

How Employment Services Can Be Improved

Preamble

Disability Services Australia (DSA) welcomes the opportunity to provide The Hon Brendan O'Connor MP Minister for Employment Participation our views on how employment services can be improved.

DSA has been providing employment services to people with a disability for over 50 years. Currently DSA operates both *Capped* and *Uncapped* Disability Employment Network (DEN) services across the Sydney Metropolitan Labour Market Region. Trading as 121 Employment since 1994, DSA has a contracted capacity of 338 places in the *Capped* program and 18 percent market share in the *Uncapped* program in the Eastern Suburbs Employment Service Area (ESA). 121 Employment targets people who have a mental health issue and currently over 65 percent of all clients have a mental illness.

Job Capacity Assessment (JCA) process

DSA believes that separating the assessment process for referral to an employment service and conducting a review of DSP eligibility would immediately have a positive impact on the number of current DSP recipients volunteering to seek work.

Utilising the *Service Provider Pathway* prior to the reform that co joined the two assessment processes DSA enjoyed an almost 100 percent conversion rate from volunteer applicant to job seeker. Post the reform implementation, DSA monitored volunteer applicant data from 1 Feb '07 to 31 May '07. The following statistics indicate the impact of this reform:

- Total Volunteer DSP applicants: 42
- Agreed to proceed after being informed that JCA invokes DSP re-assessment: 14
 - Of these -
 - Proceeded with JCA process: 14
- Did not agree to proceed after being informed that JCA invokes DSP re-assessment: 28
 - Of these –
 - Elected to try Supported Employment (Business Services): 3
 - Elected to do nothing: 25

Recommendation: Immediately remove the requirement to conduct a review of the DSP from the JCA process for volunteer job seekers.

Employment In Jeopardy

Employment in Jeopardy (EIJ) guidelines allow for people with a disability to rapidly connect with a DEN provider to assist preserve the person's employment. In many instances however the best outcome for that person will be for the DEN provider to move them to a more appropriate job. Unfortunately this triggers a JCA assessment and the DEN provider is unable to work with the individual until they are referred back through either the *Capped* or *Uncapped* program.

Recommendation: Immediately remove the requirement for people with a disability utilising EIJ from requiring a JCA on loss of job.

Work First approach

The current Welfare to Work reform utilises a *work first* approach i.e. where a mutual obligation exists the job seeker is required to reasonably accept any job offered to them. The funding system does not provide for assistance to that person to then advance their career. For many people with a disability they will enter the workforce at entry level, often under part-time work arrangements, yet to increase hours or progress in their career they will require considerable additional assistance from their DEN provider. Under current funding arrangements this is generally not possible.

Recommendation: The Commonwealth adopt an aspirational approach for the design of DEN programs that facilitates and rewards career progression (and reduces dependency over time on welfare payments).

People with a disability are severely under-represented in Vocational Education Training (VET). The current funding system for DEN providers does not allow for secondary outcome payments for training. VET employment outcome payments to providers i.e. for successful apprenticeship and traineeship placements do not reflect the relative support needs of the job seeker i.e. the payment is one size fits all.

Recommendation: The DEN Case Based Funding (CBF) system should be amended to include payments to DEN providers for secondary employment training outcomes.

Recommendation: Payment loadings for apprenticeship and traineeship outcomes should be linked to the level of funding received by the DEN provider for that job seeker

The Capped program

Many people currently on the DSP would like to work, however the program is currently capped under contracted capacity arrangements. DSA's long experience in assisting people with a disability to obtain work indicates that where a person volunteers to work there is a high correlation with an employment outcome compared to those who are not volunteers. Anecdotal reports from DSA staff indicate the only difference in the characteristics of job seekers currently accessing the *Capped* (volunteer) and *Uncapped* (mutual obligation) programs is that in the latter people generally do not want to be there.

Recommendation: Immediately uncapped the Capped program to allow all people with a disability who volunteer to work access to a suitable DEN provider

Red tape

Currently as high as 45 percent¹ of an Employment Consultants time can be utilised in administrative tasks in order to fulfil DEEWR compliance requirements. Much of this time is spent in evidence collection for the Disability Pre-employment Instrument (DPI) and the Disability Maintenance Instrument (DMI).

