needing to provide justification.

9.19 Prior to transition time will participants be notified of their right to change providers?

As part of the Department's transition plan, in early 2018, participants will receive correspondence from the Department advising them of the changes to DES and how they are affected.

9.20 At what point will Job Seekers choose which provider they wish to work with?

A job seeker will generally select their DES provider when the outcome of the ESAt / JSA assessment recommends the DES program. If a job seeker is unsure which DES provider to select, Centrelink will present the job seeker with a list of providers at the site level for the job seeker to choose, based on proximity to where they live and then ordered by Star Ratings. Further information will be provided in the Grant Opportunity Guidelines.

9.21 Will there be time limits for participants to choose between providers now that they will be given greater choice?

We are working with DHS to determine a possible window of time where a participant can consider information about DES providers. A possible opportunity to provide people with disability further information on employment services is between the first Centrelink appointment (JSCI) and referral for an ESAt/JCA. It may be that between having the JSCI completed and having a JCA/ESAt the participant could be provided with information about potential providers to assess what provider will be most suitable to the participant. However, once a referral is determined the participant will be required to select a provider at that time.

9.22 How will participants benefit from more choice and control? The Job Plan is central to both employment assistance and more choice and control for the participant. How will the participant Job Plan work in the new DES? Will it be maintained as per current arrangements or will it become a more flexible resource for participant and provider?

DES Providers will need to engage in a meaningful way with each Participant to develop an agreed Job Plan. Providers and Participants will be able to negotiate Job Plan activities and assistance to reflect the agreed service delivery offer in order to achieve sustainable employment. While the Department will continue to require Job Plans to document what is required under the Social Security Act, the Participant's decision on whether to choose to remain or change providers will largely be based on the activities and assistance that can be negotiated and delivered, purchased or organised by the Provider for the Participant.

9.23 Does the Initial Appointment have to be face-to-face?

Yes. The initial appointment is required to be face to face unless there are exceptional circumstances. Further details will be outlined in the Grant Agreement.

9.24 When you talk about face-to-face and Skype participant contact – has the Department considered difficulties for Service Providers located in regional areas that may not be able to do ongoing face-to-face with participants who have mental health, illnesses and injuries?

The initial appointment will need to be face-to-face; however the contract will have more flexibility for participants and providers to negotiate the mode of contacts, as long as the required numbers of contracts are met. In delivering services, particularly in some regional areas, the provider will need to make decisions as to the best way to provide ESA coverage that meets the needs of the participants.

9.25 After five provider changes does a participant still contact the Customer Service Line?

Yes. The National Customer Service Line (NCSL) will book appointments with the selected Provider.

9.26 At what stage is the Participant able to do the 5 transfer requests? – If they are tracking towards a 26 week outcome, are they allowed to transfer 2 weeks out from reaching this milestone?

Participants can transfer at any time. The provider at the time the outcome becomes available will be able to claim outcome fees as per current guidelines.

10. Participants changing Providers

10.1 Will current participants be notified that they can change providers?

Yes. Prior to 1 July 2018, the Department will provide information to all participants that will include advice on what providers are available in their area.

10.2 If a person who wishes to select or transfer to another provider who is at full nominated capacity, what is the procedure?

If the participant is requesting to commence or transfer to a provider that is at their full nominated capacity and do not have any appointments available, Centrelink or the National Customer Service Line may contact the provider to see if they have capacity for another participant. If the provider is unable to accommodate any more participants and is at or above their nominated capacity, the participant may be asked to choose another provider.

10.3 How will a Job Seeker initiate a transfer to a different provider? Will this be facilitated using the existing transfer by agreement process?

The new DES program allows participants to change providers five times over a two year period– ‘no questions asked’. If a participant is unsatisfied with the services they are receiving, they are able to use one of these discretionary transfers to change to their preferred provider by contacting the National Customer Service Line (NCSL) and advise on which provider they would like to transfer to.

These transfers are a separate arrangement to the existing Transfer by Agreement process. These requests will not be assessed by the NCSL and do not require the agreement of the relinquishing or gaining provider. The gaining provider will only be able to refuse the transfer if they have reached their nominated maximum caseload capacity, or if they are a specialist provider whose specialisation does not apply to the participant.

10.4 Will all participants be recommenced at the commencement of reformed DES? e.g. including those transitioning to reformed DES with their existing provider?

A participant's period of service will continue on 1 July 2018, rather than being reset. However, the Department will consult with the sector to discuss transition arrangements. These arrangements will be set out in transition documentation.

11. Assessments –JSCI/ESAt/JCA/Moderate intellectual disability

11.1 What is an Employment Services Assessment (ESAt) and will there be any changes to this assessment?

An ESAt is an assessment undertaken by a Department of Human Services Assessor to identify a participant's vocational and non-vocational barriers to finding and maintaining employment and determining the impact of these barriers on their work capacity. The ESAt recommends the most appropriate employment services assistance program for the participant given their individual circumstances.

Changes to ESAts are not part of the reforms commencing on 1 July 2018. However, a review of assessments will be undertaken through 2017-18, which may result in future changes. The review will be undertaken in consultation with representatives of people with disability and DES providers.

11.2 Will there be a review of the Job Seeker Classification Instrument (JSCI)?

The Job Seeker Classification Instrument (JSCI) determines a job seekers relative level of disadvantage in the labour market. The Department of Employment manages JSCI policy and operation. DSS is unable to comment on future reviews of the JSCI model.

However, there will be a review of Employment Service Assessments. The DES Assessment Review will be supported by a project Reference Group comprising of peak bodies representing both employment service providers and people with disability. The DES Assessment Review will focus on understanding the strengths and weaknesses of the current assessments, with a view to identifying possible improvements. It is expected that any changes required to the assessments stemming from the outcomes of the Review would be introduced from mid-2019, at an appropriate time after the implementation of the new DES program.

11.3 Who will perform ESAt/JCA assessments?

DHS will continue to perform ESAt/JCA assessments. A review of Employment Service Assessments is currently underway. The DES Assessment Review is being supported by a project Reference Group comprising peak bodies representing both employment service providers and people with disability. The DES Assessment Review is focusing on understanding the strengths and weaknesses of the current assessments, with a view to identifying possible improvements. It is expected that any changes required to the assessments, stemming from the outcomes of the Review, would be introduced from mid-2019 at an appropriate time after the implementation of the new DES program.

11.4 What's the difference between an ESAt and JCA?

An Employment Services Assessment (ESAt) is an assessment used to identify a job seeker's vocational and non-vocational barriers to finding and maintaining employment, their work capacity and ongoing support needs. The ESAt recommends the most appropriate employment services assistance for the job seeker.

A JCA is used to determine DSP eligibility. In addition to the impairment tables used to determine DSP eligibility, a JCA will also generally contain the same information as an ESAt. That is information about a job seeker's barriers, work capacity, and where necessary, a recommendation as to the most appropriate employment service. Where a DSP recipient has a current and valid JCA, they will generally not require an ESAt unless the JCA has not made a recommendation as to the most appropriate employment service.

A job seeker is usually referred to an ESAt following application of the Job Seeker Classification Instrument (JSCI), which identifies that the job seeker has multiple and/or complex barriers to work that require further assessment.

11.5 If an ESAt is completed and shows that a participant would benefit from a generalist provider, would they only see a listing of generalist providers in their preferred area?

ESAts do not determine whether a participant would benefit from either a generalist or specialist provider. Participants will be able to view specialist providers in their area and can select them if they are part of the cohort serviced by the specialist provider.

11.6 How is Moderate Intellectual Disability assessed, and who conducts the assessments?

For the purposes of claiming MIDL in DES, moderate intellectual disability is commonly determined by Intelligence Quotient (IQ).

For the provider to be eligible for the loading, the participant must meet the eligibility criteria for Disability Employment Services – Employment Support Services and either:

- have an assessed IQ of 60 or less, or
- have been assessed by a registered psychologist, using a recognised assessment tool, as having a moderate intellectual disability.

