

# Disability Employment Services Performance Framework Fact Sheet



## For providers

### Performance framework

The Australian Government has developed stronger performance management approaches for Disability Employment Services (DES) providers, in close consultation with providers and peak bodies.

The framework has been designed to drive performance and continuous improvement in the delivery of quality services to all participants. The framework also responds to clear feedback in public consultations about the need to improve past approaches to performance management. The following elements support the framework:

- star ratings to inform and support high-quality outcomes
- commitment to quality through compliance with the legislated *Disability Services Standards*
- a Service Guarantee reflecting the services that participants can expect from providers
- a Code of Practice that sets out the Australian Government's expectations of how providers will interact with participants, employers and each other
- a Charter of Contract Management that indicates what providers can expect of DEEWR, and
- regular feedback on performance from DEEWR and ongoing discussions with Account Managers.

Wide consultation has informed the development of the DES performance framework to deliver:

- a fair system of performance measurement that produces reliable comparisons based on actual performance
- transparency for participants and employers as to how providers are assessed and rated
- improving the information available to job seekers and employers as they choose a provider
- a consistent focus on achieving outcomes for participants
- clearer and more timely information to assist providers manage their own performance including identifying what is working and what can be improved, and
- a performance framework which supports a commitment to continuous improvement.

Expert recommendations from an Industry Reference Group and Technical Advisory Group have informed development of the new performance framework. In addition, Access Economics undertook an independent analysis of the proposed star rating models to ensure their validity and robustness.

### Quality assurance and continuous improvement

Information will be shared with providers to encourage continuous improvement and promote best practice. A commitment to the value and importance of maintaining compliance with the legislated *Disability Services Standards* will be promoted.

A new Charter of Contract Management outlines more transparent practices and standards overseeing DEEWR's dealings with providers. The Charter seeks to strike the right balance between achieving the goals of the program and creating an environment that fosters and encourages good practices. It will achieve this by ensuring effective consultation, communication, collaboration, and consistency in the Department's relations with providers and by building supportive, positive business partnerships with key stakeholders.

### Enhanced star ratings

Star ratings for DES will be published every six months from mid 2011. Ratings are awarded in five star bands from one to five, with five stars indicating the highest performance level and one star the lowest. Star ratings allow participants and other stakeholders to see how each provider is performing compared to other providers.

New job seekers can use star ratings to make informed choices about which provider will be best able to help them find a job and keep it over the longer term.

The DES performance framework will provide relevant, timely and detailed performance information to providers. Providers are that they will be able to:

- monitor their performance rating and ranking against other providers every three months to assist them to analyse their performance and make continuous improvements
- receive six monthly milestone performance reports in a formal review process, and
- receive regular help and advice to improve performance, based on best practice.

Performance in this first funding period may be taken into consideration in any future procurement processes or deed extensions.

### **New key performance indicators (KPIs)**

A provider's star rating will be based on measurement of their performance against KPI 1 and KPI2 as follows:

**KPI 1 Efficiency** – the proportion of referrals made to a provider that subsequently commence in the program; and the average time that the provider takes, compared to the time taken by other providers to assist participants into employment.

**KPI 2 Effectiveness** – the proportions of participants for whom job placements and outcomes are achieved and the proportion of participants who are receiving ongoing support who remain in employment.

The new system will:

- use simpler and fairer ratings -
  - with an emphasis on sustainable employment for participants
  - with five ratings bands and no half star ratings
  - that will no longer have a fixed number of one star rating providers; but instead work out how far from the average performance is acceptable - avoiding a 'winners and losers' approach and
  - that ensure providers have confidence that ratings accurately reflect their performance.
- be based on new Employment Service Areas which are linked to ABS Statistical Local Areas and use more accurate employment data, and
- include the minimum number of relevant participant factors.

### **KPI 3 Quality**

In addition to the measurement of efficiency and effectiveness, the DES quality framework will be the basis for the department's assessment of KPI 3 Quality – Quality of services and stakeholder satisfaction. Compliance with the *Disability Services Standards* will be the primary measure of quality for providers. All providers must be or become certified as complying with the *Disability Services Standards* and maintain this certification throughout the life of the *Disability Employment Services Deed 2010 – 2012* (Deed).

Service delivery is included under the DES quality framework. This emphasises the requirement on providers to act with due care and diligence, to ensure that participants receive the services for which the DES provider is receiving payment. The department will monitor and assess compliance with the Deed through the normal program assurance, contract monitoring /management mechanisms.

Issues identified in feedback from participants and employers through sources such as the Post Program Monitoring survey and the DEEWR and Complaints Resolution and Referral Service complaint management systems may also be taken into account when measuring provider performance against KPI 3.

KPI3 will not form part of the numerical performance rating. However, it will underpin clear and timely feedback from DEEWR to give providers the opportunity to rectify issues raised. It will also support continuous improvement to service delivery. More information on the Quality KPI is provided in a separate document about the DES quality framework.

### **More information**

For more information on the performance framework please visit

[www.deewr.gov.au/Employment/Programs/DES](http://www.deewr.gov.au/Employment/Programs/DES)