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The Hon Brendan O'Connor  
Minister for Employment Participation  
Parliament House  
CANBERRA ACT 2600

Dear Minister O'Connor,

On behalf of Centacare Catholic Community Services – Sydney I thank-you for the invitation to provide feedback to assist in the policy development of employment services. I am mindful that the first Rudd Budget is only a few months away and appreciate the work that will need to be undertaken by you and your Department in the lead up to that Budget.

**About Centacare Catholic Community Services – Sydney (Centacare)**

Centacare is the official welfare agency of the Catholic Church in the Archdiocese of Sydney and stands in the Catholic tradition of compassion and concern for social justice. It has been 'making a difference' since 1941.

Centacare is a non-government, non-profit organisation which, in accordance with its Vision, has promoted the dignity, equality and participation of individuals through more than 220,000 contacts with clients in the past year across more than 100 programs.

The services provided by Centacare are inclusive of the whole community regardless of circumstance, ethnicity, religion, economic situation, age, gender or ability and are delivered in the areas of Ageing, Dementia and Disability Care; Children and Youth; Family; and Employment, Training and Support.

Services include employment services and training for people with a disability; pre-vocational services; St Patrick's Business College; family and relationship counselling; counselling for drug, alcohol and other dependencies; school counselling; mediation and conciliation; marriage preparation; foster care and adoptions; services for children and young persons at risk of physical or emotional harm; supported accommodation; respite services; services for the aged and people with a disability.

These services are delivered from over 20 sites across metropolitan Sydney, from Neutral Bay to Liverpool through to the Sutherland Shire.

### **Response to issues raised**

It is our view that the whole issue of employment services should be considered within the bigger context of an employment continuum starting with those not connected with the labour market at one end to those who are fully engaged in the labour market. Every Australian sits somewhere within this continuum and the employment services currently funded through DEEWR assist people move from one part of the continuum to full engagement in the labour market (determined by their own abilities). However there are also state-funded and other programmes that assist people to become fully engaged. It is our view that any review by the Australian Government should consider a holistic approach to employment services including a review of how the programmes offered by the various governments interact and interrelate with each other. I would encourage you, Minister, and your government and DEEWR, to take a holistic view to ensure that clients using the various employment services are assisted into full engagement at the earliest possible time rather than being victims of inter-departmental (or even worse) inter-governmental red tape.

### **Effectiveness of current number of programmes and services**

The plethora of employment services at all levels of government is potentially confusing for providers and consumers. Centacare itself delivers employment programmes funded by 2 Governments and 3 Departments. While I recognize that the multi-government mix of employment programmes is not in your immediate sphere of control I urge you and your Department to consider the issue of programme effectiveness holistically taking into account what States (and in some cases Local) Governments are also doing. Co-operation exists between States and Federal government in a number of key areas and I note your Government is attempting to simplify IR laws across our nation. I urge you and your Government to consider employment services in a national, holistic, vain as well.

Centacare Sydney has as its mission the provision of support and assistance to some of the most marginalized in our community. We strongly encourage the Rudd Government to recognize the specific needs of marginalized members of our community in the area of employment services. We recognize that the current suite of programmes administered by the Federal Government is administratively costly and potentially cumbersome to maintain. Nonetheless I urge the Government to continue to accept the need for non-mainstream job-seekers (ie for people with a disability or mental health issue, for the youth and for those with temporary or long term barriers to employment) to have dedicated services that are provided outside of the Job Network.

It is well accepted that a large group of job-seekers need minimal support and assistance and for this group the current Job Network model is almost certainly sufficient. As a caring community we need to ensure we do not adopt a one-size-fits-all approach to employment services. Therefore I strongly encourage the Government to recognize that there are at least 3 other groups of consumers of employment services that need additional support. In particular those with temporary barriers to employment (requiring up to, say, 2 years of intervention before they re-enter the active labour market), those with a disability or mental illness, and youth.

Centacare's own experience with these 3 groups is that they need different approaches to ensure successful employment outcomes. The employment programmes we deliver on behalf of the Federal and State governments are designed to be tailored to the needs of the individual. For these people a one-size-fits-all model of employment service would not

work and would result in their being disenfranchised and disengaged from the labour market (notwithstanding what their obligation may be to receive income support). The DEN, PSP and (state-funded) Transition To Work (TTW) programmes work one-on-one with the client (and employer) to ensure that the person is suitable and ready for the particular job being considered. These programmes work with the employer to adjust the requirements of the job to suit the client and then provide on-going support to help the client maintain the job. These services are critical to ensuring the successful integration of the client into employment.

### ***Early interventions***

It is our view that this is an area where Federal and State co-operation should be paramount. At present Centacare delivers a state funded Transition to Work (TTW) programme for young adults with a disability leaving Year 12 who will be job ready within 2 years. This programme is a relatively new programme from the NSW Government (established early 2005) but already demonstrates what can be possible with early focused intervention. Of the 10 outcomes achieved already (bearing in mind this is a programme for young people assessed not to be job ready for 2 years) 7 have been placed into employment. This is considered a good result and demonstrates what can be achieved with the right interventions in place. This programme has saved the Federal Government (potentially) the cost of 7 lots of DEN payments and several years of income support payments. This does not include the incalculable savings to the Government of flow-on effects (friends who see what is possible, tax paid by the 7 young adults, self-esteem etc).

### ***Relevance of employment services***

We have concerns about the current process of streaming job-seekers to employment services. In particular we have anecdotal information that job-seekers assessed by JCAs as requiring one particular service are streamed to another because vacancies do not exist in the preferred employment service type (eg a client assessed as benefiting from a PSP service is referred to a DEN service because PSP services are not available).