Where the Participant does not have an assessed IQ of 60 or less, the assessment must:

- include consideration of both the job seeker's IQ and any adaptive behaviour, and
- be completed by a registered psychologist.

11.7 Who identifies that a participant has a moderate intellectual disability (MDIL)?

Participants with a moderate intellectual disability may be identified through Direct Registration by the provider, on Referral, via a Job Capacity Assessment or Employment Services Assessment, or at Commencement, or they may already be on a DES provider's caseload when eligibility for MIDL is assessed.

DES providers are required to retain suitable Documentary Evidence to support their decision to apply MIDL.

11.8 The current ESAt timeframes pose a constraint to on-board providers given that wait times can be up to one month. Is this being reviewed?

The Department is currently reviewing the ESAt and the ESAt processes. Any changes to the ESAt will be implemented from mid-2019.

11.9 Will existing DES Participants need to be reassessed to determine their new funding levels?

No. This data is already available and can be applied to existing/current Job Seekers.

12. Funding Model

12.1 How will the new funding model result in better outcomes?

The new funding model will better link provider performance to revenue and place greater emphasis on generating sustainable long-term jobs for people with disability. It will do this by:

- rebalancing DES expenditure so more weighting is placed on achieving outcomes rather than service fees;
- introducing risk-adjusted outcome payments that reward providers proportionately for supporting harder-to-place participants into work;
- introducing new outcome payments at 4 and 52 weeks to support better job matching and sustainable employment;
- improving incentives to provide education that is most likely to lead to employment; and
- making available, from 1 July 2018, new payments to support greater uptake by young DES participants of the Prepare, Trial, Hire (PaTH) internships that were announced in the 2016-17 Budget and commenced on 1 April 2017.

DES funding will maintain its real value through the introduction of indexation. The first indexation point is on 1 July 2019 and DES payments will be indexed on 1 July every year.

12.2. Is there any strength or evidence in benchmarks and band payments?

Employment Benchmark hours are the number of hours that a Participant must work each week, on average, to achieve a Full Outcome. Participants will have an Employment Benchmark of 0, 8, 15, 23 (from 1 January 2016) or 30 hours per week.

The Employment Benchmark is determined by the Department's IT Systems and is generally based on a Participant's work capacity as assessed through the Employment Services Assessment (ESAt). The Department has banded jobseekers by predicted outcome frequency into five groups for funding purposes.

Jobseeker benchmark hours are one of the predictors used to risk-adjust job seeker outcomes in the DES program.

12.3 The two programs DMS and ESS are broken into 5 bands each. What are these bands based on and how is it assessed?

Fees for Disability Employment Services (DES) are to support people with disability gain employment. Under the new DES program, jobseekers will be allocated to one of five funding levels (bands) for each of Disability Management Service (DMS) and Employment Support Service (ESS). This new allocation is based on the principle of risk-adjusted funding, that is, that achievement of outcomes for harder-to-place jobseekers, those less likely to gain employment, is encouraged by having proportionately higher payments available. The allocations have been informed by actuarial analysis of the factors associated with outcomes using data on actual outcomes across DES over 7 years, including participant characteristics and labour market information.

12.4 How are the funding levels determined?

In general, funding levels are determined by characteristics of the participant and external factors such as labour market conditions. Refer to question 13.2 which provides further details to answer this question.

12.5 Have you modeled the spread of disability type across the 5 new funding levels? I am most interested in knowing the spread of participants with intellectual disability across the 5 ESS levels.

The table represents the new bands to which actual ESS participants having an intellectual disability would have been allocated based on their individual characteristics as well as local labour market conditions.

Employment Assistance (EA) caseload at 31 March 2017

Disability group	Number of participants by bands				
	ESS				
	1	2	3	4	5
Intellectual	836	1277	651	321	170

Note that outcomes for people with Moderate Intellectual Disability in the Employment Support Service attract a payment loading of \$2,444 not shown in the table above – see page 38 of the Industry Information Paper.

12.6 Is participant funding level based on ESA Labour Market or Participant factors?

A participant's funding level is determined by a number of factors, including labour market data, demographic characteristics, disability type and other relevant statistical data using an actuarial model. Those less likely to secure long-term employment will be assigned to higher funding levels, while those with higher probabilities will be assigned to lower funding levels.

12.7 Following commencement of the new DES Deed will the new funding levels be able to be viewed in ESS Web?

Yes. The Employment Services System (ESS Web) will display the funding level for a participant.

12.8 What is the anticipated average full outcome payment level (ESS1 to ESS5) for Moderate Intellectual Disability clients?

Please see response to Q&A 12.5 for a table that represents the new bands to which actual ESS participants having an intellectual disability would have been allocated based on their individual characteristics as well as local labour market conditions.

13. Risk Adjusted funding

13.1 Regarding Risk Adjusted Payments: It says in the Industry Paper that provider outcome rates are used in the calculation of risk adjusted funding levels (p12 pg 5, 2nd Sentence). Will this occur at site or ESA level?

The outcome rates reference for the risk-adjusted funding model calculations, refer to the program level outcome rates for performance of different cohorts of participants.

13.2 Can the department provide further details on how the new risk adjusted funding model operates and how the funding is derived?

The risk adjusted funding model (the Model) will be an automated system which will assess participant information and allocate the most appropriate funding level. The most important factors in the Model are:

- Demographic characteristics: Age and gender;
- Duration variables: multiple duration measures such as time since first commencement, time since the start of stint, and the proportion of time in the program over the past 3 years.
- Labour market effects such as regional internet vacancy index (IVI) and the change in the national unemployment rate.
- Job Seeker Classification Instrument (JSCI) related variables: JSCI score being the key variable, which is a composite of various barriers from the jobseeker classification.
- Disability indicators: presence of 11 different disability or health conditions.
- Other program characteristics: These include benchmark hours, eligible school leaver, current funding level and job-in-jeopardy flags, including the allowance or benefit received by the jobseeker.
- Provider information: The organisation, contract area and specialist flag.
- Barrier and Condition flags: Over 300 indicator variables related to specific employment barriers and conditions for the jobseeker.

The Model will be recalibrated from time to time using the most recent available data to it accurately reflects changes in labour markets and participant characteristics and the relative chances of successful outcomes.

13.3 Will funding levels change when participants move?

The risk adjusted funding model considers the relative labour market disadvantage associated with living in a particular location. Assuming all other participant characteristics remain constant after the move, the participant's funding level may change, depending on the labour market characteristics of the new area and their impact on the participant's risk-adjusted score. For example, a participant may move to an area with a higher unemployment rate however, if the resulting change in the participant's risk-adjusted score is not enough to push it past the threshold scores of the participant's current band, there will be no change in funding level. It is important to note however, that the model will not consider a move from one location to another in isolation, but relative to other participant characteristics.

13.4 How frequently will The Department update the risk adjusted rating for individual participants to ensure their funding level represents the disadvantage? And does the JSCI still have a place in this process?

Participants may disclose new or updated information such that information contained in the Job Seeker Registration Record/ Centrelink data, JSCI or ESAt/JCA, is found to be incomplete or no longer accurate. As such, funding levels will recalculate instantly for participants that are pending or in employment assistance when there is a change in one of the factors (Please refer to the answer for question 13.2: *Can the department provide further details on how the new risk adjusted funding model operates and how the funding is derived?*) the risk adjusted model uses in its calculation.

13.5 Will providers be given information to providers about the specific funding allocated to each participant, for modeling purposes? For example, JSID: 1234 DMS level 3, OR as at 31/03/2017 provider has 20 active participants in ESS level 1, 23 participants in ESS level 2, and so on?

The Department has provided an indication of relative caseload by employment service areas in the DES 2018 Industry Information Paper. The information will assist all organisations, wishing to provide Disability Employment Services (DES) services from 1 July 2018, determine the potential viability of their business ideas in an employment service area.

