

NESA Response to the DES Quality Framework Discussion Paper



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About NESA

The National Employment Services Association (NESA) established in 1997 is the peak body for the Australian employment services sector. NESA is dedicated to a vision of opportunity for everyone through employment and inclusion.

Employment inclusion and participation are cornerstones of the economic and social health of society. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians enabling access to such things as a well-functioning health system, quality education, and a strong social safety net. For the individual, employment participation is more than a means to an income; it provides connection, purpose and inclusion.

The Australian employment services sector plays a critical role preparing Australians to participate productively in the labour market and connecting them to employment opportunities. NESA is the voice of the employment services sector with an extensive and diverse membership base which is inclusive of not-for-profit, public and for-profit provider organisations.

NESA member organisations deliver the range of Australia's labour market assistance programs including Workforce Australia Services (Generalist/Specialist), Disability Employment Services (ESS/DMS), Community Development Program, Transition to Work, ParentsNext, Time to Work, Career Transition Assistance, Employability Skills Training and Self Employment programs. In addition, many members are engaged in the delivery of Vocational Education and Training, and State employment programs as well as a range of social and health services to disadvantaged Australians.

NESA has established knowledge exchange and research partnerships with a range of local and international research bodies including University of Melbourne, University of Portsmouth, Sydney University (Brain and Mind Institute), University of Amsterdam and University of NSW. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective design and delivery of labour market assistance and social policy.

NESA delivers intensive policy, operational and capacity building support to the employment services sector. NESA is strongly engaged with international employment service stakeholders such as the OECD (Vice Chair Local Development Forum), World Association of Public Employment Services, European Public Employment Services Network, ILO, World Bank, Inter American Development Bank, International Council for Career Development and Public Policy (Board Member) and Asian Development Bank. NESA is committed to the achievement of excellence in Australian Employment Services, promotion of better practice and professional development of the sectors' workforce. NESA's commitment to workforce development includes the development of a professional recognition framework for frontline staff with an objective of fully developing an Employment Services Institute to continue to build sector capacity and foster innovation to ensure quality support of participants and employers.

Introduction

Disability Employment Services (DES) plays a critical role in supporting people living with disability, injury, and health conditions to exercise their human right to work on an equal basis with others. Through DES participants are able to access technical and vocational guidance, placement services and training to assist them to find, obtain, and maintain employment. DES engage employers to promote inclusive recruitment practices, source opportunities and facilitate reasonable accommodation in the workplace, where required.

NESA recognises the efforts being undertaken to improve the quality of service and supports to people living with disability. This includes the Disability Royal Commission, replacement of the Disability Services Act 1986 and the commitment of government to replace the current DES program from 1 July 2025, and in the interim take more immediate steps to boost the quality of the current program. NESA welcomes the decision to review and replace the current DES program with a new program developed through co-design to deliver better outcomes for people living with disability. NESA further believes expertise in the service delivery environment is essential to translate program design into effective service provision and as such NESA urges a comprehensive co-production process is undertaken with providers and other stakeholders.

Development of the proposed Quality Framework

NESA welcomes the release of the discussion paper to obtain initial feedback on the proposed DES Quality Framework. NESA believes that this should be a first step in a co-production process to deliver a strong quality framework that is effective in achieving its intent. The discussion paper notes that the development of a new Quality Framework is at the centre of the government's immediate steps to ensure the views of participants are embedded in the DES provider ratings system. NESA agrees that a Quality Framework that delivers transparent and meaningful ratings is essential to support informed choice and accountability. NESA is also of the view that the views and experiences of participants should also inform evidence based policy and program development.

For any program to meet its potential; it is critical that there is cohesive alignment of objectives, micro policy settings; performance and quality measurements.

NESA is of the view that it is essential to address those current arrangements which unintentionally undermine quality of services and participants' service experience. This includes high administrative demands, guidelines and settings which reduce providers' capacity to genuinely tailor service provision.

Additionally, providers should be assessed fairly and in context. To illustrate, it would be unfair to impose requirements on providers to enforce the participant compliance framework and then rate them adversely, for doing so. To this end the measures used to assess quality need to be sufficiently nuanced, for example being able to distinguish participant concerns that are related to policy settings versus those that are related to providers' service delivery approaches.

Role of a Quality Framework

NESA is of the view that a principle component of a quality framework should be to use learnings to facilitate the adoption of better practices and continuous improvement.

In this regard, NESA stresses the importance of promoting continuous improvement that involves shared commitment by providers and the Department as market stewards. A holistic framework should include a market development approach.

Developing quality through dissemination and promotion of better practices and fostering innovation across the provider network, will in NESA's view, achieve stronger and faster impact than a focus on each provider through the narrow lenses of oversight, compliance and control measures.

