

Heidelberg Training and Resource Centre

Responses to questions taken on notice from Senator McKenzie

- 1. Your submission talks about ‘creaming’ and ‘parking’ clients, could you explain how this works, as a new senator this would be useful.**

As mentioned in my presentation, ‘creaming and parking’ is about being selective regarding which clients will receive extra effort and expenditure. When providers focus on the outcome data as compared to being ‘client focused’ there is a propensity to be selective about which of your clients will receive the extra effort to improve outcome rates. Another form of parking is by exiting clients who don’t present a good chance of getting employment. There is some evidence of this in the recent 20% increase in complaints by service users who have been exited from programs without notification or explanation.¹

- 2. Your comments re ‘parking’ and ‘creaming’ talk about increasing levels of this behaviour under proposed changes- what measures do you suggest to address this behaviour**

The main cause of creaming and parking is the narrow focus on Star ratings and outcome data as compared to quality outcomes. I believe we need to improve client voice and choice in the selection and assessment of providers. One of the key principles of a market-driven model is consumer choice; to be able to make such a choice, service users need better knowledge about the performance of providers in terms of quality service provision, as well as quantitatively-measured outcomes.

- 3. What alternative measures do you recommend to address poor performers more generally across the sector**

All organisations go through cycles of performance – sometimes due to factors outside their control – e.g. when a key employer closes and alternatives need to be developed. So, poor performance needs to be considered over time. The existing contract management framework has in place the mechanisms for partial or complete removal of market share of providers who fail to perform to standard. Most providers in the sector accept this ultimate consequence for continual poor performance. However, the dependence on the Star rating as the determiner of performance is questionable as the capacity of the regression analysis to measure small contracts of less than 100 participants is flawed.

More recently, the department has facilitated a number of forums where high-performing providers from one state shared their experience and innovations with ‘poor performers’ in another state. This should be encouraged because, in the end, most providers want to do the best they can for the disabled job seekers they assist.

- 4. What qualitative measures would you suggest to improve the service model to address the issue of the 83% of providers who do not have ongoing relationships with clients**

The question you pose is not related to my presentation and I am not sure what is meant by ‘ongoing relationship’ so I am making some assumptions in my response. One key issue that

¹ As reported by **Complaints Resolution and Referral Service (CRRS) November 2011 Canberra**

arose from the focus group research I conducted as part of a Doctorate was the critical role of the relationship in achieving and maintaining employment outcomes. Part of the establishment of relationships with clients depends on the skills of frontline workers. I believe we need a review of the skill level and competencies required by frontline workers. I don't know of any other sector working with such disadvantaged clients that allows untrained staff to work with their client group. There is evidence that some staff in the sector have only high school or unrelated Certificate courses and are working with people with mental health and other serious disabilities.

5. You make comment that there has not been enough time to embed the model into organisation

The model changed significantly at the introduction of this DES contract which also included the uncapping of the program. Staff and the sector at large need time to adapt and 'bed in' the new model. The new compliance requirements are also new for some of the DES program cohort – this too requires some 'settling in'. Ultimately vulnerable job seekers also need time to understand and comply with the new contract requirements. Given the degree of change for both providers and participants it is understandable that providers would question the departments push to put 80% plus out to market testing.

6. How do we strike a balance between collaboration and collusion within the industry?

There have been very few concerns raised in regard to collusion in the sector but the need for cooperation is well documented. For job seekers to get the best assistance available, local cooperation is the key, particularly where there are a number of agencies are involved in service delivery to the same job seeker. The issue of collusion is best addressed by having a good supply of reputable organisations competing for service tenders and a robust evaluation of the anticipated qualitative and quantitative services to be delivered.

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