

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

Dear Minister

RE: Improving Employment Services in 2009

The attached submission represents the views of a group of Western Australian stakeholders with an interest in sustainable employment outcomes for Western Australians with a disability. This group is responding to your invitation for views on how employment services can be improved. The paper will focus on how the Disability Employment Network (DEN) and supporting measures can be improved to achieve quality, sustainable employment outcomes.

The disability sector in Western Australia has a long and strong history of cross-sector collaboration of stakeholders and cooperation with government agencies. DEN providers have been actively engaged with the Disability Services Commission (DSC) on post-school options for school leavers with a disability for several years, as well as sustaining localised stakeholder networks across the state. The various stakeholder groups have also maintained a strong partnership with Centrelink in Western Australia. Centrelink in Western Australia is to be congratulated on its proactive approach in engaging with its stakeholders to identify and respond to problems at the local level in the implementation of employment participation policies through its Centrelink Community Consultative Committee. This includes two targeted sub-committees on the particular needs of specific customer groups, Mental Health and Seniors & Carers. A third sub-committee on Disability is currently being formed. We are not aware of any such networks in other states or territories.

The important relationship between education and employment for people with a disability has also long been recognised here in Western Australia with the Regional Disability Liaison Officer (RDLO)/Disability Coordination Officer (DCO) role, now the National Disability Coordination Officer (NDCO), being hosted within a DEN provider over the last five years. Accordingly, we would like to take this opportunity to congratulate the Rudd Government on its decision to combine the Australian Government Department of Employment & Workplace Relations (DEWR) with the Australian Government Department of Education, Science & Training (DEST). This recognises that further education and Vocational Education & Training (VET) are essential components of achieving quality sustainable employment outcomes and is certainly an area in which people with a disability are under-represented.

Let us also congratulate the Rudd Government on its inclusion of employment participation within a framework of social inclusion. The language of social inclusion is not new to the disability sector. Social inclusion for people with a disability was the fundamental principle behind the development of the DEN sector in the mid 1980s. Founding providers were driven by a belief that the best pathway to social inclusion for people with a disability was employment in the open labour market in quality jobs where they were valued and received fair working conditions. This paper seeks to offer solutions to tweak particular policy and programmatic issues within the existing structure that we believe are hindering the achievement of this goal for people with a disability. Our observations are based on over twenty years experience at the 'coal face' supporting people with a disability to achieve long-term sustainable employment, of understanding how people with a disability engage in the labour market and of what works in practice. They are also based on the lessons learned from the Job Network experience about the effectiveness and limitations of the Government's current service purchasing model approach and a desire not to repeat the same mistakes in our sector.

ACE WA represents DEN providers in Western Australia, some of whom are members of the ACE National Network. Western Australian Country Managers (WACM) is a network of rural and remote DEN providers in Western Australia. The Western Australian Association for Mental Health (WAAMH) is the peak mental health representative body in Western Australia for non-government not-for-profit agencies. The Developmental Disability Council (DDC) is a peak body representing the rights of people with intellectual and other developmental disabilities and their families.

Thank you for this opportunity to provide feedback. We look forward to engaging with the new Government in a two-way conversation about how best to achieve this mutual goal of increasing social inclusion for people with a disability through employment. We would also like to extend an invitation to meet with the group when you are next in Western Australia.

Best wishes

Trevor Paterson (President, ACE WA)
Anne Bartz (Chair, Western Australian country Managers)
Sue Harris & Su-Hsien Lee (Joint Chief Executives, Developmental Disability Council)
Joe Calleja (President, Western Australian Association for Mental Health)
Anne White (Executive Officer, Western Australian Association for Mental Health)

Improving Employment Services in 2009

A Collaborative Response from Western Australian Stakeholders

**ACE WA, the Western Australian Country Managers (WACM), the
Developmental Disability Council (DDC) & the Western Australian
Association for Mental Health (WAAMH)**

February 2008

Introduction

The release of *Participation Support for a More Equitable Society*, colloquially known as the McClure Report, in 2000 triggered the contemporary Australian debate about social and economic participation, and in particular how to counter an emerging entrenched social disadvantage in particular groups of our society. All participants in this debate agree that employment is the most effective pathway to social inclusion for all Australians. Where the views of participants in the debate have differed has been on how best to achieve employment for those groups who have historically been isolated from the labour market.