NESA notes the provider development approach adopted by ACECQA. This includes provision of a wide range of resources to support providers and a Quality Support Program offered by ACECQA in partnership with the NSW Department of Education Early Childhood Education Quality Assurance and Regulatory Services Directorate (NSW DoE). The Quality Support Program End of Stage Four Evaluation Report October 2022 indicates the powerful role that education and support has on improving quality of participating services and their associated quality ratings.

NESA supports a cohesive focus on measuring quality with current arrangements fully exploited to ensure that the framework does not add additional layers of unnecessary duplication, complexity or administrative requirements.

It is important that measures do not, in of themselves, impede providers' continuous improvement by redirecting resources from service delivery and continuous improvement to deal with excessive additional administrative processes, operational restrictions and assurance measures arising from the implementation of the Quality Framework. NESA notes consideration was given to the Workforce Australia Provider Performance Framework in the development of the proposed approach for DES. However, the Workforce Australia model is in its infancy and is yet to prove any positive impact on quality. Early indicators are this framework has added considerable administrative burden with unintended impacts on provider focus and service delivery resources. In this regard NESA also suggests there is opportunity for a shared rating between DSS and DEWR on elements of mutual interest such as Governance and Capability to reduce duplicate assessments.

Retention of Star Ratings in the New DES KPI Conceptual Map

As noted in the discussion paper, under the existing framework, two of the three Key Performance Indicators are measured through the Star Ratings:

- Efficiency: with the aim of minimising the average times taken by Providers to achieve employment outcomes for their Participants.
- Effectiveness: with the aim of maximising the numbers of outcomes achieved by Participants, as well as the number of Participants maintained in employment where assistance is required.

The Star Ratings and the frequency of Provider Performance Assessment continue to reflect a work first approach which drive and reward effort on volume and speed of placements.

To achieve improved quality of placements particularly the promotion of better matching of participants with jobs that align to their skills, interests and abilities requires a person centred human capability approach. There is vast international evidence that concludes, while the short term exit rate will decrease in comparison to work first, over the longer term a human capability approach delivers better quality and volume of outcomes, particularly for those who face the most significant barriers to employment. Further, international evidence also points to improved program efficiency providing greater return on investment through improved sustainability of outcomes resulting in reduced churn as well as other savings to the public purse from reduced reliance on welfare and other services. NESA notes that similar concerns have been expressed in relation to the Sustainable Employment pillar of the Workforce Australia model.

NESA also notes that reliability of the Start Ratings methodology to deliver accurate expected outcome data and therefore comparative performance assessment has come into question (most recently, noted in the jobactive evaluation and in DES program management). As such, the proposed retention of the Star Ratings for KPI 1 Efficiency and KPI 2 Effectiveness should be subject to a review and adjustments to the model made to ensure it aligns with and support delivery of the quality objectives.

Application based model for demonstrating quality

In principle, NESA supports the concept of an application based and earned autonomy model. NESA considers that providers should be able to be assessed as high by meeting required elements of the Quality Framework. NESA suggests, if providers choose to address additional specific criteria on a voluntary basis, then this should be recognised through some form of branding e.g. High rating with a exceeding or + badge.

While agreeing with the concept in principle, NESA requires greater clarity to provide more detailed input at this time. Our questions go to:

- The basis risk levels will be assessed (methods, criteria to establish threshold, benchmarks for rating bands, etc) to provide understanding of the level needed to meet requirements and the scope to exceed these to demonstrate higher level quality to potentially earn autonomy.
- Whether earned autonomy rating could be in relation to an individual quality element and/or an overall rating e.g., the excellent rating in the ACECQA is overall and providers are only eligible to apply if rated and maintain exceeding on all 7 quality standards.
- How current measures could be used without the need to make application, including assurance surveillance outcomes.
- The process and specific criteria proposed for application based earned autonomy status. NESA notes that ACECQA's approach of making a submission against criteria with detailed evidence (less than 1% of market have an excellent rating), much like a tender, could involve a substantial investment of resources and effort. As such the earned autonomy would need to be of commensurate substance to encourage providers to participate.
- NESA would like exploration of the concept that a high rating of on each element of the Quality Framework maintained for a sustained period could automatically earn autonomy.

Unpacking the Quality Elements

Quality Element One: Participants Rights

This element focuses on:

- The prevention of abuse and discrimination.
- Ensuring participants are treated with respect and dignity.
- Ensuring that they are receiving individualised supports.

NESA welcomes use of existing NSDS certification and surveillance audit information to form the basis of the assessment of this element. NESA notes that the discussion paper states that audit information will be supplemented by participant surveys and a targeted program of site visits. NESA requests further clarity on how site visits will be structured to gain information in relation to this quality element.

