

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2008-09 BUDGET ESTIMATES HEARING

Outcome 7

DEEWR Question No. EW285_09

Senator Abetz provided in writing.

Question

Program funding and Outcome (DEN & VRS)

- i.) How much funding was provided to employers of DEN participants under the wage subsidy scheme?
- ii.) What has determined the timeline for the extension of the current DEN and VRS contracts until 28 February 2010?
- iii.) Why isn't it possible to have the new DEN and VRS contracts commencing to schedule on 1 July 2009 when, ultimately, the review should be comparable in duration to the one undertaken for Employment Services?
- iv.) On the current caseload, how many job seekers are currently in DEN Capped and DEN Uncapped?
- v.) How many providers are below the 90% utilisation benchmark?
- vi.) Have any providers lost their business share in the last financial year as a result of not being able to maintain this utilisation?
- vii.) Can the Department provide a breakdown of Disability Pre-Employment Instrument and Disability Maintenance Instrument ratings of the job seekers?
- viii.) Has any trend data been collected around these levels since DENs transfer to DEEWR?
- ix.) If not, is it the Department's belief that there are increasing numbers of job seekers now receiving a higher DPI or DMI?
- x.) Over the last 12 months, has the Department made any recoveries from DEN providers as the result of fraudulent claims?

If so,

- a.) How much has been recovered?
- b.) What was the process behind these recoveries?
- c.) Is there any ongoing legal action?
- d.) Has there been an increase or decrease in fraudulent claims over the duration of the DEN contract to date?
- e.) Has the Department implemented more stringent guidelines to decrease the likelihood of fraudulent activity?

Answer

- i.) In the 2007-08 financial year to end March 2008, \$4,569,051.79 was spent in wage subsidies under the Wage Subsidy Scheme.
- ii.) VRS contracts and DEN funding agreements have been extended until 28 February 2010 to allow consideration of the findings of the National Mental Health and Disability Employment Strategy in the review of disability employment services. The strategy is scheduled to be completed in late 2008.
- iii.) The extension of the contracts and funding agreements beyond 30 June 2009, to 28 February 2010 will allow the outcomes of the National Mental Health and Disability Employment Strategy to contribute to the review of disability

employment services with sufficient time for a procurement process to be undertaken.

- iv.) Current DEN Capped Caseload (as at 31 March 2008) is 36,051. Current DEN Uncapped Caseload (as at 31 March 2008) is 11,832.
- v.) As at 31 March 2008, 91 sites of a total of 367 sites were under the 90% utilisation benchmark.
- vi.) No DEN Capped providers have lost any business in the last financial year as a result of not being able to maintain the 90% utilisation benchmark.
- vii.) As at 31 March 2008 the breakdown of current clients and their respective funding level is:

Capped:

DPI Funding Level	Capped	Uncapped
1	9.8%	11.6%
2	50.8%	51.5%
3	25.2%	25.1%
4	14.2%	11.8%
Total	100%	100%

Uncapped:

DMI Funding Level	Capped
1	57.6%
2	16.7%
3	12.2%
4	13.5%
Total	100%

- viii.) The percentage and number of clients assessed at the various DPI and DMI levels has been collected since the program moved to DEEWR.
- ix.) The number of clients assessed at DPI levels 3 and 4 has increased slightly over the last two years for both capped and uncapped services. From July 2007 to March 2008, the proportion of DEN capped employment assistance clients at DPI funding levels 1 and 2 each decreased by about 3%. The proportion of funding levels 3 and 4 each increased by about 3%. A similar pattern is evident for job seekers in the DEN uncapped stream.

For workers in the DEN capped maintenance phase the proportion at DMI funding level 1 decreased by about 3% over the same period. The increase in the proportions of workers at funding levels 2 (1.3%), 3 (1.5%) and 4 (0.5%) were less significant.

- x.) No, the Department has not made any recoveries from DEN providers over the last 12 months as a result of fraudulent claims.