

Tuesday 8 January 2008

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

Dear Sir

Re your letter to CEO's of Job Network and DEN dated 7/1/2008

We are a DEN Capped provider only so our thoughts will relate to this service primarily.

When I started to think about the question of how our service could be improved it lead to a much wider consideration of improvement in the social security system as a whole. One of course is based in the other. I feel that the present social security system is costing the country far too much to administer. Enormous amounts of money have been spent by the previous Govt. in micro control and a shift in focus in long overdue. We here feel that there needs to be a shift away from suspicion, policing, penalising, evidence collection and adversarial thinking with co-operation, incentives, empathy and humanity.

I know that one of the things western governments would like to do is simplify their social security systems but have had trouble with public resistance.

I have an idea for a one system to suit all (would include all current recipients) that would not disadvantage anyone save a lot of money in administration and fit in well with a simplified case based funding for DEN and with built in incentives to work.

Australian Social Support Benefit

Consists of three payment levels as follows:

Level 1 Basic Safety Net Equivalent approx to current Newstart or could be less.

All jobless not registered with JN or DEN as looking for work. If these people do not wish to work then they should be left alone and it will save the country millions. Level 1 could also include genuine people who wish to stay at home to raise their children thus saving child-care costs and untold other social costs in the long run.

If it is not politically acceptable to leave these people alone then a Mutual Obligation of some sort such as volunteering with non profit organisations and/or special community projects through councils could be introduced. Present work for dole doesn't seem to be cost effective to me. Any mutual obligation would have to be organised by Centrelink. Exemption to MO would be sickness (medical certificate) and caring for children under school age or the elderly or disabled.

Level 2 Looking for work incentive. Equivalent to current DSP or thereabouts.

Recipients must be registered as a jobseeker with JN or Den and will include people with a mild disability or injury or impermanent disability. Only criteria for payment is willingness to work. No constant health assessments necessary as now. This will save much money and take the load of overworked doctors.

Level 3 Incentive to stay at work or unable to work at all due to permanent or major disability and could be slightly above current DSP.

JN and Den registered participants that are working move to this level but have their payment reduced pro rata as now by reporting their work income to Centrelink. If their job is lost they immediately return to Level 2.

All people medically assessed as absolutely unable to work due to permanent or major disability or certified blind would be on level 3.

SIMPLIFIED DEN FUNDING SYSTEM

JN funding could be similarly modified to include intensive assistance as a second level of funding as for DEN below.

DEN needs to be uncapped to reflect community need.

2 Levels of fees with sub levels of jobseeker and worker invoiced to Dept. monthly on EA 3000 and paid every month.

No DPI or DMI are necessary with this system thus saving many hours of administration.

Level 1 Jobseeker level for all registered jobseekers looking for work except for those on Level 2 and could be an amount based on the average worked out from current CBF fees covering all 4 current levels but not including those on new level 2 below. Thereafter indexed as required.

Level 1 Maintenance after 26 week outcome based upon average experienced on current CBF.

Level 2 Jobseeker all clients with primary disabilities in the following categories. Acquired Brain Injury, Psychiatric, Intellectual, Autism Spectrum Disorders incl. Aspergers Syndrome, and Certified Blind.

Level 2 Maintenance Based upon current average needs of the client group.

Client gets job and outcome payments are invoiced as at present for 4, 13 and 26 weeks although the amount would have to be about half the current payment.

After 26 week outcome client goes to Maintenance level and drops again to jobseeker level with loss of job. Job search is resumed and another job found with no time limit as at present when a new job is started outcome payments are again paid. All new jobs attract outcome payments therefore the amount would have to be less than at present.

If after 3 years of job search and a job has not been found for a client because of inability on the part of the client (not the provider) they may have to be placed on level 3 benefit as unfit for work

OTHER MONEY SAVING AND TIME SAVING IDEAS FOR DEN

Remove the need for **internal audits** and allow the external auditors to point out weaknesses to be addressed. It is possible to update procedures along the way without the need for the time consuming exercise of an internal audit.

Remove from DEN program any failure reporting monitoring or micro control such as appointment on line, which is proving to be inefficient time consuming and frustrating for staff.

Recognise that DEN staff have an ethic based in the **Disability Service Standards** which puts the welfare of clients ahead of other considerations and there is sentiment in this office that the current department under which we operate does not care very much about these standards. A department with a caring and disability focus may be more appropriate. A department under which we operate should take great care that it's systems and procedures and the way it treats our clients is based upon the Disability Service Standards. We think that, in recent years the spirit of the standards has been overlooked in pursuit of other agendas.

JCA's to go altogether as a waste of tax payers money. The system may seem a logical way to stream clients but in reality creates many seeming insoluble problems and must be very expensive. We have observed a great deal of inconsistency between assessors with inappropriate results.

Star Ratings should not be used to determine the fate of a service but may in their current form be an expensive though useful guide to improvement. Maybe they could be replaced with a benchmarking system. If a service is found adequate over a contract a new contract would be awarded on that basis. Small organisations no matter how good they are at their job may have trouble with submitting tenders. Contracts should be awarded on the basis of past performance and not on the ability to write a competitive tender. Tenders of course will be necessary for new service outlets. It must be remembered the nature of many DEN clients who have intellectual and emotional problems and who's condition predisposes them to stress under changing conditions. Change of provider is a severe form of stress for some people should a provider that has a proven record over time lose its contract due to govt. policy. Another consideration also is the contact with special employers that have been willing to employ people with a disability. Years of patient work with these employers would be lost simply because a service could not produce as good a tender as some other large organisation with more resources.

Training. Case based funding for training. Special payments invoiced on line for training purchased on behalf of a client for recognised vocational training. A cap may have to be placed on these payments.

There is a lack of training opportunities in country areas even though we have a TAFE college. There seems to be lack of appropriate courses and when they are available the courses are poorly run. **We need much improved training facilities.**

Perhaps we could be given special funding to provide our own courses such as Lit Num and life skills training which many of our clients desperately need. Employing qualified staff for training is expensive so we are only able to provide a small amount of this out of our present funding.

Hope our ideas are helpful

Yours faithfully

Les Baldwin

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