Recommendation: Abolish the DMI and make payments for Employment Maintenance Assistance a cost neutral percentage of the DPI assessed level of funding.

On an annual basis DEN providers undergo audits from third party independent assessors for compliance against the Disability Services Standards (DSC Certification) as well as compliance monitoring visits from DEEWR

¹ DSA timesheet data

Recommendation: Integrate DEEWR monitoring requirements into the Disability Service Standards Certification process (could be a KPI under Standard 8 - a standard on service management). This would provide a cost and time saving to both DEEWR and DEN providers whilst ensuring accountability to the Commonwealth.

There are currently hundreds of pages of program procedures, guidelines and instructions that govern how DEN providers operate. All of these documents are constantly changing and DEN providers spend considerable time tracking changes and implementing them.

Recommendation: Simplify procedures into just one document and release changes (with an executive summary) at designated intervals e.g. 6 months.

Business Services and DEN

With the machinery of Government decision to separate the administration of the DEN program from FHCSIA to DEEWR, the opportunity for people with a disability working in FHCSIA funded Business Service to be actively engaged with a DEN and for both services to receive funding at the same time was lost. In practice, a person with a disability now has to quit their job within a Business Service and become unemployed in order to seek employment within the open labour market. Not surprisingly this constitutes a significant disincentive and cross-referrals from Business Services to DEN's (whilst historically low) have now virtually ceased to exist.

Recommendation: Change administrative guidelines to allow for a person with a disability to attract DEN Employment Assistance funding whilst still an active funded worker in a Business Service. The change to the guidelines should also provide for rapid re-connect with the Business Service utilising "Stretch Capacity" where required in the event that employment in the open labour market fails.

Engaging people with a mental illness or who are from an ATSI background

In practice payments to a DEN provider cease after 6 weeks until the Disability Pre-employment Instrument (DPI) and an Employment Assistance Plan (EAP) are completed. For many people with a mental illness or who are from an ATSI background this time frame is far too short for effective engagement or accurate assessment of the job seekers barriers to employment. The DEN provider is left with the choice of rushing the job seeker (and risking not accurately assessing barriers) or foregoing ongoing payments until proper assessment can be completed. Rushing the job seeker can also result in disengagement and evidence suggests there is a high churn rate in DENS from Intake to DPI.

Recommendation: Allow for ongoing assessment payments under CBF for services working with people with a mental illness or who are from an ATSI background

Procurement Procedures

The Disability Employment Network is a mature program with service history in many cases dating back to 1986. Even the youngest services have been in operation for well over a decade. During this time there have been many iterations of performance management for both the quantitative and qualitative outcomes achieved by DEN providers. No other employment service type on average has been able to achieve the same rate of employment outcome for people with a disability as DEN members.

As a longitudinal program DEN members have in many cases established continuous relationships with discreet workers and employers that have existed for well over a decade - relationships that would be difficult to preserve during business reallocation.

DSA believes therefore it is not in the best interests of people with a disability to base procurement decisions on a STAR rating model being applied as a relative measure where an arbitrary STAR rating is chosen as the “cut-off” for an invitation to treat at contract renewal.

Recommendation: In consultation with peak bodies DEEWR should establish acceptable minimum benchmarks of raw performance required for an invitation to treat. Those DEN providers operating below the agreed benchmark should be required to show cause why they should not have to re-tender for their business before any RFT process is undertaken.

High cost job seekers and workers

Prior to the introduction of Cased Based Funding (CBF) it was possible for a DEN provider using a “swings and roundabouts” approach on average funding to place and maintain job seekers with very high support needs into employment. The current CBF arrangements that utilise a relative support need funding approach effectively caps the maximum amount able to be utilised per job seeker precluding service entry to people with high support needs who may otherwise choose to attempt work in the open labour market.

Recommendation: The Case Based Funding model should be amended to allow for approval on a case by case basis for funding top ups for job seekers and workers with high support needs.

For further information or clarification on any point please contact:

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