

## ITT Question and Answers

**Q. The ITT paper proposes that high performance will be based on 3 stars and above. Why not take an average over the last three star ratings period?**

**A.** Feedback on this issue is welcome. The averaging method may be criticised by some providers who have only recently achieved 3 stars who might argue that an average disadvantages and undervalues the hard work they have put in to performance improvement. Your feedback on this is encouraged.

**Q. Will the December star ratings be used?**

**A.** This is the current proposal. The purchasing timeline which has a final RFT released in early August means that the June stars would not be available in time to complete the ITT. The option of running an additional star rating, say for the end of April, has the complication that for some organisations, performance over recent months has been affected by the Victorian bushfires and flood in Queensland and northern New South Wales. Your views or suggestions on how the performance impacts of the natural disasters could be taken into account are sought.

**Q. Will the conversion of Den Capped business to a market share of Program B be based on job seeker postcodes?**

**A.** In most instances services are located in the same ESA as the job seekers. However there are some situations where job seekers postcodes will be needed to identify where services are required. Examples include where outreach services are currently provided, where job seekers travel from one ESA to another to access services and where services are provided at sites that are currently not registered or star rated. In these cases a market share in each ESA will be calculated based on the job seeker postcodes. Providers will have an opportunity to check the lists used in circumstances where it is necessary to use job seeker postcodes.

**Q. How will this work?**

**A.** For example:

Provider 1, a three star provider, has a capped place allocation of 50 in ESA A. There is a total of 100 capped places and 100 Uncapped commencements in ESA A. All the job seekers attending Provider 1 Capped services are drawn from within ESA A. Converting Provider 1 business share involves

$$\frac{50}{100 + (100 \times .4^*)} = 36\%$$

\* The figure 100 x .4 is used as the model assumes that 60% (roughly all the DPI 1 and 2s) who would have been referred to DEN Uncapped will in future be referred to Program A.

Provider 2, a three star Den Capped provider, also has a capped place allocation in ESA A of 50. Provider 2 provides services to 10 job seekers who travel in from ESA B. Two DEN Capped providers operate in ESA B, each with 50 places and there are 100 Uncapped commencements. Providers 2's market share calculation would be based on job seeker postcode.

ESA A

$$\frac{40}{90 + (100 \times .4)} = 31\%$$

ESA B

$$\frac{10}{10 + 100 + (100 \times .4)} = 7\%$$

Provider 3, a three star DEN Capped provider, has a capped place allocation in ESA C of 150 places. Two other Den Capped providers operate in ESA C, each with an allocation of 50 places and there are 100 DEN Uncapped commencements. Provider 3 is also contracted to offer services in ESA D and E, and Provider 3 has 50 job seekers in ESA D and ESA E accessing services at sites in those ESAs. Those sites however are not registered as DEN Capped and not separately star rated. Conversion of Provider 3's business share would be based on job seeker postcodes.

ESA C

$$\frac{50}{150 + (100 \times .4)} = 26\%$$

This provider has the option of seeking a separate DEN Capped star rating for the sites operating in ESA D and E. If they are three stars or above, a market share in these ESAs would be included in the ITT. Regardless of Provider 3's decision on whether or not to seek a star rating for ITT purposes, the 50 job seekers accessing services in ESA D and E would be included in the denominator for those ESAs.

**Q. What is an unregistered site and why is this an issue now?**

**A.** For the purposes of the current discussion on purchasing arrangements for the new Disability Employment Services, an unregistered DEN Capped site is where job seekers are accessing services from a site that is not recognised on the system as a DEN Capped site and/or not separately star rated. A small number of providers operating multiple sites, usually in different ESAs still have performance aggregated to a single site. There are very few of these however, some providers have argued that this arrangement could potentially represent an unfair advantage in a purchasing environment as combining the performance of a number of sites to a single star rating, could be masking poorer performance at some sites.

Aside from purchasing it is important that all locations from which DEN Capped services are provided are listed and recognised. This is the only way we can ensure quality services for job seekers, accountability and transparency.

**Q. I have some DEN Capped services being provided at a DEN Uncapped site. Does this count as an unregistered site?**

**A.** Yes, unregistered site means a site not registered as a DEN Capped site and/or not separately star rated for DEN Capped.

**Q. What is the process if I want to get my site registered and star rated?**

**A.** You should contact you Account Manager. The Department will then provide a list of job seekers whose postcodes might indicate that they are accessing services at site other than the star rated site. Once we confirm which job seekers should be attributed to which sites, separate star ratings will be generated and the new site will be included in your DEN Funding Agreement.

**Q. What if I don't want separate star ratings for the ITT?**

**A.** For normal contract management purposes you will be asked to confirm the locations at which job seekers are accessing Capped Services. The new sites will be included in your DEN Funding Agreement and separate stars will be generated for the next performance period. These sites would not though be included in the ITT process. Job seekers accessing services outside the ESA in which you have a star rated site will not be included in the market share calculation for that ESA. Those job seekers would be included in the denominator of the ESAs they are accessing services in.

For example:

Provider 3, a three star DEN Capped provider, has a capped place allocation in ESA C of 150 places. Two other Den Capped providers operate in ESA C, each with an allocation of 50 places and there are 100 DEN Uncapped commencements. Provider 3 is also contracted to offer services in ESA D and E, however sites there have not been registered as DEN Capped. Provider 3 has 50 job seekers accessing services in sites in ESA D and ESA E. Those sites are not separately star rated for DEN Capped purposes. Conversion of Provider 3's business share would be based on job seeker postcodes.

ESA C

$$\frac{50}{150 + (100 \times .4)} = 26\%$$

In ESA D and E there are two three star DEN capped providers, each with 50 capped places. Each ESA has 100 DEN Uncapped commencements. The business conversion calculation for each of those providers would be -

ESA D and E

$$\frac{50}{100 + 50^* + (100 \times .4)} = 26\%$$

\* 50 Provider 3 job seekers accessing services in the ESA but not at a registered star rated site.

In this example, 48% market share of Program B would be available for tender in ESA D and E.

**Q. These sites have not had separate health check reports, it is unfair to generate stars for the purposes of future business when we haven't had a chance to manage performance.**

**A.** The Department provides health check reports to assist providers, however, the health check reports are not intended to be the single tool providers rely on to manage an organisation's performance.

**Q. Doesn't this mean the rules are being changed mid contract?**

**A.** The objective for tackling the unregistered sites issue at this stage is to create a framework for the ITT that meets the principles of equitable, fair and transparent. The paper proposes one approach to creating new business rules for a new purpose.

In addition to the ITT it is important that all DEN Capped sites are registered with DEEWR to ensure quality services for job seekers and proper accountability and transparency.

**Q. What are the definitions used for sites?**

**A.** **Permanent Full-time Site**, which, as a minimum, would operate Monday to Friday from 9.00 am to 5.00 pm daily  
**Permanent Part-time Site**, at which there is a regular weekly presence with hours of operation less than a Full-time Site, or  
**Outreach Site**, at which there is not a permanent presence, for example, operating on a monthly, seasonal or 'as needs arise' basis at a local library, town hall or other location.

**Q. Will the market shares included in the ITT letters be based on the old or new ESA boundaries.**

**A.** The proposal is that current business levels will be converted to the new ESA boundaries and ITT letters will be for a business share of the new ESAs. Where an existing service cross new boundaries, an ITT letter would cover a business share, based on job seeker postcodes, in each ESA.

**Q. There are some areas which have had persistent high vacancy rates. Wouldn't discounting places by the number of vacancies give a more accurate figure for actual business share?**

**A.** The current proposal is to convert DEN Capped places however your feedback on this is most welcome.