13.6 I have a question relating to the risk-adjusted Funding levels in the new DES as they apply to our entity as they compare to other organizations. The spread of funding levels in the analysis of our caseload at March 2017 shows DMS 5% L1 42% L2 21% L3 10% L4 21% L5 ESS 19% 35% 13% 16% 16% When compared to the figures for Alice Springs NT or Dale WA for eg. our funding will be significantly lower. How can this be given our demographic and unemployment rate?

Fees for Disability Employment Services (DES) are for support to people with disability to gain employment. Under the new DES program, jobseekers will be allocated to one of five funding levels for each of Disability Management Service (DMS) and Employment Support Service (ESS). Funding Level 1 is the highest probability of finding work and the lowest funding amount. This new allocation is based on the principle of risk-adjusted funding, that is, that outcomes for harder-to-place jobseekers (those with more severe barriers to employment) are encouraged through better fee differentiation and a higher level of support. The calculation of funding level have been informed by historical factors including demographic characteristics such as age and education, and labour market factors like change in the national unemployment rate and geographical location.

The total funding a provider receives will depend on the profile of the participants on its books and on the rates of outcome it achieves across the funding categories. Accordingly it is possible that the entity may achieve higher total revenue than a provider in Alice Springs – depending on the mix of participants it supports and on rates of outcomes it achieves. As the assignment of participants to funding categories is based on the likelihood of achieving employment outcomes, a higher proportion of people in the higher funding categories in a region does not mean providers in that region will achieve higher revenue, as it indicates that on average, employment outcomes are likely to be harder to achieve for the people in that region.

Whilst the Department encourages all interested parties to apply, organisations wishing to submit a Grant Application must make their own independent assessments and investigations, and obtain their own legal, business and other professional advice, when deciding whether to apply for DES business.

13.7 Can you please clarify the difference between the 2 Appendix caseload tables? What is the rationale of the Risk Adjusted table at appendix 1?

The new Disability Employment Services (DES) Program for 2018 will change how funding is provided for jobseekers. Under the new model, jobseekers will be allocated to one of five bands in Disability Management Service (DMS) or one of five bands in Employment Support Service (ESS). This new allocation is based on the principle of risk-adjusted funding, that is, that achievement of outcomes for harder-to-place jobseekers, those less likely to gain employment, is encouraged by having proportionately higher payments available.

The information will assist all organisations wishing to provide DES services from 1 July 2018, determine the potential viability of their business ideas in an employment service area.

Table 5 in Appendix 1 (Number of employment assistance commencements in the year to March 2017 by ESA, by funding bands) shows for each employment service area the allocation to the new funding bands in the two programs of people who commenced in the Employment Assistance phase (i.e. job seeking) in DES over the 12 months to March 2017.

Table 6 in Appendix 1 (Number of active Employment Assistance participants at 31 March 2017 by ESA, by funding band) shows for the total caseload in DES at a point in time (31 March 2017), how many participants would have been in each of the funding bands across DMS and ESS if the new funding bands had applied at that time.

The rationale for the tables is to show for each ESA:

- the distribution by the new funding levels of the participants in DES as at 31 March 2017, and
- the distribution by the new funding levels of participants commencing in DES over the 12 months to 31 March 2017.

13.8 The two programs DMS and ESS are broken into 5 bands each. What are these bands based on and how is it assessed?

Fees for Disability Employment Services (DES) are to support people with disability gain employment. Under the new DES program, jobseekers will be allocated to one of five funding levels (bands) for each of Disability Management Service (DMS) and Employment Support Service (ESS). This new allocation is based on the principle of risk-adjusted funding that is, that achievement of outcomes for harder-to-place jobseekers, those less likely to gain employment, is encouraged by having proportionately higher payments available. The allocations have been informed by actuarial analysis of the factors associated with outcomes using data on actual outcomes across DES over 7 years, including participant characteristics and labour market information.

13.9 DES Payments – How about the CPI (cost of living) – will it be reviewed annually?

The DES funding envelope will be indexed annually on 1 July, with the first indexation point on 1 July 2019 to take into account the cost of living.

13.10 Are you able to define the participant characteristics of each of the 5 categories in DMS and ESS?

The model essentially assigns participants a funding level based on their likelihood of achieving employment. As set out in Q&A 13.2, the most important factors in assigning a participant to a funding level are:

- Demographic characteristics: Age and gender;
- Duration variables: multiple duration measures such as time since first commencement, time since the start of stint, and the proportion of time in the program over the past 3 years.
- Labour market effects such as regional internet vacancy index (IVI) and the change in the national unemployment rate.
- Job Seeker Classification Instrument (JSCI) related variables: JSCI score being the key variable, which is a composite of various barriers from the jobseeker classification.
- Disability indicators: presence of 11 different disability or health conditions.
- Other program characteristics: These include benchmark hours, eligible school leaver, current funding level and job-in-jeopardy flags, including the allowance or benefit received by the jobseeker.
- Provider information: The organisation, contract area and specialist flag.
- Barrier and Condition flags: Over 300 indicator variables related to specific employment barriers and conditions for the jobseeker.

14. Fees and Outcomes

14.1 Can providers claim fees from both DES and NDIS?

Yes, assuming that services are complementary and not a duplication of types of services claimed.

14.2 Will outcomes be pro-rated if a participant moves after we have placed them into a job and anchored the outcome?

No, the provider that is supporting the participant in the workplace at the time the outcome payment becomes available will be eligible claim the payment, provided all requirements have been fulfilled. This policy remains consistent with the existing DES policy.

14.3 Can you confirm that all (13, 26 and 52 week) outcome fees after placement occurs will remain with placing provider should a participant transfer provider in the PPS Phase?

No, the Provider that is supporting the participant in the workplace at the time the outcome payment becomes available will be eligible claim the payment, provided all requirements have been fulfilled. This policy remains consistent with the existing DES policy.

14.4 Has the Restart wage subsidy been stopped?

No. The Restart wage subsidy will continue to be available for eligible DES participants.

14.5 Is there any strength or evidence in benchmarks and band payments

Employment Benchmark hours are the number of hours that a Participant must work each week, on average, to achieve a Full Outcome. Participants will have an Employment Benchmark of 0, 8, 15, 23 (from 1 January 2016) or 30 hours per week.

The Employment Benchmark is determined by the Department's IT Systems and is generally based on a Participant's work capacity as assessed through the Employment Services Assessment (ESAt). The Department has banded jobseekers by predicted outcome frequency into five groups for funding purposes.

Jobseeker benchmark hours are one of the predictors used to risk-adjust job seeker outcomes in the DES program.

14.6 In reference to the 15 hour benchmark, how long will a client have to work in order to achieve a four week outcome?

Participants will need to work their employment benchmark hours for at least three weeks over the four week period and remain employed for this period to achieve a Four-week outcome. In this example, the participant would need to work a minimum of 45 hours over four weeks. Further information on the Four-week Outcome will be provided in Grant Opportunity Guidelines.

14.7 Currently the DES Wage Subsidy is only payable where the participant works their benchmark hours in each week of the subsidy period, can this please go back to an average of benchmark hours across the wage subsidy period?

To be eligible for the Wage Subsidy Scheme, Participants must work at least eight hours a week over the subsidy period. Benchmark hours are not taken into account to be eligible for payment.

14.8 Where will current Funding Level 1 participants sit in the new 5 level structure? Will they only sit in Level 1 and 2 or could they possibly sit in Level 3 and above?

From 1 July 2018, Funding Level 1 participants in the current program as with every other eligible DES participant, will be allocated a risk adjusted funding level from 1 to 5 relative to their individual likelihood of achieving employment outcomes.

14.9 Will the Department provide a breakdown of previous outcomes for the sector under the new funding arrangements?

Yes, a breakdown of outcomes between April 2015 and March 2016, had they been under the new funding arrangements, is available on the [Disability Employment Services Data tab on the Engage website](#).

14.10 Will there be a 52 week pathway fee?

Yes. This is noted on page 12 of the Industry Information paper.

