

1st February, 2008

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

Dear Mr O'Connor

Thank you for your invitation to contribute ideas on the current employment services model.

As The Mai-Wel Group manage both Business Services and a Disability Employment Network (DEN) Service, we have provided a dual perspective in some responses and ideas.

KEY ISSUES

1. **Transition opportunities between Business Services and DEN providers**
2. **Reduction of Red Tap and Administration Burdens**
3. **Improved access to Disability Employment Services**
4. **Star Ratings:**
 - a. **Reward for long term sustainable job outcomes, training and career progression**
 - b. **Recognition of need for on-going support for some people with a disability in open employment**
 - c. **Move toward more 'absolute' performance management approach**
5. **Removal of disincentives to participation**
6. **Retention of specialist skills and knowledge within the Disability Employment Sector**

1) **Transition Opportunities between Business Services and DEN Providers**

a) **Transfer from Business Services to Open Employment (DEN)**

At Mai-Wel, we have some Level 1 and 2 (Low Support) supported employees in our Business Services who would like to try to gain employment in the open job market. A DEN Service would be the choice they would make and need to gain support to find and set up an open employment job. Currently there is a major barrier as this is not possible unless they are prepared to leave their job in Business Services.

- This would be very risky as there is no guarantee that he would gain a position with the (Disability Employment Network) DEN Provider.
- The client is at risk of becoming deskilled – losing the many employment related skills they had built up whilst they had a job in the Business

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Achieve Employment
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TimeSavers

Respite Services

Accommodation
Outreach Program

Flexible Living Options

Mai-Wel
Training Services

Community Programs

THE MAI-WEL GROUP

is the largest disability service provider in the Lower Hunter area and is focused on developing opportunities that will enable people with a disability realise their individual goals for life. Mai-Wel supports access, integration and opportunity for all.

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- Service. They can also become de-motivated while they wait to achieve their 'new' position
- Devalues the credibility of both the Business Services and of those supported employees who work either short or long term in a Business Service
- This is an inequitable situation, as people without a disability would not be expected to leave their job before applying for support to get another job.

b) Open Employment To Business Services

Placement in a Business Service is not considered by DEEWR to be an outcome for the DEN provider.

Again this issue devalues the Business Service and actually implies that a Business Service job is not a 'real job'. It also suggests that the DEN Provider, despite the fact that in most cases where referral/placement in a Business Service occurs only after the weeks/months of assessment, training, time and resources invested in the client, does not understand the ability of their clients as;

- Business Services are the right and most suitable option for some people with disabilities.
- The Business Service can also be an excellent training ground. This type of employment allows the person to develop skills, mature, engage in workplace culture, expectation of an employer, on the job assessment.

2) Reduction of Red Tape and Administration Burdens

a) Multiple Audits

The degree of compliance and reporting is a huge burden for the Disability Employment Sector. Every year The Mai-Wel Group and similar NGO's face multiple audits from different governing bodies. As discussed, auditing creates cost for Government/s and the duplication of audits and their standards results in a very time consuming process. For example, audits include Business Services, DEWR and State Services. An ISO Audit is an extra again for many services.

All of these auditing processes have similar, if not the same standards, resulting in huge costs to Government/s as well as huge time and financial costs to the organisation, thus a loss of time to provided services to people with a disability.

b) Level of Evidence to Support Funding Assessments

The Mai-Wel Group, and I believe the large majority of Disability Service Providers, endorse that it is very reasonable to establish the person with a disability's level of required support and the need for monitoring of service delivery. However, in 99% of cases, clients support requirements do not change during their lifetime as they have a lifelong disability. Questions on clients changing needs are already contained within the Disability Maintenance Instrument (DMI) and therefore change in support needs is captured. However, Business Services are required to report every 2 years for each supported employee.

Example a) Coral, a person who had a moderate disability and epilepsy, has been with Mai-Wel Business Services for 12 years. During that time her support needs have remained the same.

Example b) Another example is a High Support Person. DMI requires reporting on 50 questions to be answered and to provide evidence for support each day. Over the assessment period, across the 9 domains there can thousands of pieces of

evidence required, making it impossible to really comply. Again this is a very time consuming process and results in a loss of time, which would be better utilised in support or services to people with disabilities.