Growth in the number of people receiving the Disability Support Pension (DSP) and low workforce participation by people with a disability during a time of sustained economic growth highlighted that policy settings had to date failed to target and respond to this group. The Howard Government acted through a combination of interventions to shape the behaviour of both individual job seekers and their service providers. At the individual level Welfare to Work combined incentives and risks, or 'carrots and sticks' to increase the number of people with a disability in the labour market. In particular the work capacity benchmark for DSP was increased from 30 to 15 hours per week so that more people with a disability with a part-time work capacity would receive the activity tested New Start Allowance (NSA) and be required to look for work. NSA was enhanced to compensate for some of the costs in not receiving DSP. Job Capacity Assessors (JCAs) were introduced to assess people's work capacity, determine their eligibility for income support and refer them to the most appropriate service.

At the service provider level, Government increased investment in both the Job Network and the Disability Employment Network (DEN) to create more capacity for the increased number of people with a disability entering the labour market. At the same time the Disability Employment Network, which was at the time administered by the Department for Employment & Workplace

Relations (DEWR), became subject to the same service purchasing and contract management principles that had been applied to the Job Network. To ensure that activity tested job seekers fulfilled their mutual obligation, new regulations included mandating a specific degree of contact between the DEN provider and the job seeker and the reporting of Participation Failures, or breaches of requirements set out in an Activity Agreement. This represented a significant change for DENs both in terms of the administrative burden required, the changing nature of their client group and their relationships with their clients. The full implementation of individual outcomes based funding, or Case Based Funding, in 2005 had heightened the focus of the DEN sector on performance. The development of a Star Rating system during this time further increased a focus on performance at a time when DENs were observing a real change in their client group away from DSP job seekers who despite significant barriers to employment tended to be compliant and motivated towards activity tested job seekers with increasingly complex barriers to employment.

The disability employment sector has long endorsed the fundamentals of the Howard Government's broad policy responses to increase the employment opportunities for people with a disability. In particular we would like to recognise the introduction of individual outcome based funding, the increased focus on performance, the growth in employment programs, and the growing focus on the needs of people with psychiatric disability. We also recognise the need for better incentives for people with a disability to pursue employment, as well as the need for accountability in Government purchasing decisions. However, we believe that in the implementation of these policies some important qualities essential to creating innovative solutions for those job seekers with the most significant barriers to employment have been lost: common sense, balance, trust, creativity, partnerships and flexibility in particular. The most significant constraint on this innovation are the huge regulatory and reporting requirements. Not only do these hamper innovation, they draw valuable resources away from the DEN sector's core business: achieving sustainable employment outcomes for people with a disability. This does not represent value for money to the tax payer.

The targeted and particular suggestions identified in this submission seek to restore these valuable principles while maintaining the existing fundamental structure. The paper discusses issues and solutions at the levels of individual job seekers and workers with a disability, service providers, and the broader sector, and finally Government. At the individual level, the submission focuses on facilitating participation and achieving long term employment outcomes. At the sector level the focus is on maximising access to quality services and achieving value for money without compromising quality. At the level of Government the focus is on recognising the level of investment needed to sustain social inclusion through employment and on Government leading by example as an employer of people with a disability.

1. Job Seekers and workers with a disability

This part of the submission will focus on individual job seekers and workers with a disability. It will discuss how we can better facilitate people with a disability entering the labour market in the first instance and how we can achieve and maintain sustainable benefits of social inclusion for the individual, their family and society in the long term. This feedback is based on our experience of how people with a disability and their families respond to risks and incentives and of the importance of building a stable life around people with a disability and their families so that they can engage in new challenges with confidence and maintain their participation in the long term.

School to Work Transitions

For many families of young people with a disability who are leaving school, employment is often seen as compromising their capacity to continue caring for their son or daughter at home or presenting a risk to the stable routine they have built around their child being at school. A lack of secure hours with an employment service or in a job at a level equivalent to school hours potentially puts that routine at risk and often means that one of the parents has to leave paid employment to provide support. While some states have safety net provisions allowing school leavers to pursue options in the immediate post-school period without risking their option to seek state-funded day options, others do not. This means that families will often pursue non-employment activities, such as day options, rather than employment often with the support of teachers who feel that this is the best outcome for the family. Once young people with a disability are deterred from employment we know that it is more difficult to engage them in future years. While school leavers have been identified as a priority group through previous CSTDAs, we believe that the introduction of Welfare to Work has shifted the focus away from this early intervention towards the long term unemployed and those at risk of long term unemployment. The previous government did facilitate the school to work pathway by allowing school leavers to access DEN providers directly without

being subject to a JCA, however there has been no investment in school-to-work transition pathways.