14.11 What evidence is required for a 52 week outcome fee?

Documentary evidence requirements have yet to be finalised, however, it could be assumed at this point that documentary evidence requirements for claiming a 52-week outcome will be consistent with the other outcome payments. The Provider must retain sufficient Documentary Evidence to prove its claim for payment in accordance with the DES Grant Agreement and any relevant Guidelines. Applicants can gain an understanding of Documentary Evidence requirements by accessing the current [DES Documentary Evidence for Claims for Payment Guidelines](#).

14.12 Will education outcomes be paid at the same rate as employment outcomes under the new DES program?

The Department will generally continue to pay equivalence of education outcomes to employment outcomes, as education is recognised as an important stepping stone to securing employment and an important element of the program. However, it is not the ultimate goal of the program and should only be undertaken when it is an appropriate pathway to employment, as agreed by both the participant and service provider.

Under the new risk-adjusted funding model, a wider spread of outcome payments will be introduced that is specifically based on the likelihood of achieving an employment outcome given the participant's and the local labour market characteristics. These groupings and amounts do not reflect the likelihood of

achieving an education outcome. As such, the Department could in some instances pay more than twice as much for an education outcome compared to current arrangements, and could inadvertently incentivise referrals of participants to education, when it may not be in the best interests or aspirations of the participant. In this context, education outcomes will be capped at funding level 4 for both Disability Management Service (DMS) and Employment Support Service (ESS). This means DMS - funding level 5 and ESS funding level 5 participants that achieve education outcomes will be paid at the level 4 rate. This avoids creating undue incentives, and making disproportionate payments, for education outcomes for participants in the top funding levels.

Providers will not be financially impacted by this change for those considered most difficult to place into a job, as DMS 4 and ESS 4 funding levels remain higher than the current maximum payments available for education outcomes.

The Department has also updated the Industry Information Paper on the [Engage](#) website to clarify this position.

14.13 Can you tell me how the average frequency of 26 week outcomes in Table 6 is calculated?

The Average frequency of 26 week outcomes is the number of outcomes achieved divided by the number of years of EA provided. So a provider with a frequency of 25% and a caseload of 200 people for a year would be expected to achieve $0.25 \times 200 = 50$ outcomes.

14.14 If a Job Seeker changes provider while tracking towards an outcome fee, which provider will be eligible to claim the outcome fee (the gaining or losing provider)?

Where a Participant transfers while working toward an outcome, the outcome fee is only available to the DES provider with whom the Participant is commenced at the time the Outcome Fee becomes claimable. This is consistent with current arrangements.

14.15 If a Job Seeker is anchored prior to commencement of the new Grant Agreement (that is, prior to 1 July 2018) will they be eligible for a 52 week Outcome Fee? Will a 26 Week Outcome be paid at the old rate or new rate?

Providers will be eligible to claim a 52-week outcome payment if the participant is anchored into Post Placement Support on or after 1 July 2018. For participants anchored before 1 July 2018, 26-week outcomes will be paid at the current (pre-1 July 2018) rate.

All transitional arrangements, including outcome fees, will be put forward to the Transition Reference Group for discussion. The Transition Reference Group is comprised of representatives of DES Providers, people with disability and employers will be established to ensure the Transition Period is managed as sensitively and efficiently as possible. Further advice will be provided in the Grant Opportunity Guidelines and transition documentation.

14.16 Will the funding envelope increase as the additional 100k to 200k participants enter DES?

Over the next four years from 2017-18, the Australian Government will invest over \$3 billion in Disability Employment Services (DES) and associated services to provide open employment opportunities for people with disability. The Government will ensure that there are adequate funding to assist any perceived increase in the number of eligible DES participants and their demand for DES services.

15. Ongoing Support

15.1 Can participants in Ongoing Support on 30 June 2018, who average <8 hours per week continue in Ongoing Support from 1 July 2018?

Yes, participants who are commenced in Ongoing Support prior to 1 July 2018 will not be subject to the 8 hour minimum working hour requirement.

However, participants who commence Ongoing Support after 1 July 2018 must work at least eight hours a week in order to maintain eligibility to receive Ongoing Support. The Department recognises that there needs to be flexible arrangements in place to allow participants in Ongoing Support to stay in the program even if they are unable to work eight-hours in a particular week. As such, the eight-hours a week eligibility requirement will be calculated by averaging the hours over the Ongoing Support claim period.

15.2 If someone remains in Ongoing Support after 26 weeks, can a provider claim a 52 week outcome for this, and will it be reflected in the Star Ratings?

For the 52 week outcome to be payable, the participant will need to work at least their employment benchmark, on average, every week during the 52-week period. This includes participants that enter Ongoing Support after achieving a 26-week employment outcome.

The 52-week outcome will only be available for placements with an Anchor Date after 1 July 2018.

A review of the performance framework will take place in late 2017. Information about the methodology of the Star Ratings, will be made available as part of this process.

15.3 Currently participants do not go into Ongoing Support until the participant has hit 26 weeks outcome under the new contract does this stay the same or when is the participant seen to move into Ongoing Support? Will participants be in Post Placement Support for 52 weeks?

After the achievement of a 26-week employment outcome, the provider will decide whether the participant should continue in Post Placement Support, or if more support is needed, move the participant into Ongoing Support. Providers cannot exit the participant on the basis they have achieved a 26-week outcome. If placing the participant in Ongoing Support, the Provider must arrange an Ongoing Support Assessment as soon as possible to confirm the participant's Ongoing Support needs.

More detail will be provided in the DES Grant Opportunity Guidelines (GoG).

15.4 Post Placement Support (PPS) period - will it be extended to 52 weeks i.e. currently after 26 weeks and will there be a payment between 26 and 52 weeks.

After the 26-week outcome, the provider will have the option to keep the participant in Post Placement Support or move them into Ongoing Support, where an ongoing support assessment will need to be arranged. If Ongoing Support is not needed, the participant will stay in the Post Placement Support phase until they achieve a 52-week outcome, after which they will either exit the program or moved into ongoing support.

15.5 When a Job Seeker is in Ongoing Support, their hours worked can fluctuate on a weekly basis e.g. in a three week period a Job Seeker could work 8 hours, 14 hours and 4 hours. How will providers manage this? Will they be required to exit the Job Seeker from Ongoing Support for the one week they work below 8 hours?

Participants who commence Ongoing Support after 1 July 2018 must work at least an average of eight hours a week over the claim period in order to maintain eligibility to receive Ongoing Support. This provides some flexibility in circumstances where participants in Ongoing Support are unable to work eight-hours in a particular week.

15.6 Reporting requirements around the Ongoing Support payments for Participants who are non-beneficiaries engaged in employment – how do we confirm they are working the 8 hours?

Participants who are commenced in Ongoing Support prior to 1 July 2018 will not be subject to the 8 hour minimum working hour requirement.

However, participants who commence Ongoing Support after 1 July 2018 must work at least eight hours a week in order to maintain eligibility to receive Ongoing Support. The Department recognises that there needs to be flexible arrangements in place to allow participants in Ongoing Support to stay in the program even if they are unable to work eight-hours in a particular week. As such, the eight-hours a week eligibility requirement will be calculated by averaging the hours over the Ongoing Support claim period.

It is expected that Providers will need to flag/indicate in the Department's IT system the Participant has worked their eight hours a week, on average when claiming Ongoing Support fees.

16. Data Breakdowns

16.1 What % of DES ESS and DES DMS participants nationally are identified as having a mild intellectual disability?

DES includes specific provision for "Moderate Intellectual Disability" but doesn't have any specific provisions for "mild intellectual disability". The following answer presumes that the question was intended to be about people in DES with Moderate Intellectual Disability. As at 31 May 2017, 1.06% of Disability Employment Services Employment Support Service (DES-ESS) and 0.01% of DES Disability Management Service (DES-DMS) participants nationally are identified as having a moderate intellectual disability.

16.2 Is there a breakdown, by age, of the 250,000 estimated people that are eligible for DES that are not currently DES participants?

This is not currently available. The department is looking to further breakdown this data at Employment Service Area level.

16.3 The 250,000 unregistered but DES eligible DSP recipients have presumably already had a JCA and declined an offer of DES/jobactive. What information will DSS/DHS give providers to assist engaging this group, such as profiles, characteristics, current activities, JCA reports or contact details?

