

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2012-2013**

Outcome 3 - Employment

DEEWR Question No. EW0552_13

Senator Siewert provided in writing.

Question

DES Providers

Please outline the actions taken by the Department to address the findings of the Sharp Practices review of DES providers.

Answer

During the 2011 *Senate Inquiry into the administration and purchasing of Disability Employment Services*, claims were made that some Disability Employment Services (DES) providers were undertaking sharp practices to maximise their performance rating and/or fees, at the expense of job seekers' interests. While the Inquiry heard anecdotal evidence of these practices, very few specific complaints were raised.

The Department carefully monitored DES program data to identify any concerning patterns in the lead up to the procurement process. Extensive discussions about allegations of sharp practice were held with disability employment peak industry groups, which strongly condemned any instances of sharp practice. The Department asked these groups to provide specific examples of sharp practice but received very few responses.

As a result of its own monitoring regime and feedback from the industry, the Department is confident that the vast majority of providers comply with the spirit and intent of their Deed.

- Where providers are found to be undertaking practices which are not consistent with the *intent* of the DES program, action is taken to restrict such behaviour, such as directing them to cease the practice in question.
- Where providers are found not to be meeting their *contractual* obligations, action is taken to limit or prevent claims, recover fees already paid, apply additional sanctions or, as a last resort, cancel contracts.

During the review of program guidelines and discussions with disability employment peak industry groups, the Department confirmed the need to ensure guidelines are clear on the policy intent and unambiguous.

From 1 July 2012 the Department clarified the DES Deed and guidelines in relation to payable outcomes, to reduce opportunities for sharp practice by tightening contractual obligations and to clarify the spirit and intent of the DES program. These

changes occurred following lengthy consultation with industry groups, and reflected the stated objective of the DES program: to assist job seekers with disability, injury or health condition into open, ongoing employment.

In addition, the Deed and guidelines regarding Eligible School Leavers have been clarified so providers are aware of eligibility and documentary evidence requirements. This is to ensure students with ongoing high level impairment receive the assistance they need to make the transition from school to employment.