3) Improved access to Disability Employment Services

DEN

- Remove the “cap” from the capped program, demand driven program.
- Dissolve the ‘uncapped” places program and incorporate the needs of this client group into one program that delivers disability employment support based on the support needs of each individual.
- Remove outdated policies that deter participation, and allow for concurrency of programs. If we are serious about facilitating employment for people with a disability we should be looking at what program “mix “do they need. Working collaboratively with a wide range of services ensure that people with a disability can maximize their employment potential. For example jobseekers registered with a DEN provider are unable to access useful labour market programs such as NEIS program. Alternatively, jobseekers receiving services from DADHC funded services such as Transition to work, are unable to register with DEN.
- The Job Capacity Assessment System requires significant adjustments. The appropriate allocation of resources is imperative to the success of disability employment services, as is accurate assessment of client support needs. The current assessment tool, the Job Capacity Assessment, has significant shortcomings that have an impact on clients, disability employment services and other service providers. The primary issue is that the JCA serves as both as determinant of service referral and of income support – with this having a serious impact of people’s capacity to participate.
- The quality of the assessments conducted and recommendations made are generally of a poor standard and do not accurately reflect the support needs of the individual.
- In reviewing the JCA process the following should also be considered:
 - Jobseekers referred to inappropriate programs should be able to be easily transferred to the program stream that best suits their support needs without affecting a programs performance in any way.
 - No jobseeker should be deemed unemployable based on a perceived and/or untested ability to work.

Business Services

- Provide more funded places in Business Services thereby allowing young people from school and Transition to Work programs to achieve employment outcomes. Transfers to Business Services will make funding available for older employees in Business Services to transfer out to a more appropriate State Funded Day Program.

4) Star Ratings:

a) Reward for long term sustainable job outcomes, training and career progression

- The focus of disability employment should be on employment sustainability. There are both economic and social benefits in ensuring that the individual with a disability, once in work, is supported to maximize opportunities both within that employment and where required look for new opportunities for career development.
- The shift of DEN to DEEWR has seen a focus on placement in itself as the primary focus as opposed to sustainable employment or career progression. These approaches will not provide long term sustainable benefits to individuals or employers.
- It would appear that DEEWR does not see the correlation between training and employment outcomes. It is well known that training and education are key to better job opportunities,

improved career development, increased income and greater life opportunities. The Star Ratings do not recognise education and training. It would not be suffice for the Star Rating system to just acknowledge training and education. What is required to prevent people with a disability becoming one of the "working poor" is a performance management system that acknowledges that it can take time to produce quality outcomes, not just a short course of 8 to 13 week duration.

b) Recognition of need for on-going support for some people with a disability in open employment

Some people with a disability who achieve an open employment outcome will require continued ongoing support to maintain their employment. Mai-Wel have a group of clients employed by a local business for more than 14 years, who, without the continued support from Hunter LabourForce Solutions, would not continue to be employed.

c) Move toward more 'absolute' performance management approach

See notes under "Performance Management Principles" page 8.

5) Removal of disincentives to participation

In May 2005, over 700,000 people in receipt of the Disability Support Pension were "grandfathered" under legislation changes introduced the federal government at that time. Unfortunately the changes to assess for service which accompanied the DSP legislative changes act to deter grandfathered DSP recipients from volunteering to seek employment assistance.

The degree of disincentive is evidenced by the decline in DSP volunteers referred for employment assistance. An overall reduction of 36% of DSP volunteers across all Federal government employment programs and a 23% drop in referrals to our own employment program (DEN) more specifically has occurred since December 2006, when the mandatory re-assessment of DSP eligibility for voluntary jobseekers with a disability was enforced. Voluntary participation in looking for work is a recognized contributor to strong employment outcomes. It is important that voluntary jobseekers with a disability are provided with every opportunity to secure and maintain employment in a booming labour market. This group of potential workers, with so much to offer, should not be over looked in the context of "active" labour market policies.

6) Retention of specialist skills and knowledge within the Disability Employment Sector

- a) It is imperative that DEN remains a specialist program within the suite of employment programs delivered by DEEWR.
- b) DEN staff have the expertise in delivering specialist assistance to people with a disability. Staff require a broad range of skills and disability specific qualifications, often at tertiary level. Unlike other employment programs where the job seeker is required to "fit" within pre-determined labour market opportunities, DEN providers focus on getting employment opportunities that "fit" the job seeker. This is achieved through job creation activities, job carving and individual negotiation with employers, all of which requires a high level of skill and knowledge. Meeting individual jobseeker needs is what will result in long term, sustainable employment outcomes. The processes in place for evaluating efficiency and effectiveness does not value or recognise this process or value the time taken to reach these types of outcomes for people with a disability. Funding and contractual arrangements need to continue to support innovation in job seeker servicing and support.
- c) The current DEN program and contract management policies promote a "one size fits all" approach to program delivery. This approach fails to acknowledge the need for Disability Employment programs to be able to provide services that are specific to the needs of each individual and specific client group served for example the services and supports required

for a person with a cognitive disability are significantly different to those of a person with a psychiatric disability. It is anticipated that in the current performance management approach to in providing employment programs for people with a disability will have a significant impact on workforce participation for people with a disability in the long term.

