

13th February 2008

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

Dear Minister

Jobsupport welcomes the opportunity to contribute ideas about how the current employment services for people with a significant intellectual disability could be refined.

Jobsupport operates a Capped DEN service that caters for people with a moderate intellectual disability (IQ less than 60). This population has a low take up by other Capped DEN services, was routinely institutionalised until the 1950's and was only accepted into special classes in New South Wales high schools as recently as 1982. Jobsupport began in 1986 as a demonstration project prior to the Disability Services Act to show that people with a moderate intellectual disability could achieve open employment. More recently Jobsupport initiated a Transition To Work pilot to show that many New South Wales Post School Options service users with a moderate intellectual disability could succeed in open employment.

Jobsupport is Australia's largest specialist service for people with a moderate intellectual disability. The performance of Capped DEN services has only been publicly rated on two occasions. In 1999 Jobsupport was rated by NIMs as one of the top 9 services in Australia and more recently in 2007 all 4 Jobsupport services were rated by DEEWR as 5 star (only 15 Capped DEN services nationally achieved 5 stars).

The employment of people with a moderate intellectual disability in the regular workforce has come a long way since the Disability Services Act was introduced in 1986. Unfortunately some of the policy changes made over the last 10 years have made it increasingly difficult for Jobsupport to operate effectively.

Jobsupport is unable to accommodate school leavers - the Cap and the lack of a process for allocating unused capacity are creating major problems

- Jobsupport's Sydney Capped DEN services are full with 100 clients waiting in its State (Post School Options) Transition To Work Program.
- Despite there being no service similar to Jobsupport in Melbourne and demand for such a service there is currently no way of accessing capacity.
- The new places released last year were allocated on the basis of 5 per service regardless of performance, waiting lists or service size.

- There is no mechanism for allocating unused places to better performing open employment services with waiting lists.
- Services are “punished” if they try to work above capacity with clients on their waiting list. Jobsupport works with waiting list clients above capacity if a suitable job becomes available however there is no mechanism for bringing these employed clients into the service as placements when a vacancy occurs. We currently have 8 such clients.
- School transition programs and State Transition to Work services will begin to break down if no Commonwealth Capped DEN places are available.
- The cap on the Capped DEN program is resulting in clients entering Business Services and Post School Options activity programs they don’t want at a higher cost to the taxpayer.
- The Star Rating, de-funding and tendering arrangements used in the JobNetwork would be counterproductive for disability open employment services providing ongoing support. Jobsupport’s employers and clients with a moderate intellectual disability are only willing to attempt open employment because they are guaranteed ongoing support.

Recommendations

- Increase the number of places in the capped program by 10 to 15% and limit new entries into the capped program to volunteers (currently clients capable of working more than 30 hours and becoming independent within two years are included). Monitor this situation to estimate the cost of removing the cap and aim to remove the cap in the medium term.
- Publish each services results by type of disability (and support need if appropriate) and let informed client/advocate choice guide where places are filled and put pressure on service to improve. Better performing services will grow as clients vote with their feet.
- Move from relative to absolute benchmarks for re-tendering poor performers.
- Allow services to make a case to establish new services where a gap in service provision can be demonstrated.

Jobsupport is only financially viable because it negotiated a ‘workaround’ for the DMI

The funding formula is overly complex and needs to reflect real costs

- Initial placement costs are under funded for people with intellectual disabilities.
- Maintenance and placement cannot be costed in isolation from each other. Jobsupport spends far more than the available placement funding setting up a support structure that reduces maintenance costs.
- The system is overly complex. Jobsupport now bills DEEWR five to six hundred times every month.
- The DMI is conceptually flawed. It rewards services for the support provided not the support needed and encourages over servicing. It requires problems to occur and then be addressed – the goal should be to set up a support structure that prevents problems from occurring.

- The DPI and DMI lack inter-rater reliability and this leaves services exposed to inappropriate fraud accusations. Jobsupport recently photocopied 25 files (3 hours each) as part of a wider DEEWR review of the DMI and DPI evidence. If DEEWR ties down evidence requirements it may render the funding system non viable.

Recommendations:

- Scrap the the DMI and fund maintenance as a proportion of initial funding.
- Establish set funding levels for severe, moderate and mild intellectual disability based on the real costs of services achieving good outcomes so that the DPI can also be scrapped.
- Simplify billing arrangements
- Limit DEEWR fraud checks to outcomes not compliance with inappropriate DPI and DMI assessment instruments.

The current JCA process discourages employment participation

- People with a significant intellectual disability applying to enter an employment service put their pension entitlement at risk. Why are people with very severe and obvious disabilities part of the JCA system? Why aren't some groups manifestly eligible for the capped program?

Recommendation

- Groups such as people with a mild/moderate intellectual disability or autism who are currently on the DSP or required special provisions at school should be automatically eligible for disability open employment services.

In addition to the problems and recommendations for addressing these problems listed above, Jobsupport would like to suggest two opportunities for improvement.

The introduction of the EA3000 data system provides an ideal base for facilitating continual improvement in disability employment services. In some cases, the current Capped DEN KPI's unintentionally incentivise inappropriate behaviours such as job splitting or inappropriately exiting clients in maintenance. Nevertheless, with minor refinement, the introduction of KPI's is a very positive step forward. The previous government relied solely on negative consequences to drive performance improvement. Management theory would suggest that performance is maximised if there is both a reason to improve and assistance with how to improve. In the US several universities, such as Virginia Commonwealth University, operate Technical Assistance Units. These units have a good understanding of what constitutes good practice for different client groups. They provide staff training based on good practice. They also evaluate disability employment services against good practice, recommend improvements and put the service in touch with other organizations already proficient in the suggested area for improvement. The introduction of a Technical Assistance Unit in Australia would provide services with help on how to improve.

A dedicated stream of staff within DEEWR focussed on removing employment barriers for 'volunteers' entering the Capped DEN program could also be helpful. The Prime Minister spoke during the election about establishing a more co-operative

Commonwealth / State interface. A dedicated stream of DEEWR bureaucrats could be held accountable for improving the Commonwealth / State interface for people with a significant disability. Econtech reports commissioned by Jobsupport clearly demonstrate that across government savings would occur if Post School Options service users who want to work are able to do so.

Thank you for the opportunity to have input. I would be happy to expand on any of the points raised if this would be helpful.

Yours sincerely

Phil Tuckerman
Director