

31 January 2008

To: The Hon Brendan O'Connor MP
Minister for Employment Participation

**Re: Suggested improvements to Disability Employment Network (DEN)
Services at this important time**

I am pleased that the Hon Brendan O'Connor MP, Minister for Employment Participation is interested in suggested improvements to the current DEEWR administered Disability Employment Network (DEN) Programs.

Community Bridging Services (CBS) Inc is a strongly regional spread service in South Australia with a commitment to supporting people with a disability living in rural and remote regions. Our DEN office bases include Gilles Plains, O'Halloran Hill and Adelaide city within the metropolitan region and Murray Bridge, Lameroo, Berri, Pt Pirie, Pt Augusta, Pt Lincoln and Yorketown in regional SA. Three of our contracted sites are small, with between 19 and 38 clients. We believe we have a good understanding of the challenges and issues facing DEN services.

Prior to the election, DEEWR seemed to be reluctant to work in partnership with service providers. In our view DEEWR has a cold business approach to services and relationships that is culturally out of touch with people with a disability and their families. This approach reduces service effectiveness rather than improves it.

The current focus of using Star Ratings as the main way to measure service effectiveness and reallocate business has a strong emphasis in taking a focus away from people with a disability and onto surviving under the Star Ratings. That tends to be all we hear about these days. Our main client has shifted from being the person with a disability to DEEWR. As a result agencies are tempted to engage in business practices designed to improve Star Ratings and survive in this environment rather than the best employment service including necessary pre-employment education and training required by the individual client. The "work first" policy of DEEWR, no matter what employment, often clashes with the individual wishes of the client placing CBS staff in a difficult ethical dilemma.

I wanted to briefly outline five key issues that Community Bridging Services (CBS) Inc believes are important during your current request for suggested improvements.

- 1. CBS does not support the re-tendering of services from the end of the 30 June 2009 contract period that are meeting their contracted outcomes. Competitive tendering does not provide you with the best test for service delivery to the community.**
- All programs that we currently operate under DEEWR were successfully tendered for in the past, so if those programs are going well why re-tender them?

- If DEEWR use the Star Ratings to reallocate business in July 2009 there has been insufficient time for agencies to improve their rating. It could be assumed that currently DEEWR will use the June 2008 Star Ratings to decide on business reallocation to allow for the tendering process to take place. If this is the case, agencies have had less than four months to make a significant difference in their Star Ratings as 26 week outcomes are heavily weighted in the model and the first release of ratings were in August 2007. Up until this time agencies did not have an indication of what their rating would be.

If the Star Rating System is continued, DEN agencies need more time to respond to their ratings than currently being given.

- Recently two other senior staff and I attended a tender writing workshop in Melbourne. This was an expensive two day training program. It is clear that more and more agencies are spending increasing amounts of money hiring tendering experts and attending such training programs. Smaller agencies with less capital do not have the resources of larger agencies to fund fulltime tendering teams. This places smaller agencies, especially those in rural and remote areas, at a disadvantage in the tendering process. More and more funds that could be used in direct service delivery to people with a disability are being spent on tendering and tendering consultants. Many smaller agencies provide excellent services to local communities and provide a choice to consumers.
- Another ramification of tendering on rural and remote DEN services is the growing practice of larger city based services taking over smaller rural services. It appears that the rural services are frightened of losing funding via tendering and Star Ratings and retreat to what they think is the safety of the larger city services. This may be safer, but what is sometimes lost is the close attachment to the local community and local control. Services to clients in those areas are not necessarily improved by such change and often consumers lose the option of a choice of services in those areas. Consumer choice was once a Commonwealth priority, but this has been undervalued under DEEWR and the Howard Government.
- CBS does not want tendering to go the way of such experiences the defence industry has. Millions of dollars are spent on tenders that are produced on massive amounts of paper where only large multinational companies can compete. A defence contract with a Canadian company being ended by the Commonwealth recently proves that even under these conditions tendering does not necessarily work.

2. The Star Rating System requires major change or be disbanded to better respond to the challenges of employment in remote regions and to place greater value on education and training as a desired outcome to respond to the problem of the growing group of the working poor.

- As unemployment drops, people who are referred through the Job Capacity Assessors (JCA) are becoming more difficult to prepare and find employment for. Referred clients are becoming older and more are not voluntary workers, but forced under mutual obligation. To maintain, or improve your Star Rating, there is more pressure to resist such clients who do have needs, but often present with multiple barriers including addiction challenges and a lack of motivation to work.