If a DSP recipient without mutual obligation requirements is voluntarily seeking employment, and referred to DES through the Centrelink referral process, then the provider chosen by the DSP recipient will receive the same information as any participant with mutual obligation requirements.

However, DSP recipients without mutual obligations can directly approach a provider to commence DES. It will be in the interests of the DES providers to promote their services through their community links and other appropriate marketing mechanisms in order to attract and engage these participants to their service.

The Department will not be providing any individual's personal information including contact details or JCA reports.

16.4 Are statistics available breaking down participant commencements by ESA?

The DES historical commencement and caseload data (by ESA and postcode) report contains caseload and historical initial commencement data by participant demographics, programme type, Labour Market Region (LMR), Employment Service Area (ESA) and participant postcode. The link is [DES Caseload and Commencements Data 2010 – 2017](#)

The Department has also provided an indication of current participants in the Employment Assistance phase under the new funding structure, by Employment Service Areas in the [DES 2018 Industry Information Paper](#). The information will assist all organisations, wishing to provide DES services from 1 July 2018, determine the potential viability of their business ideas in an employment service area.

16.5 Has data been collated detailing the amount of “returns” (existing participants that are returning to DES), as opposed to assuming all clients are new to the program?

Data indicates that only six per cent of participants, without an outcome after at least 18 months, exit and return to the program within six months, and only eight per cent of participants without an outcome return at any point.

16.6 When referring to DSP recipients identified as possibly eligible for programs – Are you including those that might be eligible for Australian Disability Enterprises (ADEs)?

The number of DSP recipients identified in the presentation are not currently participating in an employment service program, including an ADE, declaring recent earnings, or receiving any additional payments that would indicate participation in education.

16.7 The webinar presentation included a slide that referred to approximately 250,000 DSP recipients who are eligible for DES. Could you please clarify why they would not yet be in DES?

It is unlikely these participants have compulsory participation requirements that require them to register with DES or another employment service. Only specific cohorts of recipients of the Disability Support Pension have compulsory participation activities. DES providers can use the Direct Registration pathway into DES to engage these participants with their service.

16.8 Will DSS release Primary Disability (PD) rates/cohort data during the Registration of Interest Period? We can access PD data on jobseekers currently registered to our service/s in our ESA's but we would like to access consistent, baseline data for PD rates/cohorts for new regions we are reviewing. We have reviewed information from LMIP, ESR and online sources but would appreciate guidance and direction about accessing PD rates for all ESA's across Australia to ensure consistent assessment.

The DES Outcome Rates by Disability Type report is available on the [Labour Market Information Portal \(LMIP\) website](#). The report provides DES Outcome Rates by Primary Disability, by Employment Services Area and DES provider. The June 2017 report has recently been published. If this does not meet your requirements, please submit a new query.

16.9 Will you be circulating the table of DSP Recipients that may be eligible for DES that you have shown in the information session?

Yes, this table is currently available in the PowerPoint presentation on the engage website. The Department has further broken down the data by ESA and age and is now available under the '[Disability Employment Services Data](#)' tab on the engage website.17. Indexation

16.10 Are you able to provide a breakdown by program DMS and ESS, how many participants are voluntary/DSP recipients without mutual obligations? Are you expecting changes to participation requirements into the future?

As at end June 2017, there are 16,458 voluntary DSP recipients on the DES caseload (approximately 1.21% in DMS and 14.95% in ESS)

DES Caseload Data as at 30/6/17	DMS		ESS		Total DES	
includes commenced, suspended and pending participants	83,794	% of caseload	103,272	% of caseload	187,066	% of caseload
DSP - (All DSP)	1,341	1.60%	20,457	19.81%	21,798	11.65%
DSP(volunteers including eligible school leavers(ESL)	1,014	1.21%	15,444	14.95%	16,458	8.80%
DSP (volunteers not including ESL)	1,002	1.20%	14,265	13.81%	15,267	8.16%

16.11 Can you please further breakdown the participants in Employment Assistance by funding band, as outlined in Appendix 1 Table 6, by disability type?

The table below is intended to provide an indication of relative caseload by disability group. The data represents the new bands to which actual participants would have been allocated based on their individual characteristics as well as local employment market conditions. It is important to note that the disability group in the table reflects the primary disability recorded for each individual. Assignment to the funding categories takes into consideration a range of characteristics that are statistically associated with actual employment outcomes in DES over several years of data.

Employment Assistance (EA) caseload at 31 March 2017

Disability group	Number of participants by band									
	DMS					ESS				
	1	2	3	4	5	1	2	3	4	5
Acquired brain injury	13	58	77	87	94	63	259	254	258	283
Autism	47	93	72	38	5	785	1387	879	430	176
Hearing	42	130	120	115	124	171	324	225	223	169
Intellectual	29	40	28	17	9	836	1277	651	321	170
Neurological	95	451	492	522	565	253	704	702	685	666
Physical	919	5642	9320	11223	12152	422	2909	5498	7844	10603
Psychiatric	740	4248	6154	6394	5769	711	4771	7689	8387	7769
Specific Learning	62	152	140	85	37	491	1062	830	464	192
Speech	9	20	10	7	2	49	41	22	12	19
Vision	13	70	122	138	209	98	216	208	212	310

16.12 Are you able to please advise the percentage of participants currently on suspension within each ESA and each program?

The June 2017 DES Historical Commencements and Caseload data file has been updated and the 'DES Caseload by LMR-ESA' sheet now includes the numbers of suspended participants (as well as pending and commenced) for each ESA and by DMS and ESS. The percentage of suspended participants can be calculated, in comparison to the total caseload for the ESA.

16.13 Will the new funding level data be released to providers prior to commencement of the new DES Deed?

The Department has provided an indication of relative caseload by employment service areas in the [DES 2018 Industry Information Paper](#). Further a breakdown of outcomes between April 2015 and March 2016, had they been under the new funding arrangements, is available on the Disability Employment Services Data tab on the Engage website. The information will assist all organisations, wishing to provide DES services from 1 July 2018, determine the potential viability of their business ideas in an employment service area.

16.14 Table 8 breakdown of participants does not reconcile with data provided in the Risk Adjusted Funding Level (RAFL) tables. Please can you define what is included in the RAFL breakdown i.e. does it include suspended, Post Placement Support, Ongoing Support, Employment Assistance (EA). If just EA can you define EA as definition of EA provided in glossary causes the numbers not to correlate. This is affecting our capacity to scope the market place and gauge potential business. Is it possible to get the RAFL breakdown by site?

Tables 1 and 2 on page 8 of the DES 2018 Industry Information Paper are as at 30 April 2017 whereas the Risk Adjusted Funding Level tables in Appendix 1 are as at 31 March 2017. This difference in reporting periods accounts for the discrepancies in the total Employment Assistance caseloads in tables 1 and 2 and the Risk Adjusted Funding Level table 6 which includes all participants (approximately 140,000). Table 5 is about commencements over 12 months to 31 March 2017, and therefore will not match any caseload table.

Tables 5 and 6 in Appendix 1 only relate to participants in the Employment Assistance phase. These figures include suspended and pending (have not yet commenced) participants. Further, a breakdown of

outcomes between April 2015 and March 2016, had they been under the new funding arrangements, is available on the [Disability Employment Services Data tab on the Engage website](#) to assist in business planning.

16.15 Are you able to provide modelling on historic or expected outcome rates/probabilities for each of the five categories in ESS and DMS?

A breakdown of outcomes between April 2015 and March 2016, had they been under the new funding arrangements, is available on the Disability Employment Services Data tab on the Engage website.

17. Indexation

17.1 What time of year will indexation of payments be recalibrated?

It is expected that indexation of DES Provider payments will happen annually through the Budget process and take effect from 1 July of each year. The first indexation point is 1 July 2019.