While the lessons about what works for the successful transition of young people with a disability from school to work are well established, best practice in Australia tends to be localised and is not occurring consistently across the country. We know that it is important to start the transition to work before a young person leaves school and to provide skills development with a clear employment focus. Evidence from the Australian experience suggests that DEN providers are best placed to act as lead agents in partnership with families, schools and the VET sector if the school to work transition is to be effective. Excellent examples of successful school-to-work transition models exist across the country including Personnel Employment's School to Work program in South Australia, the Transition to Work program funded by the New South Wales state government and the Edge's SWEAT program here in Western Australia. The SWEAT project focuses on students in Year 11 by introducing them to the employment of their choice through a series of 15 days supported work experience. Over two years 47 students have participated in the project with 32 having completed a program. 86% of participants have gone on to register with a DEN and 18 participants have secured a traineeship or apprenticeship.

Recommendations:

- Prioritise school leavers with a disability in the next CSTDA by encouraging state and territory governments to:
 - Invest in school-to-work transition programs using the DEN;
 - Implement safety net options allowing school leavers to pursue education or employment pathways without disqualifying for day option programs;
 - Allow school leavers to combine day options with paid employment, either on an ongoing basis or as part of a transitional arrangement;

- Encourage further co-location of National Disability Coordination Officers within DEN providers in future tenders.

DSP Volunteers

The focus of Welfare to Work and Active Participation policies on increasing the participation of people with partial work capacity, in particular those with 15 – 30 hours, have underestimated the value of encouraging the ‘traditional’ DSP population, i.e. those with significant and profound disabilities, to participate in the workforce. This is driven by a short-term and narrow view that the benefits are outweighed by the costs. We challenge this view and reiterate Julia Gillard’s statement that: “Whereas in the past, economists have argued that the cost of bringing the socially disadvantaged back into the workforce did not warrant the investment, in the future, policies of economic and social inclusion will be vital because in an aging society we cannot afford to have anyone who can work off the edge...”¹. With over twenty years of successfully working with people with significant and profound disabilities to achieve sustainable employment in the open labour market, we know the value to individuals, their families and the economy of paid employment by this undervalued group.

The current legislative requirement that DSP recipients who do not have a current work capacity assessment must undergo a JCA before they can be referred to an employment service is actively discouraging this group from engaging in work. Figures obtained from the 2006/07 Supplementary Budget Senate Estimates Hearing 15 February 2007 indicate a dramatic drop in the level of DSP recipients that commenced in employment programs immediately following the enforcement of this policy in December 2006². The security offered by the DSP to people with a disability cannot be underestimated, and for most people the benefits of employment will not outweigh the real and perceived risk of losing the DSP. The previous government did seek to balance these risks by enhancing the Newstart

¹ “*Social Inclusion: A new portfolio, a new approach*”, Julia Gillard 10 April 2007, at the Centre for Public Policy, Melbourne University.

² See Table 1, Appendix.

Allowance but for those who we believe are most likely to be affected, those with a psychiatric disability, the risk of incurring a Participation Failure is a real barrier.

Non-discretionary costs of employment must also be recognised as a risk factor for employment. When people with a disability engage in employment there are often additional costs due to their disability. These include transport, medication, therapy and in-home support. There are also costs due to income criteria for access to essential services, such as housing. In a recent example here in Western Australia a gentleman who is receiving income support and who lives in a Homes West house has been advised that a condition of his tenancy is that he can only work for up to two days a week. This gentleman was hoping to look for full time work but his fear of losing his home has deflated those hopes and cost Government in both income support savings and tax revenue, not to mention heightening the risk of long term unemployment.

Recommendations:

- Defer the JCA for DSP volunteers who do not have a current work capacity until they have achieved a sustained employment outcome or stop working with an employment service; and
- Maintain the enhanced Newstart Allowance;
- Compensate job seekers and workers with a disability for the additional non-discretionary costs of employment; and
- Develop a national employment strategy with a focus on reducing barriers to employment, including those not directly related to employment.

Job Capacity Assessments

The risks for people with a disability of volunteering for work are exacerbated by the quality of JCA assessments, particularly for those people with psychiatric disability, brain injury or mild intellectual disability who might not have insight into their own condition, whose needs might not be immediately

apparent and who might have very little documented evidence at their disposal. We are particularly concerned with the lack of flexibility to ensure that job seekers are assessed by a JCA with the most appropriate qualifications. We have especially observed the impacts for people with a psychiatric disability who are not assessed by JCAs with specialist skills. We do not believe that the level of training JCAs receive is sufficient to replace specialist expertise, and in particular the insight into a job seeker's condition and the ability to "read between the lines" as job seekers often present the most positive image of themselves, which may mask their real needs and prevent them being connected to the right supports.