NESA supports the use of participant surveys with appropriate expert guidance to scope data collection, and develop valid and reliable survey tools. NESA strongly recommends all surveys are subject to robust testing including cognitive testing carried out by an appropriate expert, and pilots with a diverse cross section of the DES case load.

The methodology for determining the number of surveys and participant selection process should be made transparent.

NESA is of the view that a working group with provider peaks, advocacy groups, AHRC and other relevant experts, is established to guide the production of new 'know your rights' information products. The assessment of the strengths and weaknesses of the current products available and on display in DES sites should be a starting point for developing new products. This should include cognitive testing of information products to ensure messages are interpreted as intended.

It is imperative that information products convey participants' broad rights in a manner that does not create expectations that cannot be met. This includes expectations that are inconsistent with the DES program, the Grant Agreement, guidelines, resources and policy settings including mutual obligation, activation requirements and the Targeted Compliance Framework. To illustrate, an individually tailored Job Plan must include mandatory requirements (Mutual Obligation/Compulsory Requirements). A further example, the "right to the dignity of risk in decision-making" requires that "... each participant is supported to make informed choices about the benefits and risks of the options under consideration". However, the Grant Agreement includes clauses which require providers to assess and minimise participants' exposure to risk e.g. Work for the Dole risk assessment means that even if the participant is made aware of the risks and other options but wishes to proceed with a particular activity, the terms of the Grant Agreement prevent providers acting in accordance with participant choice. Such limitations to choice need to be conceptualised and made clear in information products.

As indicated earlier, alignment of all quality measures with objectives is essential for a well functioning Quality Framework. As such NESA welcomes efforts to align the National Standards for Disability Services Evidence Guide with the Quality Framework. NESA recommends that this process is extended to consider if there are areas of the Grant Agreement and guidelines that also need to be aligned.

NESA is of the view that information products produced in multiple mediums e.g., print, videos with voice and Auslan, online learning tools would assist participants with diverse learning styles.

NESA also recommends consideration is given to the development of a training manual and delivery resources that providers and other advocates and stakeholders could use to develop individual or groups of participants' understanding of their rights in relation to DES. This would also support shared understanding and consistency of interpretation.

Quality Element Two: Quality of Service

This element focuses on: The direct experiences of both DES participants and employers

NESA welcomes efforts to ensure DES arrangements and services are consistent with the expectations of service users – participants and employers. NESA believes this should involve alignment of service delivery approaches as well as operational and policy settings which impact service users' experience.

NESA is supportive of the proposal to have an independently led co-design process to develop a clear understanding of service level expectations of DES participants. NESA believes that it is critical to have a mix of stakeholders including advocacy groups, AHRC, academics, Departmental representatives, providers and peak body representatives engaged in establishing quality benchmarks. Providers and peak bodies are essential stakeholders to ensure that the quality benchmarks are meaningfully and effectively translated into the service delivery environment and enable expectations to be met.

NESA is of the view that the resulting expectations should be used as information to review current arrangements and contribute to the development of new arrangements to ensure any unintended barriers to meeting participant service level expectations are addressed.

NESA is of the view that such a document of expectations should form part of the Code of Practice or a similar Charter of Service Delivery opposed to being enshrined in guidelines. Local and international evidence indicates that service prescription, particularly that subject to assurance and compliance processes often result in service standardisation, which undermine objectives for individualisation and innovative service responses to meet participant needs. This matter has been raised in various reviews of mainstream employment services and continues in Workforce Australia.

NESA recommends all participant and employer surveys are subject to rigorous testing, particularly cognitive testing.

NESA recommends there is care taken in the selection and surveying of employers to protect participants' right to privacy and right of non disclosure

Quality Element Three: Provider Capability and Governance

This element focuses on: Ensuring providers have appropriate governance mechanisms and policies in place including:

- Human Resources frameworks:
 - Recruitment policies.
 - Criminal record Checks.
 - Working with children and vulnerable people checks.
- Training requirements).
- Financial management.
- Risk and contingency planning.
- Work Health and Safety.
- Continuous improvement mechanisms.

NESA welcomes the Department fostering quality through the provision of information resources, tools, and training resources. As indicated earlier, NESA is of the view that such a market development role will support and enhance quality and continuous improvement in a meaningful and effective manner. NESA believes that a partnership approach to co-production of these materials would enable useful exchange that has potential to deliver more valuable products.

As noted in the discussion paper these measures are substantially covered under NSDS Standard Six which all DES providers have in place and on which they are audited annually. NESA notes provider governance and capability arrangements were also assessed as part of the DES procurement process.