17.2 In terms of indexation – will that apply to Service and Outcome fees?

The DES funding envelope will be indexed annually on 1 July, with the first indexation point on 1 July 2019. The combination of indexation and recalibration means that Service Fees or Outcome Fees could change but will maintain their value from year to year and provide the right incentives to support all participants into employment.

18. Star Ratings / Performance Framework

18.1 What will the impact be on performance/Star Ratings for providers who were given business in the last DES business reallocation round, who will not have a Star Rating going into the new purchasing round?

The 2016 DES-DMS and DES-ESS Business Reallocation processes were finalised in February 2017. Some providers that received business as a result of these processes were awarded the business due to high performance but will not have operated long enough to receive a Star Rating before the purchasing round for the new model. As a result, providers awarded new or additional business through the 2016 business reallocation process will be offered an Invitation to Treat (ITT) for those ESAs where they were awarded additional business.

Similarly, providers that have had business awarded as a result of a gap-filling exercise since February 2017 will be offered an ITT.

Novations are a business decision made between two or more organisations, transferring business through financial or other arrangements. Under such transfers of business, past performance is also transferred. As a result, the June 2017 Star Rating performance will determine whether or not such business is in scope for the ITT process.

18.2 Will existing business continue with current business on July 1 2018? Will providers' entire caseloads revert to zero on 1 July 2018? Will a provider's entire caseload have to be re-signed?

If an existing DES provider accepts an ITT for an existing business, or is successful during the Grant Assessment process for existing business in an ESA, this business will continue from the 1 July 2018.

The Department will provide all participants with the opportunity to select who their DES provider will be from 1 July 2018 during the Transition period. As part of this process, participants may choose to remain with their existing provider or choose to transfer to another provider.

18.3 Will the performance framework start again on 1 July 2018?

This topic is still under consideration by the Department.

18.4 Will the June Star Ratings come out before the Registration of Interest (ROI)?

The June 2017 Star Ratings will be released in mid- August 2017 and published on the [DES Data page](#) of the LMIP website. This means the Star Ratings will be release during the four week Registration of Interest process. All organisations are required to complete the Registration of Interest to deliver DES regardless of Star Ratings and its impact on the Invitation To Treat process. That is the Star Ratings have no bearing on the need to Register Interest.

18.5 In terms of performance framework – you were saying that provider with 4 quarters of poor performance will be removed – is this for all one and two star providers? And how does this align with the new panelists being allowed approximately 18months? Should these two time frames align?

Under the new DES program, providers may have their agreements revoked in Employment Service Areas where they have a low Star Rating over at least four consecutive quarterly performance periods. Yes, this is those assessed as having an ESA star rating of two stars or below for four quarters would be in scope to have that ESA agreement removed.

There is not necessarily a relationship between permitting new entrants into the market, the expansion of existing providers, and the removal of providers with poor-performing business in certain ESA.

More detail will be provided in the DES Grant Opportunity Guidelines (GoG).

18.6 When will star ratings review process occur?

The DES Star Ratings review process will start in late 2017.

18.7 Will performance statistics given to Job Seekers be based at an organisational level?

Further work is required to determine the information made available to participants. However, participants will have access to the star ratings of a provider at the site level.

18.8 Will transition to the new model in 2018 be considered a restart of time in service for participants? i.e – on the 1st of July will a participant who is in an existing service (Employment Assistance) who transitions with their existing provider receive a full first quarter service fee or will they continue from the point of service they are in pre-2018 program commencement?

The participant's period of service will continue. More detail will be provided in the DES Grant Opportunity Guidelines (GoG).

18.9 Will Star Ratings be risk-adjusted in the same way that Outcome Fees will be under the new risk adjusted funding model?

No. The principle of risk-adjusted funding model, is that outcomes for harder-to-place jobseekers, those with more severe barriers to employment, will be encouraged through better fee differentiation and a higher level of support from 1 July 2018. The Star Ratings model provides an indicator of DES providers'

relative performance, based on their success in placing participants in sustainable employment. Further information about the statistical regression calculations used for DES Star Ratings, to control of differences in participant and local labour market characteristics, is available in the [DES Star Ratings Methodology Advice](#) document .

18.10 For those providers delivering both DES and jobactive, how much of the jobactive performance will be taken into account when undertaking DES assessments?

Details of the selection criteria and information the Department reserves the right to use in assessing claims against the criteria will be outlined in the Grant Opportunity Guidelines which will be released as part of stage 2 in August 2017.

18.11 How will star ratings work with 'porous' ESA boundaries and participant choice to ensure they remain fair for all providers? Also will performance (read: Stars) be restarted from the beginning of the new contract?

Where a participant chooses a DES provider in a different ESA, than the ESA they reside in, they will be allocated to that DES provider's caseload. Once the participant has been commenced by the DES provider, they will be counted in the Star Ratings calculations for the provider who is assisting them.

The Star Ratings calculations will remain fair to all DES providers, regardless of where the participant resides. This is currently the case for DES participants who choose a specialist DES provider outside of the ESA they reside in.

18.12 Will there be a KPI for referral to commencement to stop providers managing commencements?

The inclusion of any new performance measure would need to be agreed as part of the 2018 DES Performance Framework Review, later this year.

18.13 Can you please advise, what happens to star ratings for providers awarded an ITT; will their past star rating data carry into the new contracts or will everyone start as a new contract?

The DES Star Ratings system, which is used to measure provider performance, will be reviewed in late 2017 to accommodate changes made under the new DES program. DSS will seek input from the disability employment sector during the review. The treatment of past performance for the DES Star Rating calculations post 1 July 2018 will be announced following the completion of the review.

18.14 For an organisation that delivers specialist DES service how is it determined the number of customers requires to match for star ratings scoring across the ESA's

The DES Star Ratings are a relative assessment model, based on the performance of all DES providers. It uses statistical regression methodology to calculate expected performance that takes into account the different characteristics of each participant and the local labour market conditions. This enables a like for like comparison between different DES provider contracts and sites nationally, even with different groups of participants and local labour market conditions. This also includes being able to compare between generalist and specialist services, as well as between different types of specialisations. Further details about how DES Star Ratings are calculated are available in the [DES Star Ratings Methodology Advice](#) document.

Detailed performance reports are made available to all DES providers, with data that is updated weekly. This is the primary method for DES providers to manage their performance and set their own targets, to aim for particular Star Rating results.

18.15 For an organisation that delivers specialist DES service how is it determined the number of customers required to match for a star ratings score across the ESAs.

The DES Star Ratings are a relative assessment model, based on the performance of all DES providers. It uses statistical regression methodology to calculate expected performance that takes into account the different characteristics of each participant and the local labour market conditions. This enables a like for like comparison between different DES provider contracts and sites nationally, even with different groups of participants and local labour market conditions.

This also includes being able to compare between generalist and specialist services, as well as between different types of specialisations.

The current DES Performance Framework, a contract must have been operating for a minimum of nine months before a Star Rating is calculated. A contract must also meet the minimum data requirements for a Star Rating to be calculated. That is, a Star Rating will only be awarded for a Site or Contract once the following has been achieved:

- For DES- Disability Management Service:
 - A minimum of 20 Participants in the denominator for the 13 Week Full Outcomes measure; and
- For DES-Employment Support Service:
 - A minimum of 20 Participants (combined) in the denominators in 13 Week Full Outcomes and Ongoing Support.

Further details about how DES Star Ratings are calculated are available in the DES Star Ratings Methodology Advice document.

Please note that the minimum requirements for a Star Rating to be calculated may change from 1 July 2018, following the 2018 DES Performance Framework Review that is due to start in late 2017.

18.16 Will Indigenous Strategy Targets be a requirement within the new DES Performance Framework?

Jobactive has Indigenous Outcomes Targets as part of its Performance Framework. Targets such as Indigenous Outcomes for DES, may be discussed as part of the 2018 DES Performance Framework Review later this year.

18.17 Is there a minimum time period for providers to have enough data to be allocated a Star rating?

Yes. Under the current DES Performance Framework, a contract must have been operating for a minimum of nine months before a Star Rating is calculated. In addition, a contract must meet the minimum data requirements for a Star Rating to be calculated. Below are the details of the current minimum data requirements, as stated in the DES Star Ratings Methodology Advice document.