Recommendations:

- Replace the requirement that people are assessed by the first available assessor with the flexibility to match an individual to a specialist JCA; and
- Seek an evaluation of the JCAs conducted by phone for rural and remote job seekers.

Quality, sustainable employment outcomes

The DEN was established in the mid-1980s with a focus on achieving quality, sustainable outcomes for people with a disability in the open labour market, and we have a demonstrated history of success. Critical to this success has been an investment in trust and partnership with job seekers, their families and employers. The introduction of individual, outcome based funding in recent years has built on this success. However, we are concerned that a work-first approach and some of the characteristics of the current funding model are compromising quality, sustainable employment outcomes for people with a disability. Our understanding of quality employment includes quantitative characteristics such as employment status, hours of employment and wages as well as qualitative characteristics, including skilled employment and career development opportunities.

Data from the Disability Services Census from 1999 to 2006 shows a waning in some quantitative measurements of quality employment over time. While there has been an outstanding shift towards higher earnings for people with a disability³, trends in relation to hours and status of employment cause us some concern. While more people with a disability are working more than 40 hours per week, there has also been an increase in those working eight to fifteen hours at the apparent cost of those working between 16 and 40 hours⁴. The data also demonstrates a trend away from permanent (full time and part time) employment towards casual employment⁵. While this might reflect patterns occurring in mainstream employment, there is some evidence that casual employment presents a risk for people with a disability of moving out of the labour force⁶. This trend has developed in the absence of a performance measurement framework and we will continue to monitor these trends when Star Ratings are implemented.

A key platform for the Rudd Government has been its vision of a skilled Australian workforce, and our experience demonstrates that people with a disability can be part of this vision through increased participation in VET. Research undertaken by Edge Employment Solutions in Western Australia has indicated that where a Group Training Organisation (GTO) and a DEN provider work in partnership to achieve Australian Apprenticeship outcomes for people with disabilities, the completion rate of people with disabilities is equal to the general population. We believe that job seekers with disabilities must fully participate in VET programs to increase their skills and participate in the skilled workforce of Australia. Should people with disabilities be excluded from the VET they will be relegated to performing the most menial tasks. The value to Australian industry and Government of a skilled, locally

³ See Figure 1 & Table 2, Appendix

⁴ See Figure 2 & Table 3, Appendix

⁵ See Figure 3 & Table 4, Appendix. While the 2006 Disability Services Census indicates a return to permanent employment we have some concerns about the quality of this data. It counters within one year a trend that had been established over a period of six years. We don't believe this can be explained. Furthermore 2006 data on employment characteristics is not available for a significant number of workers in open employment. This has never occurred before.

⁶ Australian Government Productivity Commission (2006); *The Role of Non-Traditional Work in the Australian Labour Market. Productivity Commission Research Paper.* Canberra, ACT: Productivity Commission, pg. 100.

trained workforce must also be recognised with greater financial and performance incentives for DEN providers.

Recommendations:

- Target additional training places under 'Skilling Australia' to people with a disability;
- Establish an account that will provide access to training funds for job seekers and workers participating in DEN programmes
- Simplify access to the Disabled Australian Apprenticeship Wage Subsidy (DAAWS);
- Encourage partnerships between GTOs and DEN providers through one-off incentive payments and a Training Account for GTOs to purchase specialist support from DENs; and
- Include participation in accredited training courses as a secondary outcome for DEN providers.

2. Service Providers

This section of the submission will focus on issues at the level of service provision. It will focus on the balance of performance measurement and building quality services as a means of improving value for money in the purchase of sustainable employment outcomes for people with a disability in contrast to performance driven by competition. This feedback is shaped by our knowledge of what has been effective in achieving sustainable employment for people with a disability and the lessons learned from the Job Network about the limits of competition in improving service quality and outcomes.

Managing Performance & Demand

The Government's current three-year contract with DEN providers is due to expire in mid 2009. Based on the Job Network example, a Star Rating system has been developed that will provide a relative measure of the performance of DEN providers. While we support the need for rigorous performance measurement, we are not convinced of the effectiveness of using star ratings as a platform for driving performance through competition. Neither do we believe that, for a well-established sector such as the DEN, a relative measure of performance is appropriate, nor do we believe that costly tender exercises represent value for money. The Job Network example clearly indicates that rigorous competition does not equal good performance for difficult-to-place job seekers or the long-term unemployed. Instead, we support the development of consistent, absolute benchmarks of performance supported by an investment in research, training and technical assistance to advance performance and promote best practice. We believe that established performers should be licensed to provide DEN services rather than be required to tender for business, an option that will require development with the sector and an opportunity to be tested and evaluated. Where performance falls below an acceptable level then purchasing decisions must be reviewed, with opportunities for technical assistance to improve performance before a licence is revoked. Tender processes would continue to be appropriate for creating new business.

