



Australian Government
Department of Social Services

Dear Contact Person,

Education Placements under the Disability Employment Services Grant Agreement

This letter discusses the role and use of Education within the Disability Employment Services (DES) program and sets out a number of changes that the Department of Social Services (the Department) has made this year, or intends to make, concerning Education Placements in DES.

This letter also includes Direction No. 7 and provides formal Notice under clause 77 of the DES Grant Agreement (Grant Agreement) that the Department of Social Services will not enforce changes outlined in Direction No. 6, issued 30 June 2020, for Education Placements commencing before 1 August 2020.

Education Placements within DES

DES is an employment program for people with disability, injury or a health condition. The program is assessed based on its success in helping Participants to find and retain suitable employment in the open labour market. Education plays an important, but secondary, role in DES as a way to help Participants become better able to find and retain suitable employment.

In the 9 March 2020 update to the DES Outcome Guidelines, the Department included additional guidance on the role of Education within DES. Participants must be placed into education courses only where the course is appropriate to the Participant and can be related to employment objectives developed for that Participant, with an understanding of local market requirements.

The Department considered this clarification was required based on a review of Education Placements under the current Grant Agreement. The Department found there were Participants being placed into generic training courses without consideration of either the Participant's circumstances or employment objectives in the local labour market.

From 1 July 2020, changes to the Documentary Evidence for Claims for Payments Guidelines (v1.4) strengthened documentary evidence requirements for the DES program, principally through emphasising that file notes are a secondary, less acceptable evidence. For Education Placements, file notes have been removed as an available form of evidence. This change ensures that Providers present an appropriate statement, or other evidence, from the education or training institution to demonstrate that the Participant is achieving the required objectives of the program.

Further to these updates to DES Guidelines, the Department is undertaking a number of additional measures to ensure the delivery of Education courses is appropriate and consistent with the objectives of the DES program.

The changes aim to further strengthen the quality and effectiveness of Education Outcomes, particularly under the context of the current economic downturn due to the impacts of COVID-19, ensuring Participants have a competitive edge on their pathway to employment.

Direction No. 6 – Managing Conflict of interest in Education Placements

Under Conflict of interest provisions of the Grant Agreement, Providers must seek to avoid any real or apparent Conflict of interest, and must notify the Department of any such conflicts. The Department considers that a Conflict of interest arises where a Provider places a Participant into an Education Placement with an organisation that is either an Own Organisation or Related Entity.

On 30 June 2020, the Department issued Direction No. 6 to direct Providers not to place Participants into an Education Placement provided by an organisation that is a Related Entity of the Provider unless the Department has approved the placement in writing beforehand. This was done to mitigate the Conflict of interest that arises where a Provider places a Participant into a course delivered by a Related Entity, and to provide a mechanism by which Providers can resolve the Conflict of interest by obtaining prior approval for the Education Placement from the Department. This process seeks to assist Providers to comply with their obligations under the Grant Agreement to identify a Conflict of interest.

The Department may approve an Education Placement with a Related Entity where it is satisfied the Provider has demonstrated that the proposed qualification is highly relevant to the Participant, and that other nearby or online courses offering a similar qualification are less suitable for the Participant.

Direction No. 6 took effect from 1 July 2020 because the Department considered it could not identify that a Conflict of interest existed without immediately requiring that Providers address the Conflict. In recognition that Providers require some lead-time for Education Placements, this letter provides formal Notice under clause 77 of the Agreement that it will not enforce the pre-approval requirement for Education Placements commencing before 1 August 2020.

Providers can request prior Departmental approval of a Related Entity Education Placement using the request form at **Attachment A**. This information and form will be published for reference on the Provider Portal and are included at Attachment F of the DES Outcome Guidelines.

Direction No. 7 – Star Ratings changes

Direction No. 7 (**Attachment B**), a written direction issued under clause 14.1(a) of the Grant Agreement, reinforces the main focus of the DES program on employment. In order to achieve better outcomes for Participants in maintaining suitable employment, the Department has decided to remove Education Outcomes from the methodology for Education Placements commencing on or after 17 August 2020.

Taking effect from 17 August 2020, Direction No. 7 will remove Education Outcomes from the numerator of performance measures, and will not remove Participants who achieve a 13-Week or 26-Week Pathway Education Outcome from the denominator for a Full Outcome. Education Placements that commence prior to 17 August 2020 will continue to be included in Star Ratings calculations. This change will be reflected in Star Ratings from the December 2020 DES Star Ratings onwards, and the effect of Education Outcomes on Star Ratings will decline over the two-year rolling performance period.

This change is being made under clause 155.2(b)(i) and the definition of 'Star Ratings' in Annexure A of the Grant Agreement, which provides that the DES Star Ratings are assessed at the Department's absolute discretion.

The 2018 Star Ratings Methodology Advice has been updated to reflect these changes.

Qualifying Education Course Semesters

From the next quarterly publishing cycle, effective 14 September 2020, the Department will amend DES Outcome Guidelines to ensure Providers support Participants to complete and pass a Semester of a course as required by the Grant Agreement.

The Grant Agreement allows Providers to claim a 13-week Outcome where they can show that a Participant completed and passed the requirements of the first Semester of a single qualification course of two or more Semesters within one half of a twelve month period, and a 26-week Outcome where an eligible Participant completes and passes a second Semester. In recognition of changing education courses, the DES Outcome Guidelines previously allowed providers to claim these Outcomes after at least 13 and 26 weeks of a Qualifying Education Course that had no defined Semesters. An unintended consequence of this concession was that there was less of an incentive for Providers to continue supporting a Participant in an Education course that was longer than 13 or 26 weeks. As a result, there were Providers claiming Outcome fees at 13 weeks and in some cases Exiting Participants before they completed the Education course. Consequently, the removal of support from Providers contributed to some Participants not passing their course.

This concession in the DES Outcome Guidelines will be removed so that, for Education Placements from 14 September 2020, Providers can only claim the 13-week Outcome and 26-week Outcome for a course with defined Semesters. Consistent with the definition of a 'Semester' in the Grant Agreement, an education or training institution may define a Semester by either a set period of time or in accordance with completion of coursework (no time limit). The 13-week and 26-week Outcome will only be claimable after the Participant has completed and passed the first and second Semesters of a course as required by the Grant Agreement. This will ensure that Participants are up-skilled and supported towards their longer-term employment prospects. This change will also help Providers to access appropriate Documentary Evidence that a Participant is passing the course, by aligning with formal course assessment processes.

These changes are important steps to ensure that Education Placements are used appropriately, based on Participant needs and employment market requirements. By ensuring that Education is used appropriately, Providers can achieve the objectives of the program and demonstrate that there is a continuing role for formal Participant Education within the DES program.

Yours sincerely



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