It is the view of Centacare that the current caps on programmes such as DEN and PSP should be removed and programmes opened up to all who are assessed as benefiting from that programme. The imposition of caps on programmes may be of benefit in limiting expenditure but does nothing to assist some of the most disadvantaged job-seekers to return to work as quickly as possible. DEEWR already has audits and other controls in place to ensure that payments claimed by providers are legitimate and can be substantiated. Centacare would support a reasonable extension of this regime in exchange for lifting of caps in these vital programmes.

Centacare is concerned about the use of employment programmes to “park” clients while they await the result of a pension (usually DSP) application. The current requirement for these people to go through the JCA assessment and intake and assessment by PAGES member is both burdensome on the PAGES member and bureaucratic for the client if the pension is granted. Centacare is of the view that these people (unless they are repeat applicants) should be given a reasonable period (say 1 month) of not being required to connect with a PAGES member while the pension application is being assessed.

### ***Intensive Assistance***

Centacare would welcome a review of the current provisions for people requiring intensive support. In particular Centacare is concerned that the intensive support element of the Job Network may not be delivering the best outcomes for people who have been hard to place into employment. A JCA review may be appropriate at the 6 or 12 month mark after referral to Job Network to review which service is most appropriate for the person.

### ***Training (appropriateness and incentives)***

It is Centacare's view that training or education in a vocationally relevant course should be considered an outcome of equal standing as job placement. For too long the view has been "employment at all costs" with little regard for the long term benefits in training and education as an interim step. For many clients the self esteem developed during their study/training will boost their employability chances more than many programme interventions. It is short-sighted to not regard training or education in a vocationally suitable area as an opportunity to invest in that person so that they will be more employable and, likely, earn higher income levels. The improvement in their self-esteem and the resultant impact on their dignity will contribute positively to our society.

Related to this issue is the inequity in wage subsidies available to DEN and Job Network Services. Centacare is of the view that the wage subsidy that a DEN client attracts should be equal to the amount that a Job Network client attracts. Providing people with a disability a lower subsidy than a person streamed to job network is obviously inequitable but also sends out the wrong message to the community about the worth of a person with a disability.

### ***Performance Management Principles***

Centacare is concerned about the relative measure of the star ratings system used across JN and DEN. If a star ratings system is used it should be an objective measure against a pre-determined set of benchmarks. To use a relative system does not provide absolute advice to DEEWR or the community about a provider's abilities or performance against the benchmark. In the current system if the scores are tight a very small difference in performance (even above the preferred levels) can see significant changes in star ratings. The former Minister had said that the relative system helps drive performance up but this can just as easily be achieved by using an objective ratings system and adjusting the benchmarks on a regular basis. The star ratings would then be a true measure of a provider's performance.

Within the disability employment sector Centacare opposes the use of star ratings in the current format for all the reasons mentioned above as well as the relatively small size of the market place. The small size of the disability sector makes movements between the star levels more volatile and has the potential to confuse our clients and their carers. Centacare does not oppose an objective measure of performance against a pre-determined benchmark.

The relationship a disability provider (DEN, PSP etc) establishes with his/her clients is inherently different to the relationship between a Job Network member and their client. This is inherently one of the differentiating features of the Job Network and disability services. The nature of the relationship is, by necessity, a very personal one designed to maximize the ability of the case worker to negotiate a suitable and sustainable employment outcome. To make this relationship subject to 6 monthly business re-allocation rules based on a relative measure of performance will not assist the clients to enter/re-enter employment as quickly as possible. These clients often take several months to become comfortable with their case

worker. Business re-allocation will be devastating for these clients and will set back their ability to gain employment. For this reason Centacare strongly urges the Government to not introduce business re-allocation for specialty services such as DEN and PSP where a longer-term relationship between the client and their service provider is important.

### ***Administration***

The last few years have seen marked increases in administrative requirements for DEN and PSP providers (and no doubt other PAGES as well). Centacare is of the view that a few simple enhancements will considerably reduce the administrative burden that currently exists. In particular we propose that:

- Consideration is given to automating all or part of the process for DEN and PSP providers to claim payments rather than the current need to claim each payment;
- Consideration is given to streamline the process of referring clients from one employment programme to another (especially where the provider runs multiple programmes such as DEN and PSP);
- Consideration is given to the role of the JCA in the re-referral process. The current requirement of involving them at every point can be cumbersome and increase the administrative burden within the process.

### ***Summary***

Centacare welcomes this review of employment services and urges the Australian Government to take an approach that considers the needs of the various groups of clients of these services in a holistic manner. The Social Inclusion policy announced just before the 2007 election provides an impetus for the Rudd Government to ensure that employment services (from all governments) respect the dignity of individuals by contributing in the best possible way to improve the self-esteem of the unemployed and to maximize their ability to gain, maintain and improve their employment.

To this end, Centacare urges the Government to recognize that certain groups (especially those with a disability) require a different type and level of support to mainstream Australians to secure employment. Centacare urges the retention of specialty services for the youth, those with a disability and those requiring pre-vocational services (such as PSP) in addition to a mainstream Job Network.

Centacare also urges this Government to consider the interactions between employment services from all governments including state/federal and local (where relevant).

Centacare is prepared to work with any departmental officer or officer from the Ministers' offices to assist with this review by the Australian Government.

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Centacare Catholic Community Services  
Sydney

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