While government purchasing decisions have tended to drive the performance agenda, we believe that its real value is in managing demand. We believe that there should be a single, uncapped program with job seekers able to “vote with their feet”, making informed choices and immediately engaging with the provider that will best meet their needs rather than having to accept a service because it has a vacancy. Currently, job seekers with a disability are referred to one of two streams according to a JCA’s assessment of their work capacity and need for support beyond two years. In light of concerns about the quality of these assessments, and especially any upfront decision about the need for ongoing support, we advocate a single uncapped program where all people with a disability have access to a two year program of assistance before the job seeker, the employer and the DEN provider together make a decision about the need for further support. This would be especially effective for responding to demand from DSP recipients who want to work. Table A (see Appendix) shows that since the introduction of the capped/uncapped dichotomy demand by DSP recipients for specialist services has not been met by DENs. Between July 2006 and February 2007 more DSP recipients commenced with Job Network providers than with DEN providers. This demonstrates that the capped program is limiting the opportunity for people with disabilities to gain the most relevant and appropriate support to pursue and maintain employment. The JCA system is inappropriately streaming DSP recipients into Job Network where there are no current DEN vacancies

Recommendations:

- Replace the current costly tender process with an “approved provider” model;
- Use absolute rather than relative measures of importance; and
- Invest in technical support to build the capacity of the sector generally, and to raise the performance and quality of service providers.

Workforce

In a strong economy the capacity of the not-for-profit sector to attract and retain quality staff is under threat. Nowhere is this more apparent than in the booming economy of Western Australia where the Chamber of Commerce & Industry is lobbying the Commonwealth for adequate indexation of funding to improve its capacity to compete with other employers. Wages and salaries represent a large proportion of costs for DEN providers and expectations about low indexation driving productivity savings in this sector are flawed. As indicated above, we believe a more effective way of improving value for money would be to invest in technical support. This is supported by the history of the Job Network where it appears that the drive for cost effectiveness may have compromised quality services and performance in relation to difficult-to-place job seekers⁷.

Recommendations:

- Provide funding indexation that adequately reflects inflation so that DEN providers can compete with private sector employers to secure adequately trained staff. The indexation model announced in January 2008 by the Hon Eric Ripper, Treasurer, WA Government, would provide a good point of comparison.

Service Specialisation, Collaboration & Innovation

The DEN has long practiced a 'life-first'⁸ approach to employment that recognises the relationship between non-employment barriers and sustainable employment. However in the current environment where DENs are working with a growing number of job seekers with increasingly complex non-employment barriers we are noticing gaps in complementary non-employment programs. In particular there appear to be significant levels of unmet need for the Personal Support Program (PSP) with anecdotal evidence suggesting that job seekers are referred to DENs who are clearly not ready for employment. These referrals represent a cost to DENs due to the amount of time that is invested in job seekers who are inappropriately placed and the

⁷ Parliament of Australia Department of Parliamentary Services (2007); *A Review of Developments in the Job Network*. Canberra, ACT: Parliamentary Library, pg. 17.

⁸ Parliament of Australia Department of Parliamentary Services (2007); *A Review of Developments in the Job Network*. Canberra, ACT: Parliamentary Library, pg. 1, 32.

time taken to coordinate re-referrals, with flow on effects to other job seekers who are then unable to access the occupied place. We have also observed a dilution of service focus with multiple programs, including PSP, each articulating vocational outcomes. Instead, we believe that each individual program should have a core focus supported by opportunities for cross referrals between programs, or even joint funded programs, as required.

Essential to a 'life-first' approach to employment are cross-sector collaborations, especially at the local level. However, individual outcome based funding provides very little buffer beyond direct support and administration to invest in the development and maintenance of collaborative relationships. Here in Western Australia this has been the fundamental principle behind the formation of the Centrelink Community Consultative Committee and its targeted sub-committees. These committees create an essential interface between employment and non-employment providers and create an opportunity for problem solving that is not present in existing forums such as the Providers of Australian Government Employment Services (PAGES) meetings. The Mental Health sub-committee has been particularly effective in assisting Centrelink to identify problem areas and formulating practical solutions that are within the scope of Centrelink staff to fix, but which would otherwise not have received close attention. The Committee has also been able to formulate solutions and proposals which the WAAMH has subsequently brought to the attention of Commonwealth Ministers. In January 2008, WAAMH met with The Hon Joe Ludwig to draw several matters to his attention specifically as they referred to his portfolio of Human Services but which arose from the Welfare to Work policy. A disability sub-committee is currently being formed.