NESA is of the view that building on the information in providers tender submission regarding provider's governance and capability, could form the basis of an annual update of information. Recognising that requirements may change over time this annual update would allow the Department to canvass responses on further areas such as incident management, and emergency/disaster management mentioned in the discussion paper. NESA reasonably expects that capability on such matters will form part of future procurement criterion as it has in the recent commissioning of Workforce Australia.

NESA considers an annual update of information together with annual NSDS audit, particularly given proposed changes to the evidence guide, should be sufficient to meet requirements under this quality element.

NESA would like clarity regarding proposed use and examples of the type of audit data, desktop research to understand how these could provide insights into assessment on governance and capability.

Quality Element Four: Feedback and Complaints

This element focuses on: Indicating to providers the intention to seek regular, ongoing feedback to inform DES service and provider-wide reviews and improvement. The grant agreement already provides direct mechanisms to implement and data is already collected through the Complaint Resolution and Referral Service (CRRS) and other means.

NESA is of the view that using complaints and feedback to inform evidence based development of DES services, policy and program settings as well as provider reviews is important.

NESA challenges the view that an interconnection of quality of service and provider capability systems will reduce the overall number of complaints. A proactive approach to quality and continuous improvement can involve encouraging complaints as a source of knowledge about opportunities for improvement. An increase in complaints may also demonstrate that providers have fulfilled their role promoting participants knowledge of their rights and channels of complaint. Assessment on this element should not focus on volume of complaints.

It is generally accepted that the focus on continuous improvement is about corrective action and prevention of reoccurrence. NESA is of the view that the measure should focus on the effectiveness of complaint resolution and prevention. Any metric about the nature of complaints needs to ensure that complaints related to policy settings are excluded e.g. complaints related to the imposition of mandatory/compulsory requirements. NESA recommends co-production of the metrics for assessing complaints resolution.

Quality Element Five: Formal Assurance

This element focuses on: Leveraging the existing powers and quality mechanisms under the grant agreement a proactive quality driver, not only as a reactive compliance tool

NESA is of the view that mutual willingness and good faith by providers and purchaser is central to the effective delivery of DES. Measures which deter frank and transparent exchange between the parties will be detrimental to the proactive pursuit of quality. 'Willingness to engage' is a vague concept and the proposed measure reads as if it assumes difficulty engaging is always a provider issue rather than a product of a two party interaction.

NESA considers that it would not be possible to ensure a quantitative assessment of willingness to engage with the Department that is fair and consistent across providers as it is highly subjective.

The Charter of Contract Management is the framework outlining how Department and providers should interact to achieve mutual goals which include building a more socially inclusive Australia by assisting people with disability, injury or health condition to improve their economic and social circumstances through participation in work. NESA considers that the Charter provides the basis on which to establish working arrangements and benchmarks to develop shared expectations of how operationally the Charter is applied to promote Department and providers' mutual accountability and partnership. This may include developing a mutual feedback process for continuous improvement in assurance and contract management of both parties.

Quality Score Cards & Quality Assessment Ratings

The discussion paper proposes that each Quality Element would be individually measured and rated for each DES provider - feeding into a 'Quality Assessment' rating. Providers would receive detailed 'Quality Scorecards' to guide continuous improvement, while the overall 'Quality Assessment' ratings would be publicly available alongside Star Ratings to better support informed choice of DES provider.

NESA welcomes the opportunity for an open transparent process that enables providers to respond to assessments and provide additional information to ensure the final position is understood by both parties.

As indicated in the introduction NESA has concerns about retaining the Star Ratings prior to confirmation that they are reliable and questions the appropriateness of the current work first based approach to measuring effectiveness and efficiency.

To support informed choice:

- The overall 'Quality Assessment' rating is most useful to participants if it is a good reflection of their local provider sites e.g., an assessment at the Employment Service Area (ESA).
- A single 'Quality Assessment' may not provide participants with information that is potentially most of interest in making an informed choice of provider e.g., participants rights, quality of service.
- Local performance rating at a granular level is needed e.g., Star Ratings while available at an ESA level do not provide transparency as to how providers are performing on outcomes for participants with various type of disability or cohort characteristics.

The rating system needs to be transparent and easily understood. Simple numerical rating systems may be easily misinterpreted e.g. NESA is of the view that the Star Ratings system is not well understood by participants or stakeholders.

NESA recommends further consideration is given about using an overall quality assessment to inform user choice. This does not preclude an overall quality assessment being public.

NESA recommends that as part of the co-design process on quality of services, participants (and advocates) views are canvassed about what information is important, and what ratings systems are meaningful to their capacity to exercise informed choice.

NESA is of the view that the final rating system should be tested before being rolled out to ensure it is interpreted as intended.

Determining the weightings for different elements is a complex task and should be the subject of robust modelling. NESA recommends that a working group is established to examine various scenarios.