Please note that the minimum requirements for a Star Rating to be calculated may change from 1 July 2018, following the 2018 DES Performance Framework Review that is due to start in late 2017.

A Star Rating is awarded for a Site or Contract once the following has been achieved for:

- Disability Management Service - A minimum of 20 Participants in the denominator for the 13 Week Full Outcomes measure; and
- Employment Support Service - A minimum of 20 Participants (combined) in the denominators for the 13 Week Full Outcomes measure (minimum of 5 Participants); and the Ongoing Support measure.

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19. National Panel of Assessors

19.1 What is happening with the National Panel of Assessors (NPA) contracts?

Members of the NPA support DES by providing independent assessments for the Ongoing Support element of DES, the Supported Wage System and workplace modification assessments for the Employment Assistance Fund. NPA services will remain largely unchanged and the current NPA contracts will be extended from 1 July 2017 to 30 June 2018 to align with the end of the current DES Deed.

To streamline NPA application assessments, the purchasing process is expected to be conducted concurrently with the DES Grant Application process, and will contain two parts, one at an organisational level and the other at an ESA level.

19.2 We are currently providing NPA services within the current DES contract. Do we need to complete the Registration of Interest process?

Are fees for NPA services being reviewed to include travel as part of the DES Reforms?

Only providers seeking to deliver DES-DMS and/or DES-ESS will be required to register through an unrestricted Registration of Interest process, as outlined in the DES Reform 2018 Industry Information Paper.

Information about the application process and fee structure for the new National Panel of Assessors (NPA) Standing Panel will be published on the Department of Social Services [DSS Engage](#) website in the near future.

19.3 Can you confirm whether the NPA Grant application process is 4 or 6 weeks?

The grant process will be conducted over 6 weeks.

19.4 The new National Panel of Assessors (NPA) contract is called a Grant Application. What does this mean?

The NPA grant application process will be for membership of the DES-NPA 2018 standing panel of NPA Assessment Services. The grant application process will be administered by the Community Grants Hub on behalf of the Department of Social Services under a Whole of Australian Government initiative to streamline grant processes across agencies.

19.5 The Disability Employment Services Reform 2018 Industry Information Paper (June 2017) states that: "A refresh of the National Panel of Assessors (NPA) will occur at the same time as the new DES program takes effect from 1 July 2018" and "The service will remain largely unchanged" If it is to "remain largely unchanged" what does "refresh" actually mean?... and will the 'refresh' include indexing the fees paid by DSS for OSAs, SWS assessments and Workplace Modification assessments. The paper confirms "indexing DES payments to maintain their real value". Will this also be done for assessments fees paid to NPA providers, given that no fee increases have occurred since NPA began?

The Refresh refers to the creation of a new contracting period from 1 July 2018. NPA assessment services will continue to be OSA, SWS and Workplace modification assessments. All NPA Assessment fees will be indexed from 1 July 2019.

19.6 The SWS has been in existence for many years and remains largely unchanged from its original model. Are there any plans for a major review, including consultation with NPA providers and their SWS assessors to address inefficiencies, performance issues, quality controls and poor knowledge of SWS amongst a significant number of DES providers?

There are no plans for a major review of SWS at this time. All DES providers will be expected to understand and use available programs and support, including SWS, to assist eligible DES participants into employment.

19.7 At some stage in the future, will SWS assessors also be conducting SWS assessments for all ADE supported employees? Has a decision been made about a modified SWS assessment tool for ADEs and a requirement for all ADEs to have their workers with disability assessed by an independent SWS assessor – rather than continue using one of the many DSS approved wage assessment tools that are currently under scrutiny?

On 19 June 2017, parties engaged in a Fair Work Commission (FWC) conciliation process agreed to a proposal by the unions to amend the Supported Employment Services Award 2010 (SES Award) to include variations to the way the Supported Wage System (SWS) operates in Australian Disability Enterprises (ADEs) which choose to use the SWS under the SES Award. The variations to the SWS seek to provide a more accurate and fair assessment of productivity using the SWS in ADE settings.

The amendments will vary the operation of the SWS under the SES Award only. The operation of the SWS will not change in open employment.

The proposal will be formally submitted by the parties for the consideration of the Full Bench of the FWC in August and September 2017. If agreed by the Full Bench, the amendments will not require ADEs to stop using other wage assessment tools. ADEs can continue to use any approved wage assessment tool under the SES Award, as long as those tools remain in the Award.

Parties in the FWC have not been able to agree on the application of the unions to remove all wage tools with competency-based components from the SES Award and have asked the FWC to arbitrate this matter.

The Department of Social Services (DSS) administers the SWS only. Other approved wage tools under the SES Award are not owned or administered by DSS. Employers make independent industrial decisions about the wage assessment tools they use.

19.8 If the engagement of providers for the NPA contract is expected to be “conducted concurrently with the approach to market for the new DES program” (i.e. next month), why haven’t NPA providers been given any details of:

- **Changes to NPA program delivery requirements (e.g. possible introduction of OSAs at 26 week job seeker employment outcomes)?**
- **Assessment fee increases?**
- **NPA Performance expectations?**
- **Any I.T.T. process, Expression of Interest and/or Grant Application procedure for continuing (or commencing) as an NPA provider post-July 2018?**

Both the New Disability Employment Services from 2018 Discussion paper released in November 2016 and the Disability Employment Services Reform 2018 Industry Paper released in June 2017 are available publicly on the [Department of Social Services ENGAGE website](#). The Department expects that all Participants the DES Provider determines as needing Ongoing Support and that have achieved a 26 week

employment outcome (and are tracking towards a 52 week outcome), would be referred for an Ongoing Support Assessment.

- **Assessment fee increases?**

Please refer to Question 19.5.

- **NPA Performance expectations?**

Performance expectations will be included in the information provided through the application process.

- **Any I.T.T. process, Expression of Interest and/or Grant Application procedure for continuing (or commencing) as an NPA provider post-July 2018?**

Information about DES NPA 2018 and the application process will be made available soon on the Department of Social Services' Community Grants Hub website.

19.9 The November 2016 DES Reform Discussion Paper stated:

“there is merit in considering introducing an independent Ongoing Support Assessment at the 26-week employment milestone for those participants that cannot be exited as independent workers”

and

“better targeting of Ongoing Support” would result from “bringing forward the first independent Ongoing Support Assessment”

Post-July 2018, will NPA providers be conducting an OSA at the job-seeker's 26-week employment milestone? What other employment or Ongoing Support milestones will (or will no longer) trigger an OSA?

Please refer to response above (19.8). The Department will provide further advice if there are other changes to the way Ongoing Support Assessments will work.

20. PaTH Internship

20.1 Given that jobactive participants can undertake Employability Skills Training as part of their PaTH internship, will this be extended to DES?

The Employability Skills Training provides training that improves a participant's general employability. Jobactive participants are required to undertake this training after five months of being with a jobactive provider. This element does not apply to DES participants as DES providers can, and should, provide employability skills training to DES participants where a participant lacks these skills or would benefit from such training. DES providers will continue to receive substantially higher fees than jobactive providers and, where appropriate, are able to use these fees to provide tailored training packages to individual DES participants.

20.2 Will PaTH participants be eligible for the same additional payments as jobactive participants whilst participating in the internship?

Yes. PaTH Internship participants from DES, jobactive and Transition to Work programs will be eligible to receive the \$200 fortnightly incentive payment.

20.3 What about incentives for employers to take on PaTH participants? There are big subsidies available through Job Active that are not available through DES for this cohort of clients.

The Youth Bonus Wage Subsidy is an element of the Youth Jobs PaTH (Prepare – Trial – Hire), which is administered by the Department of Employment. The PaTH Internship (the 'Trial' element) has been made available in DES, but other elements are not available.

