

JOBMATCH



EMPLOYMENT AGENCY

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22nd January 2008

The Hon Brendan O'Connor
Minister for Employment Participation

Dear Minister,

This response relates only to people with a disability and from the perspective of a DEN provider.

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

The biggest hindrance to early intervention for people wishing to access a DEN service is the restriction through the cap on our program. Previously, under a block grant system, agencies could assist as many clients as they wished. The new case based system is far more equitable and more appropriate in the delivery of an individual service. The placing of a cap on the program however restricts access to people in need. When one considers the unused places and the capacity of DEN providers to expand their service at minimal cost, the removing of the cap would not be an expensive process. The moral aspect of denying a service to the people most in need also needs to be considered. If you are unemployed without a disability you are guaranteed immediate entry into a Job Network Program. Under the current system if you have a disability and need the service of a DEN you need to wait until a position becomes available. The removal of this cap would be the most effective way of minimizing long term dependency, as all research indicates the quicker the person is engaged the higher their probability of finding employment.

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

The transfer of the DEN program from FaCS to DEWR was a significant cultural change for both DEN providers and DEWR staff. From the DEN perspective, agencies needed to be more outcome focused. This has certainly happened and the performance of the DEN sector continues to improve. From DEWR's point of view, staff needed to be aware of the major differences between DEN and Job Network. At this stage the lessons being learnt by DEWR still appear to be at a snail's pace. The continual turn-over of staff, in all DEWR areas, necessitates



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DEN providers continually re-educating DEWR into why disability employment is different. There seems to be an underlying belief from DEWR that, when a person with a disability gets a job, their disability disappears and they can become totally independent.

Designing a program to suit the circumstances of the client is far more difficult for people with a disability. Things that work in Job Network may not work in DEN. To DEWR's credit they did listen when the Next Steps consultations were held. The continual push for a flow through model from DEWR is not in the best interests of many people with a disability. **Meaningful** consultation with providers will educate Government into the most effective way to provide services that are relevant to the circumstances and needs of people with a disability seeking employment.

3. Job seekers with higher levels of disadvantage receive intensive assistance.

There are two main inhibitors to people with the greatest disability obtaining a place with an appropriate service. The first is the cap on the DEN program as highlighted previously. The second is an issue that providers have highlighted to DEWR and Government. Under the current system people with a disability and a work capacity of 8 hours or more are referred to a DEN program. If a person with a disability has a judged work capacity of 0-7 hours they are ineligible for a DEN program. They are however referred to the Job Network System for assistance. When one considers a Job Network provider would never obtain an outcome for this person, it is understandable that they receive little or no assistance from their Job Network provider. Deeming a person as unemployable and refusing them access to the most appropriate service is surely against all of the aims of Government. Allowing people with a Job Capacity Assessment of 0-7 hours to be referred to a DEN Capped Program is surely more appropriate. The DEN provider could then work with the client in the hope of increasing their work capacity to 8 or more hours. It must be more appropriate to allow people to attempt employment with the most relevant assistance available.

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

Many people with a disability can access generic training and improve their skills through this training. The incentives for obtaining employment in apprenticeship areas through DEN encourages providers to seek these avenues. There are many people however for whom generic training is not appropriate. People with an intellectual disability, for example, have tried for many years with the generic training approach at school with limited success.



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My suggestion would be to provide employers with training incentives for people with a disability in their workforce. These incentives could be used to purchase generic training where appropriate or alternatively provide additional on-the-job training for people who find this the best option. Wage incentives for people with a disability need to be increased, as in many cases it takes a person with a disability much longer to reach accepted productivity rates.

5. Job seekers receive appropriate training.

Comments for the previous item also relate to this item.

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

For many years under the FaCS realm job outcomes were important but did not attract the scrutiny it does under DEWR. My belief is that FaCS should have paid more emphasis on outcomes but the way DEWR monitor outcomes takes the pendulum too far. DEWR tend to micro manage every organisation and this increases significantly the administration and reduces the time agencies can spend with clients gaining and maintaining employment. A system where the hours of employment and the wages need to be verified and documented each and every fortnight is not effective. When one considers that this information must be provided by the client to Centrelink surely having it also provided by the agency is a waste of resources. A competitive system such as the STARS is proven to improve performance. Our program is significantly different from Job Network. For many of our clients and employers they rely on our ongoing support and from the knowledge that the support will always be there. A role over system, as used in the Job Network, where by 30% of providers are replaced every contract will significantly undermine the confidence of clients and employers in our program. Measuring performance needs to happen on an ongoing basis. The consequences, however, of being in the bottom 30% of a competitive market needs to be closely considered. In a competitive market place with performance results issued publicly clients will choose the better performing service. Uncapping the program and allowing clients the choice of service will monitor and reward the better performers. The STARS system measures performance and provided it is closely monitored and adjusted where necessary it could become an appropriate measurement tool. It is not appropriate to de-fund organisations and deny clients and employers the ongoing support they expect and deserve.



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7. The minimization of time and money spent on administration.

The biggest impediments to effective service delivery are issues associated with Job Capacity Assessments. For all clients on DSP the whole JCA process is a significant inconvenience and generally serves no useful purpose. People on DSP have already been assessed as having at least a 20% disability and no prospect of unsupported work for the next 2 years. The assessment process reevaluates their work capacity through a 30-45 minutes interview. If someone volunteers for work they risk the loss of their pension through this short interview and for this reason many clients are not volunteering. Currently DEN providers are permitted to register and commence work with special school leavers by ticking a box in the EA3000 system. An immediate solution to the DSP problem is to allow for DSP recipients to also be direct registered with DEN providers. Should a person on DSP subsequently find unsupported work of more than their allowable limits on DSP then they will lose their pension anyhow. Surely a fairer system is to give a person a chance and let them perform on the work site and then judge their capacity through performance. In the judicial system you are innocent until proven guilty, if you are on DSP and looking for work you may be judged to be guilty and then need to prove your innocence. A simple direction from the Minister that all people on DSP can direct register with DEN's by ticking the special school leaver box would fix this problem immediately.

I hope these comments are of assistance and please do not hesitate to contact me if any of these points need clarification or if additional detail is required.

Thank you for the opportunity of giving the perspective of a DEN provider.

Yours sincerely

Garry Davison
Manager



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