If DEN agencies do not service such clients who do have needs, who will?

- In regions with low client numbers, especially in rural and remote areas, it is difficult to maintain Star Ratings at levels acceptable by DEWR. Small client numbers in areas with a lack of employment opportunities and the challenge of no or little transport makes it hard to survive. Small changes in outcomes have a big impact on your Star Rating.
- Motivation and self confidence in clients are in our opinion, the most crucial variables in determining success in employment. The Star Rating System does not take into account, or measure motivation or self confidence. If it does, I'd like to know how this is achieved. As more compulsory clients present, they are experienced in the ability to survive rather than work. Consequently they do not communicate details about substance abuse or motivation. This comes out later when their time in DEN is coming to an end.
- Star Ratings and DEEWR do not sufficiently value or promote education. DEN agencies get paid on employment related outcomes and not education outcomes. Unless training is short-term we have to exit clients and can not support them. It is known world wide that training and education are the keys to better job opportunities, improved career development, increased income and greater life opportunities. This helps prevent people with a disability being the working poor.

3. The Job Capacity Assessment (JCA) system requires change.

- The Job Capacity Assessment (JCA) system does not encourage those people on the Disability Support Pension (DSP) to work. If they are voluntary workers, once they go to a JCA they risk having their DSP reviewed and lost - so many do not go.

Australia is missing out on the economic output of many Australians with a disability who want to work, but do not want to risk losing their DSP. This system problem must and could easily be fixed.

- JCA staff constantly refers clients inappropriately. They generally lack understanding of disability types and industry experience. Centrelink staff are generally much more experienced and effective in this process.

4. DEN services are over administered and monitored under DEEWR creating ever growing bureaucracies.

- DEN has compulsory Quality Assurance with most agencies, also being ISO registered. This includes external annual auditing by registered companies and random interviews of clients. QA registration and maintenance is not required for Job Network agencies.
- DEEWR regular monitoring visits that include spot file checks and checking complaints received are also monitored. DEEWR staff have access to client information at any time via EA3000. Clients are becoming more and more concerned about personal information being available and are consequently requesting that some personal information is not disclosed, or recorded.
- The amount of time our staff spend on providing detailed information on our clients and administering EA3000 and payments is now far over what is necessary. CBS determines that about 40-45% of time is now spent on administration by each staff member, thus reducing time to provide direct support to clients.

- At the same time the Commonwealth appears to be supporting an ever growing bureaucracy of staff to respond to increased administration from their end. Commonwealth staff numbers grow as their budgets increase. DEN agencies like CBS have to just ask staff to do more.
 - We are finding it harder to recruit and maintain staff. Staff who entered employment with us some years ago complain that they wanted to work and support people with a disability, not become a part-time administrator for the Commonwealth. Consequently, staff with many years of experience are leaving. Some may say that these employees were not willing to change with the times, but they would argue that the changes are wasteful, unwarranted and undesirable. In the end, their skills and experience are lost.
 - Monitoring and accountability is important and necessary, but the balance is out.
- 5. Move the administration of DEN away from DEEWR and back to FACSIA, or change the cultural of DEEWR to be more partnership and service improvement focused rather than its current autocratic and bureaucratic style.**
- Supporting people with a disability to prepare, find and maintain employment is as much about good, positive relationships as it is about jobs. CBS spends years developing such relationships with clients, their families and local businesses. DEEWR tends to refuse to understand, or value this. Relationships do not appear important to DEEWR, but they are important to people with a disability and their families.
 - The idea of using the Star Rating System to redirect business as the major deciding factor despite all other monitoring processes being good reflects a lack of appreciation by DEEWR about these relationships.
 - DEEWR's Star Rating System is removing the longer term support and focus which has been shown to help people with disabilities obtain employment. Star Ratings are driving the quick is best approach –“work first”. Experience tells us this will not work for many people with a disability with higher support needs and limited education and training.
 - DEN would be better administered by FACSIA rather than DEEWR, or change the culture of DEEWR to be more partnership and service improvement focused rather than its current autocratic and bureaucratic style.

The five points described above are a summary of the key issues facing our organisation and clients at this present time.

Yours faithfully

Freddie Brincat
 Executive Director
 Community Bridging Services (CBS) Inc.