The Youth Bonus Wage Subsidy is designed to shift job seekers with full time participation requirements off income support and into full time employment. DES participants typically have lower employment hours requirements, and the DES Wage Subsidy Scheme remains available to encourage employers to offer DES participants an opportunity to demonstrate their suitability for ongoing employment.

20.4 Under the Path Internship program will the Wage Subsidy of \$10,000 be reviewed so that we are in line with job active to provide DES participants an equal opportunity when we are recommending them for the Path Program?

The PaTH Internships represent the Trial element of the Prepare–Trial–Hire Youth Jobs PaTH from the 2016/17 Budget, and is the only element that DES participants are eligible for. The \$10,000 Youth Bonus Wage Subsidy relates to the Hire component of the strategy offered under the jobactive program and is not available for DES participants.

The Youth Bonus Wage Subsidy is designed to shift job seekers with full time participation requirements off income support and into full time employment. DES participants typically have lower employment hours requirements, and the DES Wage Subsidy Scheme remains available to encourage employers to offer DES participants an opportunity to demonstrate their suitability for ongoing employment.

20.5 Why don't we let young people enter a PaTH internship before they become dependent on social welfare, i.e. promote PaTH in year 12 level instead.

The Australian Government uses a range of initiatives to target different job seeker cohorts. PaTH Internships are designed to assist young people aged 17 to 24, who are on income support with mutual obligations requirements, and who are registered and have been continuously serviced in jobactive, Transition to Work or DES.

The new DES contract from 1 July 2018 will include a two-year trial that extends DES support to up to 1,000 students with disability who are not currently eligible for DES. The trial will look at whether and how DES may be able to support students with disability to successfully transition from school to work, without adversely affecting their education. The trial will help to determine whether DES should be extended to this cohort in the future.

21. Pathway/Education

21.1 Is there a minimum Certificate 3 for pathway education outcomes also?

Eligible Participants will need to be fulfilling at least Certificate 3 requirements for providers to be eligible to claim a Full Outcome payment.

Participants will need to be undertaking a Qualifying Education Course as defined in the Grant Agreement and fulfilling all requirements for providers to be eligible to claim a pathway outcome payment.

21.2 Education pathway outcome. If the participant gains a 13 week pathway Education and then a 13 week pathway outcome employment is the 26 week outcome employment available at full or pathway or both?

Participants that achieve a 13-week pathway employment outcome after attracting a 13-week education outcome are able to achieve either a full or pathway outcome for the 26 week outcome, depending on the income generated or hours the participant works over the 26 week period. The existing criteria for full and pathway outcomes will continue under the new arrangements.

21.3 Does course requirements being fulfilled mean that participants need to pass education courses to achieve an outcome?

Participants will need to pass their course and meet all attendance requirements to achieve Education Outcome up until the claim for the education outcome becomes available. This is at the conclusion of every semester or at least every 13 weeks.

21.4 Does paying a 13 week pathway employment outcome after a 13 week pathway education outcome now take away from being able to claim 13 and 26 week bonuses?

Bonus outcomes are not impacted by the changes to education outcomes. They will continue to be paid at 20 per cent of the 13 and 26-week outcome payments relating to employment, where eligibility requirements are met.

A bonus is payable where the Participant achieves an employment outcome, which was preceded by training, which amongst other criteria, must be in a field of study directly related to the employment. This aims to ensure providers refer to and support participants in training that will enhance the participant's employment opportunities.

Further information on the 'Directly Related Employment' bonus is available in the current [DES Deed](#).

22. Job in Jeopardy/Work Assist

22.1 With Job in Jeopardy changing names to Work Assist, will there be a corresponding change in eligibility?

The renaming of the Job in Jeopardy (JiJ) Assistance program will provide an opportunity to increase awareness amongst employers of the assistance available through Work Assist. While Work Assist will continue to target people with disability who are at risk of losing their employment due to the impact of their injury, disability or health condition has on their ability to perform their primary role, the Department is considering changes / clarifications to the documentary evidence requirements, such as the current wording requiring employers to confirm an employee's job is at risk.

22.2 Can people that are self-employed access Work Assist?

Under the current job-in-Jeopardy (JiJ) guidelines, people who are self-employment are not eligible. The JiJ guidelines will be reviewed as part of the transition to the new Work Assist program. This issue may be considered as part of this process.

22.3 Under JiJ, a participant has to stay with the same employer, under WorkAssist can the participant change employers?

The Job in Jeopardy (JiJ) Assistance program will be renamed, 'Work Assist' from 1 July 2018.

Eligibility for Work Assist, as well as the service provided, will remain the same as JiJ with an emphasis on assisting the Employer and Employee to help the person to remain in employment over the longer term.

Conditions for achieving an outcome will not change. A Work Assist Participant may proceed to an outcome by staying in the same job with the same Employer, or with the agreement of all parties, moving to another job but still with the same Employer.

23. School Leaver Trial

23.1 What is the purpose of the school leaver trial?

Over two years from 1 July 2018, the school leaver trial will evaluate the efficacy of expanding eligibility for DES to students with disability who are in their final year of school but are not currently eligible for DES. The trial will include establishing the characteristics that might be used as the basis for broader eligibility, and whether results for those participating in the trial are better than for a similar group not supported by DES.

The DES program currently assists about 3,600 secondary school students known as Eligible School Leavers (ESL). The current cohort of ESL within DES are typically in their final year of school and are eligible for DES based on having a **significant disability** such that they attract individual education assistance from their school and/or are in receipt of the Disability Support Pension.

Secondary students with disability with less significant support needs and who do not attract specific education assistance from their school are currently not eligible for DES. The trial will specifically test delivering DES to 1,000 secondary school students who fit this profile and do not currently meet the DES eligibility criteria, but may benefit from the support that DES provides.

The aim is to determine if support through DES increases the number of students with disability successfully transitioning from school to work, without any adverse effects, including on their educational attainment, to inform consideration of whether, and how, to extend DES to this group across the program in future.

The trial will also assist in determining an appropriate funding level for this group and assess the value of streamlined service arrangements and supports combined with reduced administrative requirements for providers in providing assistance to this cohort.

Further information on the conduct of the trial will be provided in due course.

23.2 How will the additional 1000 Secondary School students be chosen for the initial School Leaver Trial?

The trial design will draw on expertise engaged through the Department of Social Services' (DSS) Research, Evaluation and Data (READ) Panel. The design work undertaken by the selected panel member will involve establishing criteria for who should be included in the trial, how sites will be selected, which DES providers will provide support, and the essential supports which should be provided. Participation for students will be voluntary.

23.3 We would like to register our interest in participating in the school leaver trial to evaluate the efficacy of employment support and outcomes from expanding eligibility for DES to students with disability not currently eligible for DES.

We have noted your interest in participating should such an opportunity present. However, at this stage the trial design will utilise organisations, with the appropriate expertise, that are listed as suppliers on current DSS panels.

23.4 Given both dated to commence on the same day, will you delay starting the School Leaver trial until you've awarded the DES grants.

The School Leaver trial is being developed with implementation to occur 'from' 1 July 2018, under the new DES arrangements. This does not mean the trial will necessarily commence 'on' 1 July 2018. It is not anticipated that the timing on the awarding of approving successful DES providers with grant agreements will not present implications to the timing of the planned start date for the start of the School Leaver Trial.

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23.5 How is it proposed to evaluate the implementation of the reforms? It is stated: “Over two years from 1 July 2018, the school leaver trial will evaluate the efficacy of employment support and outcomes”. Will these evaluation processes be embedded in service provider reporting and conducted by the department, and / or involve an independently funded research project?

The trial design will draw on expertise engaged through the Department of Social Services’ (DSS) Research, Evaluation and Data (READ) Panel. The design work undertaken by the selected panel member will involve establishing criteria for who should be included in the trial, how sites will be selected, which DES providers will provide support, and the essential supports which should be provided. Participation for students will be voluntary.

The trial will be designed to establish whether there is a demonstrated benefit in terms of improved employment outcomes for a broader group of students with disabilities in their final year of school, achieved by providing support through DES, and whether this can be achieved without other adverse effects such as diminished educational outcomes.