Collaborative relationships between the mental health sector and employment providers are essential for working with people with a psychiatric disability. The Mental Health Consultative Committee draws together Centrelink, Mental health non government agencies, Job Network agencies and other government departments to look at the impact of Welfare to Work policy implementation on people living with a mental illness. WAAMH has also

conducted several seminars which included Dr Geoffrey Waghorn, a researcher specialising in employment for people living with a mental illness and this has been of considerable benefit. WAAMH also had Michael Raper, President of the National Welfare Rights Network, address a range of providers on the Duty of Care aspects of the Welfare to Work policy. In these and other seminars, WAAMH has been instrumental in bringing together mental health practitioners, Job Network agencies and commonwealth government stakeholders to consider key issues in the Welfare to Work policy framework.

The time and funding constraints within an individual outcome base funding model also limit the opportunity to promote the employment of people with a disability to employers and develop innovative approaches to creating and supporting employment opportunities for people with disabilities. For example, the area of self-employment opportunities for people with a disability has not been developed or researched in Australia. This is another area of employment where the general population participates but where people with disability are excluded.

Recommendation:

- Encourage the formation of local CCCC across the country.
- Create a research and development fund to research, develop and maintain partnerships and trial innovative approaches. The value of such investment must not be undermined by excessive regulation and constraints.

3. Government Level

This last section of the submission will focus on those issues controlled by Government which are outside the immediate policy and service provision context but which have a significant impact on DEN providers. In particular it will concentrate on the price that Government pays for employment outcomes

for people with a disability and the level of regulation in demands to demonstrate accountability. It will also highlight Government's poor performance as an employer of people with a disability.

Price & Red Tape

We support the Case Based Funding model rewarding outcomes and linking funding to individual support needs. However, we believe that the current fee levels do not recognise the significant increase in cost driven by burgeoning reporting requirements and growing inflation. The additional costs of delivering services in rural and remote areas have long been recognised, but the current resources boom here in Western Australia is leading to dramatic cost increases in affected rural and remote locations. This is in addition to the general gap between indexation and inflation already identified. While Government has gone some way to recognise these additional costs, narrow selection criteria means these measures have had little effect.

Increasingly detailed program rules and guidelines are a particular source of frustration for providers. Not only must they represent a huge administrative cost to the DEEWR, they add to a DEN's compliance costs and detract from organisations concentrating on their core business – achieving sustainable employment for people with a disability. In deciding to purchase rather than provide services, Government recognised that it does not hold the expertise in achieving sustainable employment for people with a disability. Yet through increasing micro-management and prescribing of service delivery Government is actively shaping the behaviour of service providers in a way that risks compromising the outcomes it seeks. The lessons from the Job Network experience on this front are clear – increased regulation does not provide better outcomes⁹ and it compromises flexibility and autonomy, essential factors in achieving employment outcomes¹⁰. We do not believe that Government has the cost-benefit balance right.

⁹ Parliament of Australia Department of Parliamentary Services *ibid*, pg. 25.

¹⁰ Parliament of Australia Department of Parliamentary Services *ibid*, pp. 31 - 32.

Government as Employer

Improving the level of workforce participation by people with a disability cannot be improved by increasing the supply of job seekers with a disability alone. This must be supported by an investment in employer demand and by a demonstration of leadership. While the Australian Employers Network on Disability is providing this leadership the example set by Governments at all levels is very disappointing. The representation of people with a disability in the ranks of the Australian Public Service has gradually declined over time to a level of 3.3% in June 2007¹¹.

¹¹ Australian Public Service Commission, *State of the Service Report 2006-07*.

4. Conclusion

The DEN sector in Western Australia has grown from a proud tradition of social inclusion and a desire to use employment as the pathway to this goal for people with a disability. Despite some challenging times during the constant reforms of the last eight years, we are confident that together with Government the sector has built a strong foundation for pursuing this goal. The history of policy development in this area has been an ongoing process of seeking the balance between carrots and sticks, between accountability and flexibility. While we are on the right track, we're not quite there yet.