- d) Current funding arrangements do not adequately support the sustainable focus of disability employment or in the way support needs to be delivered. Disability is for life and as such, disability employment services engage with clients and their families over significant periods of time. The current purchaser provider model, with the potential for provider turnover every three years does not support the operation of effective support services. Supporting people with a disability to prepare, find and maintain employment is as much about good positive relationships as it is about jobs. As an employment service provider we have invested many years into developing these relationships with our clients, their families and employers. Relationships and their value to quality outcomes is not valued under the current funding arrangements.
- e) The current Star Ratings System for DEN does not support longer term support for people with a disability. The Star Ratings are driving the "quick is best" approach. Experience informs us this is not an effective strategy for ensuring quality employment outcomes for people in the long term, especially those who may have higher support needs and limited education and training.

The following information is provided in response to the specific points to achieve the objectives identified in the Government's Social Inclusion and Skills policies. Where required responses have been separated showing the view from DEN and Business Services perspective:-

- **Early interventions minimize the number of long-term welfare dependent Australians of working age (including a review of the Job Seeker Classification Instrument)**

DEN

Evidence shows that early intervention strategies speed up the rate of return to work

Factors that go against this for DEN services include:-

1. Training is not counted as a performance measure
2. Job seekers who are re-entering the workforce who have been employed are not initially obliged to look for work for the first 3 months because it is assumed they have been employed once and they will be motivated to find employment again. Early intervention requires services to be available when they are needed and at a cost effective price. Experience shows that the services required are not readily available.

There appears to be some confusion amongst providers about what the Job Seeker Classification Instrument looks like, what it measures and how it impacts on determining the level of support provided to the clients with a disability.

Business Services

Employment in a Business Service for a young person transitioning from school to employment provides a raft of benefits. The young adult learns the necessary skills to be a valuable employee and the social skills to interact and function in the adult employment environment. However, Business Services often cannot provide a place for young people looking for work, whether they come directly from school or from State Services such as Transition to Work. Business Services are encouraged to operate at capacity and most do not have vacancies. Therefore young people can become unemployed and lose skills they have achieved at school or at TTW. This can create long-term welfare dependency.

A cyclic arrangement to alleviate lack of places in Business Services would be to provide places in Business Services for young people entering the workforce thereby creating a place in a State Service. At the same time, allow transition to a State funded Day Program for older Supported Employees who are looking for supported activities as their needs change and they move toward retirement.

- **Employment services are relevant to the circumstances and needs of the job seeker**

DEN

- This is made difficult because the emphasis is on getting clients into employment often at the expense of job satisfaction and retention of employment – it is often not their first choice of job but rather the job that becomes available.
- The push towards any employment outcome means that not enough time is spent on making a good job match and therefore longevity in the job is jeopardised.
- Changing jobs, or attempting to create a career path is difficult because of the timeframe involved with support particularly on the uncapped program
- Some clients are denied access to a DEN services during the initial stages after leaving school eg Personal Support Program (PSP) clients, Transition to Work (TTW) clients
- Clients in receipt of Disability Support Pension are reluctant to register with a DEN service because of the subsequent review of their pension eligibility that entry generates

Business Services

Business Services are entirely relevant to many job seekers with moderate to high support needs. However, access is often restricted due to services having all their funded places filled. This can result in the client seeking support from a DEN provider who may not be able to provide appropriate and/or sufficient time to prepare the person for employment. Should the person achieve an

employment outcome in 'open employment' the position may not be sustainable or necessarily satisfying or suitable for the needs of the client. Business Services provide an ideal employment and training environment for people with a disability and can be the perfect 'first step' into the world of work. If the transitional arrangements between DEN Services and Business Services were relaxed, Business Services could assist many people to achieve an open employment outcome. Notwithstanding transition to open employment, many clients find sustainable and rewarding employment in Business Services. The value of Business Services is unrecognised and degraded as a result of some Government policies (*see previous notes page 2*)

▪ ***Job seekers with higher levels of disadvantage receive intensive assistance***

DEN

Connecting PSP clients with a DEN provider sooner than the last 6 months of their program – would allow speedier intervention and a positive focus

The focus on getting clients into employment as quickly as possible impacts on the long term success and sustainability of employment for job seekers with higher levels of disadvantage.

Accuracy of the initial JCA Assessment is critically important, as transfer to a Business Service where intensive assistance and training could be provided, is not a viable option for DEN services. Additionally, the current DEN program and contract management policies promote a "one size fits all" approach to program delivery. This approach fails to acknowledge the need for Disability Employment programs to be able to provide services that are specific to the needs of each individual. It is anticipated that in the current performance management approach to providing employment programs for people with a disability will have a significant impact on workforce participation for people with a disability in the long term.

Business Services

Clients with higher support requirements are most definitely provided more intensive assistance. The Disability Maintenance Instrument measures the support needs of clients and provides funding commensurate to their needs.