In the last few years especially we have been concerned that the balance has tipped too far towards sticks and accountability. We believe that the recommendations identified in this submission will help restore balance and create an environment that is more conducive to the lessons learned about what works in getting people with a disability into work and keeping them in work:

- People with a disability, and their families, value employment and have the capacity to participate successfully in open employment;
- If people with a disability, and their families, perceive that the incentives to pursue employment outweigh the risks they will embrace this challenge;
- Connecting people with a disability immediately to a quality service that meets their needs is essential;
- Non-employment factors have a real impact on the achievement and sustainability of employment;
- People with a disability can contribute to a skilled Australian workforce;
- Easy pathways between programs and strong collaborative relationships between stakeholders can create opportunities for innovation and improved performance; and
- Service providers need to be able to concentrate on what they do best with a skilled workforce and without the constraints of excessive regulation.

Appendix

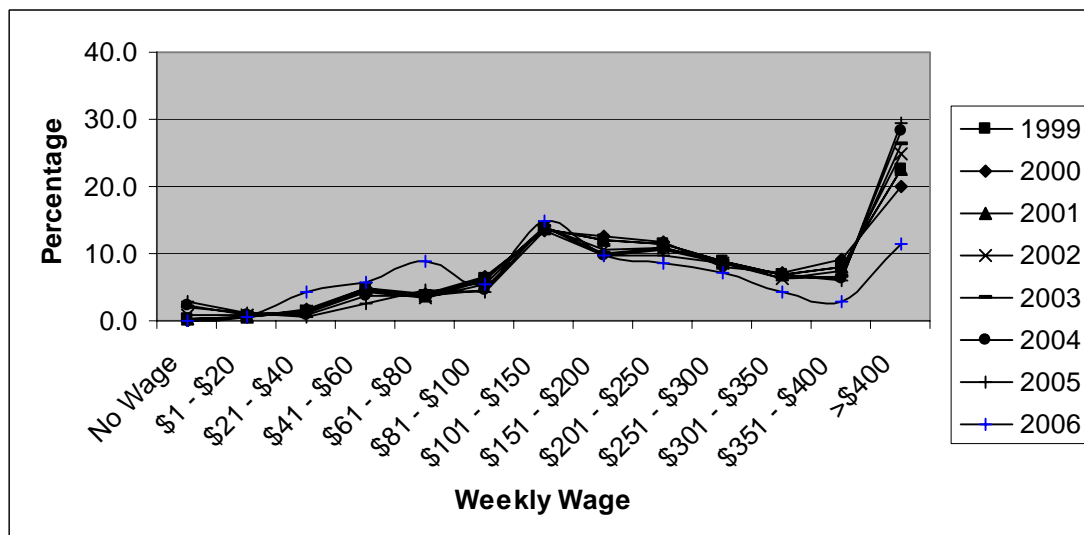
Data Tables

Table 1: Number of DSP recipients who have commenced in employment programs

Month	Job Network Services	Personal Support Programme	Disability Employment Network	Vocational Rehabilitation Services
Jul-06	1,463	450	698	703
Aug-06	1524	383	1172	372
Sep-06	1206	196	1089	372
Oct-06	1524	170	1211	327
Nov-06	1686	143	1061	316
Dec-06	862	93	705	160
Jan-07	978	110	783	125
Feb-07	976	90	738	59
Total	10219	1635	7457	2434

Source: The Senate Employment, Workplace Relations and Education Legislation Committee (2007). Answer to Question on Notice, 2006-2007 Supplementary Budget Senate Estimates Hearing 15 February 2007; Employment and Workplace Relations Portfolio.

Figure 1: Employed Consumers by Weekly Wage 1999 – 2006 (Open Employment)



Source: Extracted from Australian Government Disability Services Census

Table 1: Employed Consumers by Weekly Wage 1999 – 2006 (Open Employment)

YEAR	WEEKLY WAGE	No Wage	\$1 – \$20	\$21 – \$40	\$41 – \$60	\$61 – \$80	\$81 – \$100	\$101 – \$150	\$151 – \$200	\$201 – \$250	\$251 – \$300	\$301 – \$350	\$351 – \$400	>\$400	Not Known	TOTAL
1999	No.	5	155	264	669	474	713	1509	1461	1403	1020	871	1145	2134		11823
	%	0	1.3	2.2	5.7	4	6	12.8	12.4	11.9	8.6	7.4	9.7	18		100
2000	No.	16	98	235	669	558	929	1878	1761	1643	1106	995	1282	2785		13955
	%	0.1	0.7	1.7	4.8	4	6.7	13.5	12.6	11.8	7.9	7.1	9.2	20		100.1
2001	No.	24	89	204	704	594	955	2116	1853	1751	1358	1065	1245	3488		15446
	%	0.2	0.6	1.3	4.6	3.8	6.2	13.7	12	11.3	8.8	6.9	8.1	22.6		100.1
2002	No.	147	121	229	814	590	995	2344	1755	1780	1432	1051	1213	4133		16604
	%	0.9	0.7	1.4	4.9	3.6	6	14.1	10.6	10.7	8.6	6.3	7.3	24.9		100
2003	No.	335	187	214	746	637	958	2505	1793	1927	1608	1144	1181	4686		17921
	%	1.9	1	1.2	4.2	3.6	5.3	14	10	10.8	9	6.4	6.6	26.1		100.1
2004	No.	422	164	147	677	680	846	2552	1785	1922	1572	1238	1162	5211		18378
	%	2.3	0.9	0.8	3.7	3.7	4.6	13.9	9.7	10.5	8.6	6.7	6.3	28.4		100.1
2005	No.	511	220	123	446	824	798	2444	1774	1772	1541	1245	1099	5307		18104
	%	2.8	1.2	0.7	2.5	4.6	4.4	13.5	9.8	9.8	8.5	6.9	6.1	29.3		100.1
2006	No.	19	90	663	874	1318	832	2244	1462	1304	1084	659	417	1709	2335	15010
	%	0.1	0.6	4.4	5.8	8.8	5.5	15.0	9.7	8.7	7.2	4.4	2.8	11.4	15.6	100.0

Source: Extracted from Australian Government Disability Services Census

Table 2: Employed Consumers by Weekly Hours of Employment 1999 – 2006 (Open Employment)

YEAR	HOURS OF EMPLOYMENT	<8	8 to 15	16 to 30	31 to 40	>40	Not Stated	TOTAL
1999	No.	395	3039	3731	4559	99		11823
	%	3.3	25.7	31.6	38.6	0.8		100
2001	No.	294	4655	4729	5641	127		15446
	%	1.9	30.1	30.6	36.5	0.8		99.9
2002	No.	246	5322	4957	5853	226		16604
	%	1.5	32.1	29.9	35.3	1.4		100.2
2003	No.	283	5746	5436	6164	292		17921
	%	1.6	32.1	30.3	34.4	1.6		100
2004	No.	205	6030	5627	6268	291		18421
	%	1.1	32.7	30.5	34	1.6		99.9
2005	No.	230	6179	4843	5725	1133		18110
	%	1.3	34.1	26.7	31.6	6.3		100
2006	No.	1134	4590	3341	4032	898	1015	15010
	%	7.6	30.6	22.3	26.9	6.0	6.8	100.0

Source: Extracted from Australian Government Disability Services Census

Table 3: Employed Consumers by Basis of Employment 1999 – 2006 (Open Employment)

YEAR	1999		2000		2001		2002		2003		2004		2005		2006	
Basis of Employment	Number	%age	Number	%age	Number	%age	Number	%age	Number	%age	Number	%age	Number	%age	Number	%age
Full Time - Permanent	3904	33.0	4447	31.8	4774	30.9	4550	27.4	4697	26.2	4764	25.9	4431	24.5	3808	25.4
Part Time - Permanent	4676	39.6	5386	38.5	5541	35.9	5677	34.2	5889	32.9	5991	32.6	5708	31.5	8033	53.5
Casual - Permanent	1912	16.2	2900	20.7	3371	21.8	3905	23.5	4481	25.0	4522	24.6	4663	25.8	681	4.5
Seasonal - Permanent	71	0.6	63	0.5	57	0.4	80	0.5	62	0.3	64	0.3	75	0.4	6	0.0
Full Time - Temporary	232	2.0	220	1.6	304	2.0	391	2.4	453	2.5	492	2.7	470	2.6	84	0.6
Part Time - Temporary	442	3.7	369	2.6	414	2.7	550	3.3	560	3.1	584	3.2	616	3.4	96	0.6
Casual - Temporary	516	4.4	528	3.8	926	6.0	1383	8.3	1721	9.6	1897	10.3	2085	11.5	291	1.9
Seasonal - Temporary	70	0.6	42	0.3	59	0.4	68	0.4	58	0.3	64	0.3	56	0.3	6	0.0
Not Known															2005	13.4
TOTAL	11823	100.0	13995	99.7	15446	100.0	16604	100.0	17921	100.0	18378	100.0	18104	100.0	15010	86.6

Source: Extracted from Australian Government Disability Services Census