▪ ***Incentives for training which will improve the employability of job seekers (including incentives for long term training and education to address labour market needs)***

DEN

Training incentives would be a valuable enhancement of the employability prospects of people with a disability. The incentives should ensure:-

- it is included as a performance measure for DEN providers
- a genuine outcome of the individual's Employment Assistance Plan
- that the training provided addresses the skills deficits of the client
- they provide skills in labour shortage occupations
- assessment is competency based
- the training also incorporates a work experience component
- allowance and the potential for changing jobs and pursue career advancement in the long term.

▪ ***Job Seekers receive appropriate training***

DEN

There is a disincentive for DENs to spend time on training as it is not counted as a performance measure, can be time consuming and impacts on achieving a 26 week outcome in the allocated time. However, Hunter LabourForce Solutions - Achieve Employment provides a range of both internal and external training opportunities for the clients including Getting L's and P's, Green Cards and others. The Mai-Wel Group is fortunate to have a number of trainers and access to training programs. Other organisations may not necessarily have these resources and finding suitable trainers/training at a cost effective price is not easy.

Business Services

Supported Employees are provided with both on-the-job and off the job training. Services are required under the Disability Service Standards to provide training to employees.

- ***Performance management principles (including star ratings and business reallocation) that support sustainable outcomes and promote quality service delivery***

DEN

- External performance measures need to be useful if all involved are to have an accurate picture of DEN outcomes. The current approach (Star Ratings) is a measure of performance. It does not however reflect the nature and operation of DEN and as such does little to support organizational awareness and learning that supports continuous improvement.
- The Star ratings measure transitory milestones. In many ways this is contrary to disability employment programs “on-going support” principles of working with the client to achieve and maintain quality employment outcomes. Training provided addresses the skills deficits of the client.
- The Star ratings is a relative ranking system that results in organisations competing and being reluctant to share information and best practice principles amongst providers. In the past there was a willingness to share best practice, resulting in better service for clients. An ‘absolute’ ranking system would not only cut down competition but would facilitate sharing of information.
- The system based on transitory milestones and competition between providers stemming from the relative ranking system results in getting people into employment as quickly as possible. The quality and sustainability of these outcomes is questionable.
 - Clients are placed in any job rather than the job they want
 - Often insufficient time is spent on training / co-worker support
 - The need to make clients as independent as quickly as possible limits the chances of them being assisted to up-skill and/or seek better jobs in the same organisation

Business Services

- External performance measures ensure organisations focus on Continuous Quality Improvement. The Quality Assurance Accreditation introduced in 2001 has raised the quality of service provision across the Business Service sector. This has resulted in improved services for people with a disability. However, a closer link between services assessed as fully compliant to the Disability Service Standards and allocation of new client places would ensure people with a disability are entering services with best practice systems. The existing system also rewards poor performing organisations through additional funding to improve business viability and to compensate for payment of Award Based Wages. By default this disadvantages some organisations, such as The Mai-Wel Group, which have been paying Award Based Wages since 2000 with no additional assistance from the Federal Government.

- ***Minimisation of time and money spent on administration***

DEN

- DEN has compulsory QA administered through FaHCSIA. This includes external annual auditing by registered companies, file reviews and individual client interviews.
- DEEWR has several monitoring visits that include file checks, complaints reviews. DEWR staff have access to client and program information at any time via EA3000.
- It has been determined that approximately 40 to 45% of an Employment consultants work time is consumed by administrative activities.
- It could be argued that the dominant cultural from DEEWR in relation to program funding is compliance. Compliance to program guidelines has become a full-time job. The Mai-Wel Group has recruited a full-time “ Compliance Administrator” to ensure both the DEN Program and Business Services meet their compliance obligations.

Business Services

Please refer to note 2 (page 2)

ADDITIONAL THOUGHTS - WHAT CAN EMPLOYERS AND POLICY MAKERS DO?

Recruitment & Retention:

- Develop recruiting methods and advertise job positions that are targeted for people with a disability, in cooperation with government and non-profit agencies?
- Further development of programs that provide opportunities for traineeships and other on the job training opportunities for people with a disability. The establishment of "Entry Point Programs for PWD" within a range of government and non-government organisations. The current DAAWS New Apprenticeship program is time consuming, cumbersome and restrictive to both employers, service providers and people with a disability. There has been a reduction in the number of DAAWS positions advertised within the Public sector. A new program that was flexible and accommodated the needs of employers, and PWD is required. It needs to be acknowledged that Disability Employment programs need to be different to those provided in the mainstream if they are to be effective.
- Government to invite large businesses / companies to participate in disability employment projects. Funding would be provided to business to establish projects including the employment of a key person within each organization to facilitate the project, and establish working partnerships with Disability Service providers. Tax credits and incentives would be provided to these businesses based on the numbers of PWD they employ and / or on purchasing contracts established with companies that employ people with a disability. Business must be involved in disability employment program and policy development.

Kind regards

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